ANNUAL REPORT 2021

biotalys
reinventing food protection

We transform food protection with unique protein-based biocontrol solutions, shaping the future of sustainable and safe food supply.

Introduction

Dear shareholders,

This document contains the consolidated annual report (the “Consolidated Report”) of Biotalys NV (the “Company”) and its subsidiary, Biotalys Inc. (together referred to as the “Group” or “Biotalys”) drafted in accordance with article 3:32 of the Belgian Code on Companies and Associations (the “BCCA”) in respect of the accounting year ended 31 December 2021. This document also contains the statutory report of the Company in accordance with article 3:6 BCCA (see part “Financial Statements” – chapter “Statutory Report of Biotalys NV in respect of the accounting year 2021 in accordance with article 3:6 of the Belgian Code on Companies and Associations”). The Consolidated Report covers the entire document except for the chapter dedicated to the statutory report. Both reports have been approved by the board of directors of the Company and are dated 10 March 2022.

The annual reports contain all required information as per the BCCA. The annual reports have been prepared in Dutch and a translation in English is also available. Only the Dutch version is binding, in case of a conflict between the Dutch and English version, the Dutch version will prevail.

An electronic version of the annual reports is available at https://www.biotalys.com/investors/financial-information.

Forward-looking statements

The annual reports contain “forward-looking statements” within the meaning of the securities laws of certain jurisdictions, 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 the annual reports. Forward-looking statements include statements regarding the Company’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 it operates. In particular, certain statements are made in the annual reports regarding the Company’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. Investors should not place undue reliance on these forward-looking statements. Any forward-looking statements are made only as of the day of the annual reports and the Company does not intend, and does not assume any obligation, to update forward-looking statements set forth in the annual reports, unless required by law.

Many factors may cause the results of operations, financial condition, liquidity and the development of the industries in which the Company competes to differ materially from those expressed or implied by the forward-looking statements contained in the annual reports. These risks described under part “Legal and Financial Information” – chapter “Description of the principal risks associated with the activities of the Company” are not exhaustive. New risks can emerge from time to time, and it is not possible for the Company to predict all such risks, nor can it assess the impact of all such risks on the 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.

Reinventing food protection

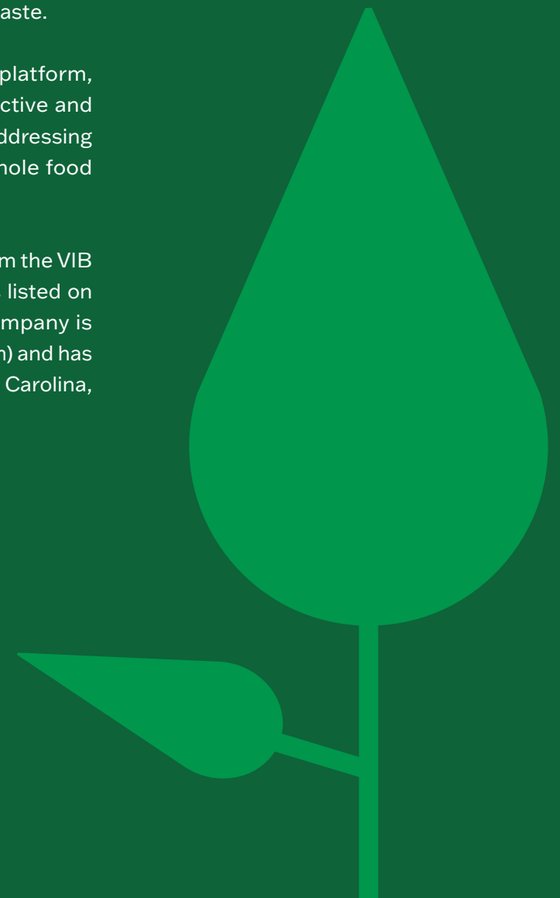
We transform food protection with our unique protein-based biocontrol solutions, shaping the future of sustainable and safe food supply.

Our products are developed to offer farmers reliable and cost-effective tools to prevent crop loss while extending post-harvest protection and reducing food waste.

Based on our groundbreaking technology platform, we are developing a unique pipeline of effective and safe products with novel modes of action, addressing key crop pests and diseases across the whole food value chain.

Biotalys was founded in 2013 as a spin-off from the VIB (Flanders Institute for Biotechnology) and is listed on Euronext Brussels since July 2021. The Company is based in the biotech cluster in Ghent (Belgium) and has a subsidiary in Research Triangle Park (North Carolina, United States).

**SAFER FOOD,
BETTER PLANET.**



A clear strategy to create sustainable value

MASTER

We aim to become a leader within the biocontrol solution space with our unique protein-based biocontrol platform for Food and Ag applications with a strong IP and technology position.

PARTNER

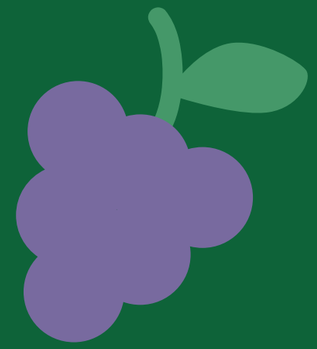
We will engage in selective partnerships with major Food and Ag players to deploy and validate technology beyond internal programs.

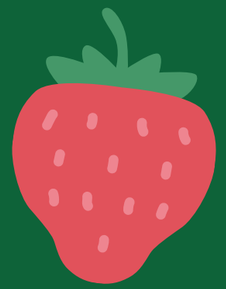
COMPETE

It is our ambition to bring our pipeline to the market, leveraging cost-effective go-to-market partnerships to create exclusive positions in different geographies.

EXPAND

We want to expand the AGROBODY™ application ranges across new markets and new geographies fostering resilience.





Based in the Ghent biotech cluster

HQ and laboratories in Ghent, Belgium, with a key subsidiary in RTP, North Carolina, U.S.

Spin-off from the VIB

Company established in 2013 as a spin-off from the Flanders Institute for Biotechnology.

Highly qualified team

75 team members from 11 nationalities.

Listed on Euronext Brussels

Successful IPO raised €52.8 million in 2021 with support from local and international retail and institutional investors.

Key facts

AGROBODY Foundry™

Proprietary technology platform built to develop unique protein-based biocontrol solutions for growers worldwide.

Versatile product pipeline

Broad and diversified pipeline of seven product programs in biofungicides, bio-insecticides and biobactericides.

Significant market potential

Addressable market potential of $ 4.8 billion through the various product programs.

First product Evoca™

Biotalys' first biofungicide, submitted for registration to regulatory authorities and expected to enter the U.S. market in the second half of 2022.

Strong patent portfolio

Strong IP position with 19 patent families related to the AGROBODY™ technology and pipeline.

> “Our expertise and know-how allow us not only to generate multiple product candidates but also to realize our ambition to manufacture them cost-effectively at scale.”
>
> — Simon Moroney, Chairman

Favorable winds for reshaping food and crop protection

Dear shareholder,

This has been a transformative year for Biotalys. In 2021 we became a public company, putting us firmly on the map in the global food and crop protection market. For the first time we showed our strengths to the worldwide investor and AgTech community. Our listing on Euronext Brussels raised our profile and revealed our technology’s potential.

We enjoy favorable winds. Authorities globally are adopting policies to reduce chemical pesticides in food production and protect the ecosystem. We need to produce safer, healthier food for our people and our planet. This creates an immense opportunity to reshape the field of food and crop protection toward much more eco-friendly products. As an early player in this field, Biotalys can be central to that transformation.

Good performance, exciting breakthrough

Our first product, Evoca™, is positioned to give growers in the U.S. and European markets an excellent biological alternative to chemical biofungicides for high-value crops. The 2021 independent field trials provided strong evidence that Evoca rivals conventional products when used in integrated pest management programs for strawberries and grapes.

Most recently, our outstanding R&D team achieved a dramatic increase in production yield of Evoca, thereby increasing its commercial potential. We anticipate that this success will also translate into higher yields and lower cost-of-goods for the other product candidates in our portfolio.

Roadmap to transform food and crop protection

Our proprietary AGROBODY Foundry™ platform, bringing together innovative technologies to develop protein-based biocontrols, provides a clear path to novel products. Our expertise and know-how allow us not only to generate multiple product candidates but also to realize our ambition to manufacture them cost-effectively at scale. We are now applying this technology with the aim of delivering a stream of biological crop protection agents to the market in the years to come.

A key goal now is to raise the Company's visibility in the industry through partnerships, outreach to stakeholders and new investors, and showcasing of our product portfolio. The major agreements we signed this past year have already caught the attention of the community and investors. The Bill & Melinda Gates Foundation awarded us a multi-year grant to leverage our technology platform for smallholder farmers, and Biobest became our strategic commercial partner to develop and distribute the first products in our portfolio.

On the radar

These partnerships and other 2021 highlights, including the opening of our new HQ and state-of-the-art labs, the successful IPO, strong field trial results, and advances in manufacturing and formulating our products, show that Biotalys is indeed on the right track.

The competencies, drive, and know-how of our entire team underpin our ambition and future growth. The broad industry-specific experience of the members of the Board of Directors guides Biotalys and its skilled management team on this path.

Biotalys is now on the global AgTech radar and is here to stay. Our AGROBODY Foundry technology platform will power our future success. It puts us in a unique market position, primed to transform food and crop protection and be a true game-changer for agriculture.

Simon Moroney
Chairman of the Board of Directors

2021 Milestones

JANUARY

New headquarters and state-of-the-art laboratories

In January, we moved to new corporate head-quarters with state-of-the-art laboratories in the biotech cluster in Ghent. The move marks a significant step for our company's future growth. Flemish agriculture minister Hilde Crevits officially inaugurated our new premises in September with an opening ceremony attended by our global executives and employees, media and stakeholders.

FEBRUARY

R&D digital backbone streamlined

Biotalys chose Genedata, a leading provider of enterprise software solutions for biologics R&D, to support its R&D efforts and further build the AGROBODY Foundry™ technology platform to generate protein-based solutions to protect crops against plant pests and diseases. Genedata serves as Biotalys' central digital backbone to increase R&D efficiency and drive data-based decision-making.

MARCH

Product registration submission to regulatory authorities

In March, we filed the registration dossier for the active substance of Evoca™ to the European Food Safety Authority (EFSA) and the Dutch Board for the Authorisation of Plant Protection Products and Biocides (Ctgb) – the Member State rapporteur in the European Union. This filing followed our earlier submission to the Environmental Protection Agency (EPA) in the United States in December 2020, and was followed by a filing to the Californian authorities in April 2021. We expect to receive EPA approval in the second half of 2022.

APRIL



Strengthened Board of Directors

This past year we strengthened our Board of Directors with high-profile members who bring years of experience in life sciences, agriculture, finance and capital markets.

Simon Moroney, a renowned leader in the global life sciences industry, was appointed Chairman of the Board in April. He brings over 30 years of leadership and research experience to the Board. Catherine Moukheibir, appointed to the Board in June, has a wealth of experience in finance, capital markets and life sciences. She chairs our audit committee. In July we appointed Markus Heldt as Non-Executive Director. He is a seasoned agricultural industry leader with a strong global network and in-depth knowledge of the agricultural value chains.

JUNE

Comprehensive field trial program with Evoca™

Our comprehensive global field and greenhouse trial program, has reached over 500 trials across multiple regions, patho-gens, and crops, and demonstrated the strong potential of Evoca. Besides confirming its efficacy, the results offer insight into Evoca's best-in-class product formulation, combining conventional chemical-like performance and consistency with the safety profile of biological controls when used in Integrated Pest Management (IPM) programs.

JULY

Successful IPO on Euronext Brussels

Biotalys completed its Initial Public Offering (IPO) on Euronext Brussels in July. The Company raised €52.8 million with both local and international retail and institu-tional investors.

SEPTEMBER

Appointment of Chief Business Officer Patrick McDonnell

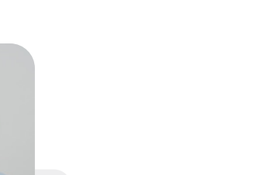
Patrick McDonnell strengthened our Executive Committee as Chief Business Officer. He brings more than 30 years of experience in sourcing and implementing innovative solutions to agriculture within legacy companies of BASF, Bayer and Syngenta.

DECEMBER

Partnership with Biobest

Our company entered into a strategic and long-term partnership with Biobest, a global leader in biocontrol and pollination in covered crops reaching growers in over 65 countries. The partnership aims to expand the reach of our novel biocontrol solutions.

Biobest will have access to five protein-based biocontrol solutions developed by Biotalys on its AGROBODY Foundry platform. Biobest will also distribute Biotalys' first biofungicide Evoca in the United States for all crops and applications starting in the second half of 2022 (pending regulatory approval).



OCTOBER

Multi-year grant

The Bill & Melinda Gates Foundation awarded us a multi-year grant of close to USD 6 million to develop new biological solutions for cowpeas and other legumes, important subsistence crops for millions of smallholder farmers worldwide.

NOVEMBER

Evoca™ shines in U.S. independent field trials

Evoca performed strongly in independent efficacy field trials conducted by a number of highly reputed public institutes in the United States. Evoca consistently rivaled established market leaders when used in integrated pest management (IPM) programs, and proved it can be an excellent new tool for growers as a rotation partner for strawberries and grapes.

Company Highlights and Activities

001

Shaping the future of sustainable and safe food supply

Global food supply challenges

A growing world population and global warming are creating challenges for societies worldwide. More sustainable agriculture and biological alternatives to protect food and crops are an inescapable necessity.

Climate change is on top of the world's agenda

Now more than ever, climate change is a worldwide priority for policy makers, industry stakeholders and society. Slashing emissions to reach global net zero by mid-century was a key goal of the 2021 COP26 international summit. With the climate already changing and projected to continue doing so with devastating effects, COP26 also highlighted the universal need to adapt to protect communities. Agriculture plays a crucial part in avoiding loss of both livelihoods and lives.[1] Demand is high for sustainable agriculture with low environmental impact, a focus on protecting biodiversity, and curbing of chemical pesticides.

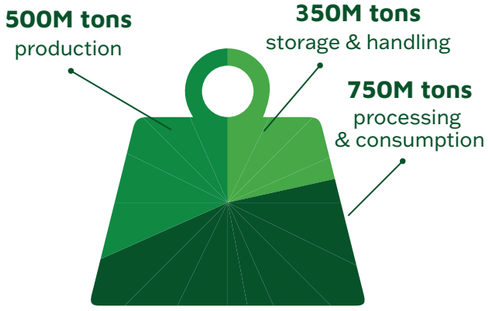
With food production already representing 26% of global greenhouse gas emissions[2] and the world's population rapidly growing, agriculture requires breakthrough innovations to reduce its environmental and societal impact while improving food safety and quality.

Global food loss and waste

Our planet faces a multitude of threats to longevity. Making matters more concerning, our population is expected to need over 50% more food by 2050, which would require more farmland amounting to nearly twice the size of India and cause a 275% above-target contribution to agriculture's greenhouse gas emissions[3]. Yet in the midst of this population explosion, an estimated 30% of all food produced still goes to waste along the food value chain.

The food loss is so dramatic that official agencies are throwing all available resources into halting it. In its Sustainable Development Goals[4], the United Nations targets cutting per capita global food waste in half at the retail and consumer levels and reducing food losses in production and supply chains, including post-harvest, by 2030. This ambitious timetable underscores the global urgency of the food waste issue.

The European Commission committed to this UN target in its "Farm to Fork Strategy."[5] It pledged to set a baseline and proposed legally binding targets to reduce food loss and waste across the European Union.



source: The Boston Consulting Group, "Tackling the 1.6b ton food loss and waste crisis", 2018

However, about half of food losses happens during production (in the field) and the first steps of handling and storing (post-harvest), before the food is processed or reaches consumers.[6] For fresh produce such as fruits and vegetables, the proportion is even higher. A broad range of pesticides is being employed in the production, storage, and handling of fresh produce to protect it against spoilage (fungal diseases) and insects. But to what end?

The answer is not more chemicals. At Biotalys, we believe it is vital to identify and develop novel and safe food protection technologies that can be applied in innovative and differentiated ways to boost the global food system's efficiency and sustainability while mitigating agriculture's environmental impact. It is time to look to nature for solutions.

Consumers demand safe, healthier, more nutritious food

Consumers are also gaining market power. They are increasingly questioning the use of conventional chemical crop protection products, their potential effect on human health and biodiversity, and their accumulation in the ecosystem.

This concern has spurred them to demand access to healthy and safe food that is free from pesticide residues and produced with minimal impact on the environment. It has also led many large, global food retailers to impose these standards on their supply chains. While these actions hold out the promise of safer alternatives, they also put additional pressure on growers to deliver high-quality/low pesticide food. Luckily, technological advances and innovators like Biotalys are ready to offer new tools and solutions to answer these intensifying consumer demands and mitigate the pressure on growers globally.

Regulatory evolutions

Over the past two decades, many developed countries have acted to lower the risks and hazards caused by conventional chemical pesticides, leading to a sharp rise in their development and registration costs.

The regulatory landscape's evolution is particularly significant in the EU, which has banned or severely limited the use of some highly toxic or endocrine-disrupting pesticides and applied strict regulatory standards to pesticide residues. The European Commission's new "Farm to Fork" strategy to reduce overall use and risk of conventional chemical pesticides by 50% by 2030[7] increases the need for alternative, environmentally responsible, and more efficient solutions and thus favors the accelerated growth of the biocontrol segment.

In the United States, the 1996 Food Quality Protection Act mandated the Environmental Protection Agency (EPA) to retrospectively review all insecticides applying more stringent safety criteria. The EPA's specific fast track regulations created for biocontrol products promote the development of sustainable alternatives to existing chemical pesticides.

50%

Our global population is expected to need over 50% more food by 2050

Patrice Sellès

CEO OF BIOTALYS INTERVIEWED

Nature's new role in food protection – Biotalys biocontrols

With the global food supply and agricultural industry facing increasingly daunting challenges, Biotalys earned recognition this year as a fast-growing AgTech company developing novel biocontrol solutions to help growers worldwide safely overcome primary crop threats – from soil to plate. CEO Patrice Sellès explains how the Company is poised to become a game changer in sustainable and safe food production.

"This past year has been truly transformative for our company," explains Patrice Sellès. Biotalys became a public company in July and filed its first product Evoca™, a biofungicide, for registration in the United States and the European Union. Upon regulatory approval, it will enter the market in the United States in the second half of 2022. "The time was right to step up and show ourselves to the world, for many reasons."

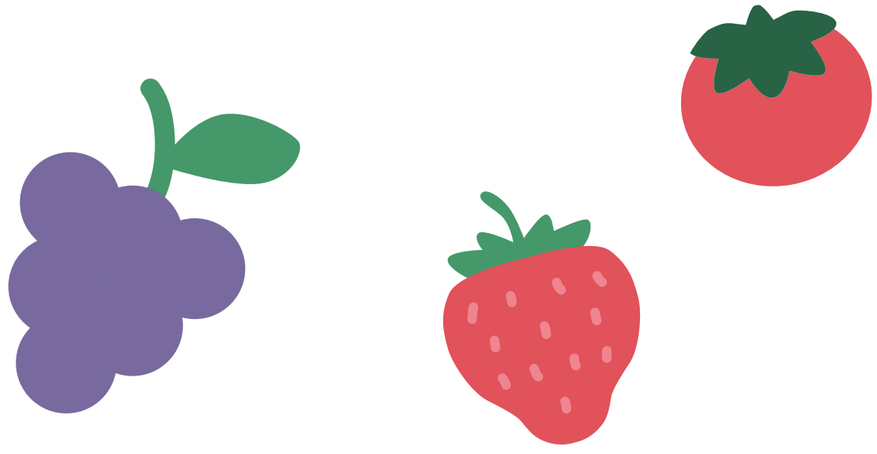
Global food supply threats

There is a clear worldwide need for immediate, dramatic changes to secure our global food supply in the face of global warming and a fast-growing population. At the end of 2021, the COP26 conference brought climate and food and agricultural issues to centerstage. "More than ever, the world can benefit from innovative companies like Biotalys that offer alternative solutions to ensure a sustainable and safe food supply," Sellès notes.

"While we need to produce enough food to feed our planet's population in 2050, we still lose 30% of all food produced along the value chain. Half of the losses happens before and just after crops are harvested – and that is where Biotalys can make the biggest difference with new safe and effective products."

Biotalys solutions aim to help growers prevent crop losses due to pests and diseases and safely strengthen post-harvest protection, while reducing the reliance on chemicals.

> "We still lose 30% of all food produced along the value chain."
>
> — Patrice Sellès, CEO



> "Our products are designed to offer the best of both worlds: the safety of biological pest control combined with performance and efficacy rivaling that of chemical pesticides."
>
> — Patrice Sellès, CEO Biotalys

Demand for environmentally friendly, healthy food

"While protecting our crops, we also need to ensure the safety and health of our soils, groundwater and the ecosystem in general. To do so, we must drastically reduce the number of chemical pesticides used. We need to look to nature to find the best tools to safely protect the global food supply," continues Sellès.

Policy makers and regulators around the world agree that using low-risk biological alternatives (or biocontrols) to control crop pests and diseases can help achieve sustainable agriculture. Reducing the overall use of conventional chemical pesticides is, for instance, an essential part of the Farm to Fork strategy adopted by the European Commission as part of the European Green Deal.

"Consumers are increasingly aware of the health risks of pesticide residues on the fruit and vegetables they eat – leading to higher demand for food products that are free from chemical residues and friendly to the environment. This, in turn, puts farmers worldwide under pressure to retain yield while delivering high-quality, clean products."

"Our company is developing protein-based biocontrols that are biodegradable and thus friendly to soil and the environment. They are also safer to work with for farmers and field workers, and enhance the safety of the food we consume," explains Sellès.

Best of both worlds

Biotalys is paving the way toward a safer, more sustainable Ag ecosystem. The Company is pursuing the ultimate goal in food and crop protection: "Our products are designed to offer the best of both worlds: the safety of biological pest control combined with performance and efficacy rivaling that of chemical pesticides."

By combining the consistent high-performance characteristics of chemicals with the clean safety profile of biologicals, Biotalys products are expected to be ideal for both pre- and post-harvest applications to help protect yields and reduce food waste. The Biotalys proteins – also known as AGROBODY™ bioactives – aim to specifically target pests and diseases, as efficiently as conventional pesticides.

The Company's success undeniably lies in its proprietary AGROBODY Foundry™ platform. "Our powerful platform allows us to rapidly generate multiple iterations of our programs for a range of applications – biofungicides, bio-insecticides and biobactericides. Our platform approach, similar to processes successfully used in big pharma and chemistry, makes us unique in the biocontrol space," explains the CEO.

Leveraging its platform, Biotalys is currently developing a pipeline of seven programs with a combined market potential of 4.8 billion dollars. "Our ambition is to grow our market potential by identifying additional programs of possible interest to us or future partners for specific targets and diseases."

Strong performance with Evoca

Based on exceptional results from independent field trials conducted by highly reputable public institutes in 2021, Biotalys confirmed its first product, Evoca, consistently performed as well as established market leaders when used in Integrated Pest Management (IPM) programs. The biofungicide, which is being prepared for market entry in the United States in the second half of 2022 pending regulatory approval, successfully protected fruit and vegetable crops such as grapes and strawberries against Botrytis and powdery mildew – both of which have the potential to destroy farmers' harvests.

"We continue to develop and test our product candidates in the field, working closely with a number of renowned Contract Research Organizations (CROs). Today we have two teams dedicated to our field trials, one based in our HQ in Ghent working on the European trials and one in California dedicated to the U.S. trials. They are collaborating closely to ensure we can demonstrate how our product candidate performs compared to conventional chemical pesticides and other biocontrol products."

The product has been filed for registration in both the United States and the European Union. "As our candidate products are all based on the same technology, we expect that approval of Evoca in the second half of 2022 will pave the way for further regulatory approvals of following products coming out of our pipeline."

> “Our people are at the heart of our mission and values. They are our true heroes, sometimes wearing lab coats instead of capes.”
>
> — Patrice Sellès, CEO

Commercial milestones on the horizon

“Based on existing production costs, we initially developed Evoca as a market calibration tool for high-value crops like strawberries and grapes to help guide our future commercialization efforts. We planned for the market entry to generate demand and familiarize key growers with the product and the potential of the AGROBODY Foundry, building the foundation to further develop our pipeline.”

“However, early indications show that Evoca has intrinsic potential to become commercially relevant,” adds Sellès. Biotalys recently achieved a breakthrough in the production of the bioactive ingredient for Evoca. “Breaking down traditional cost barriers for biologicals, this proves that the next generation of Evoca, based on the same bioactive, has the potential to become a product of commercial value at competitive efficacy and cost for growers.”

ABOUT PATRICE SELLES

Patrice has over 20 years of experience in the Ag and Food Tech Industry across various countries, including the USA and Switzerland.

Prior to joining Biotalys in July 2019, he held a number of leadership roles at Syngenta, including developing the science and technology strategy as well as deploying a technology acquisition team to establish strategic partnerships and licensing agreements in Crop Protection, Biologicals and Biotechnology.

Prior to that, he was an investment manager at Life Science Partners Bioventures in Cambridge (MA, USA) where he led multiple investment deals in the Food and Ag Tech ecosystem and joined the Board of Directors of three portfolio companies.

Patrice started his career in scientific management roles in various industries bringing chemical ingredients from early stage discovery to development and scale-up. He is a chemical engineer and received his PhD in organic chemistry from the University Pierre et Marie Curie, Paris, France.

“We will not solve all global food and crop protection challenges on our own, of course. But we truly believe we can make an important and lasting contribution in the fight for a safer and more sustainable global food supply,” noted Sellès. “And we seek to collaborate with like-minded partners to increase our contribution and accelerate our development.”

The importance of valuable partners

Scale is a constant challenge for sustainable Ag innovators. The products Biotalys develops are proteins obtained via fermentation, which is a scalable and far more ecofriendly manufacturing system than the production practices of pesticides based on fossil fuels. To prepare to produce Evoca on a large scale, Biotalys solidified a partnership with Olon, a world leader in contract development and manufacturing with expertise in microbial fermentation. In addition, the Company has appointed Austrian-based Kwizda Agro as formulator of its products.

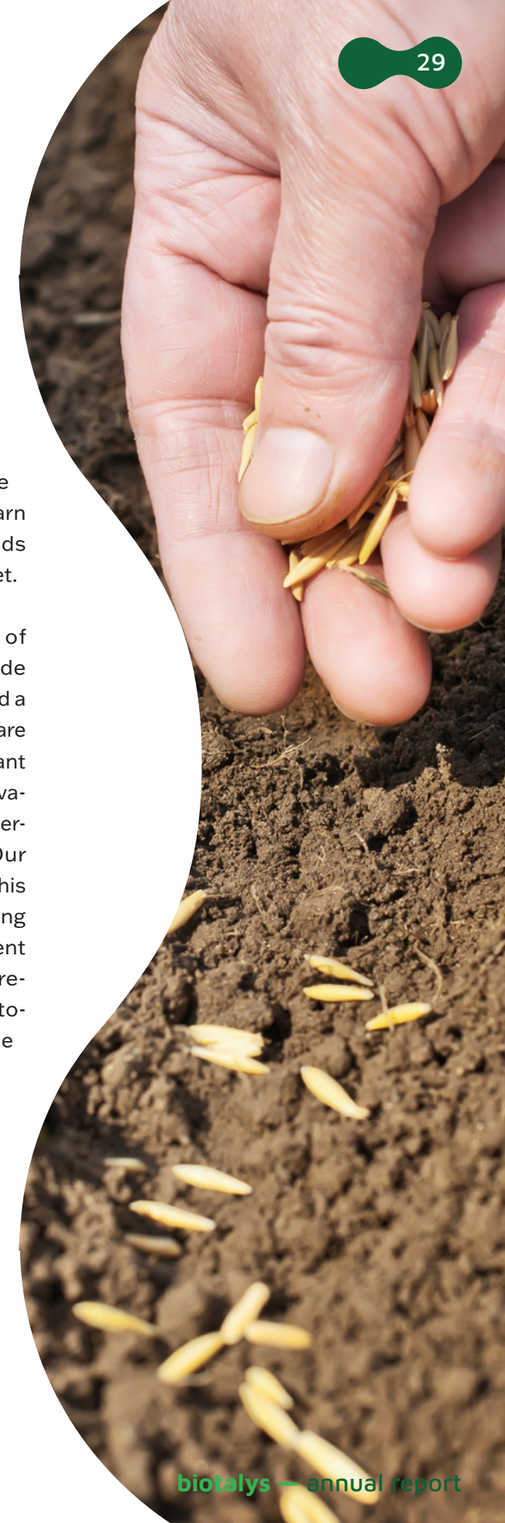
“Our team did a fantastic job in researching the opportunities for manufacturing partners. Olon has a team of extremely credible scientists and the capacity to produce our product at large scale. We achieved the first, important step in upscaling our product and ensuring the sustainable global supply of Evoca,” notes Sellès.

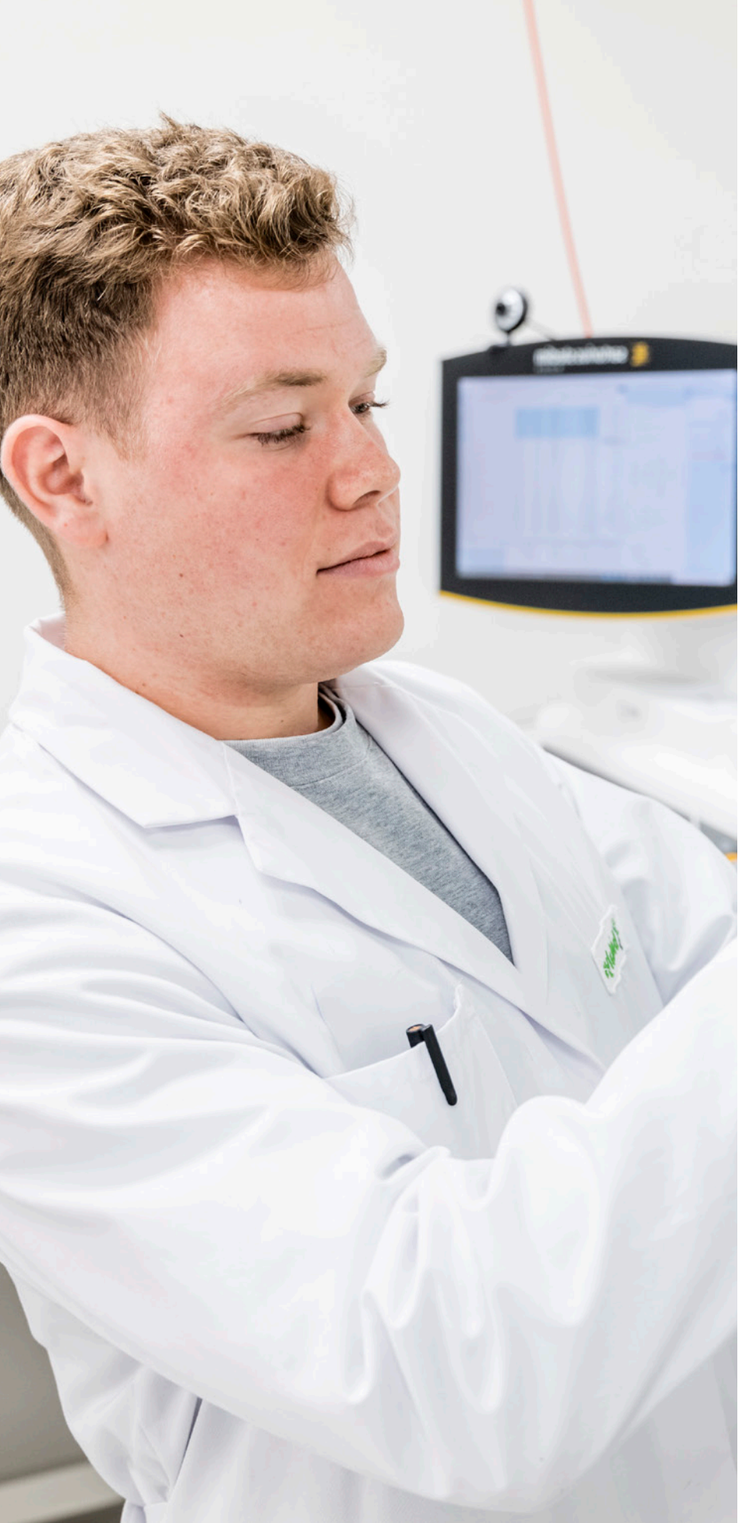
In addition, Biotalys partnered with Biobest, a global leader in biocontrol and pollination in covered crops and berries, to help establish close relationships with farmers to learn how Evoca is used in their fields once it is launched in the market.

“With their track record of supporting growers with a wide range of biocontrol solutions and a presence on all continents, they are very close to the farmers we want to reach. They have a truly innovative approach to farming and understand what growers need. Our missions are similar: to make this planet a better place by creating a more sustainable environment for agriculture. They offer incredible added value for our go-to-market strategy. Finding valuable partners like Biobest is essential in our business,” says Sellès.

Exposure

In 2021, Biotalys not only underwent a transformation, but also had more exposure to the public. “Our listing as a





> “Our recent breakthrough proves that the next generation of Evoca has the potential to become a product of commercial value at competitive efficacy and cost for growers.”
>
> — Patrice Sellès, CEO

public company on Euronext Brussels has of course been the main driver to more visibility for the Company,” explains Sellès.

“It was the right time to go public. We have a pipeline, a proprietary technology platform, a first product entering the market, and a team of very talented people driving our company’s growth. As interest has increased in AgTech and foodtech, we wanted to step up and show ourselves to the world. In addition, the investor community is attaching ever more importance to ESG and impact investing , and that is at the heart of what we do.”

The Company also attracted investor attention by receiving a multi-year grant of close to USD 6 million from the Bill & Melinda Gates Foundation to leverage its technology platform to develop novel biological solutions for cowpeas and other legumes. “From a sustainability perspective, combined with the appreciation for our technology and the visibility of the Bill & Melinda Gates Foundation, this was a true validation of our activities to investors and stakeholders worldwide,” adds Sellès.

“It confirms the value of our dual strategy: to encourage many players in the food and AgTech sector to partner with us and to generate revenues from our technology platform even before we do so from our products. The IPO was just a first step. Now we must make sure everyone realises the long-term potential of Biotalys. This is one of my main goals as CEO for the year to come.”

Heroes in lab coats

Last of all, Patrice Sellès wants to emphasize his profound appreciation for the entire Biotalys team. “When a company goes through a major transition like Biotalys did this past year, it’s crucial to be able to rely on a great team, which I was lucky to have. We have seen a number of changes in our staff to adapt to the new reality of a being a public company on the brink of market entry, and we are still actively recruiting. As we grow, we have a number of exciting positions to be filled.”

“We have amazing people working at Biotalys: from the Board members to the Executive Committee, people supporting our activities in the offices, and of course the scientists and people in the labs. Our people are at the heart of our mission and values. They are our true heroes, just wearing lab coats instead of red capes,” concludes Sellès.

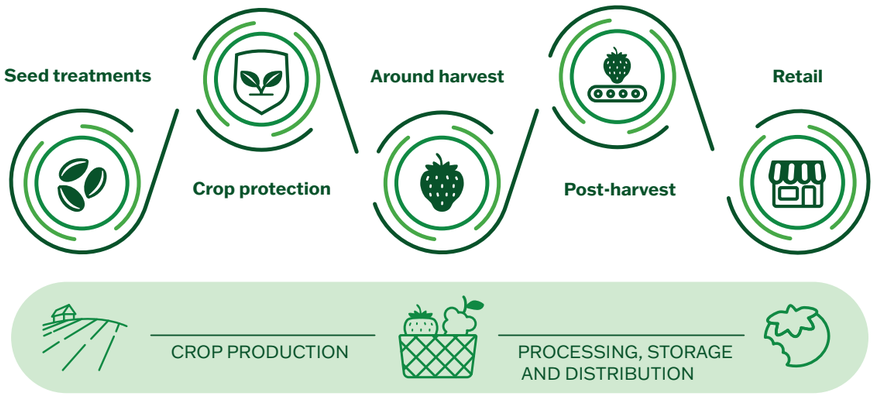
Opportunities in food and crop protection

Protecting food

Food protection helps growers and distributors meet a growing population's demand for food. Any material or mixture that can prevent, destroy, repel, or mitigate a pest can be called a food protection product or pesticide, but they are certainly not all created equal.

While Biotalys has a stake in both pre- and post-harvest protection, the rest of the market is split between protecting crops while they're being produced (treatment of seeds, in the field, pre-harvest) and post-harvest processing and storage (including packaging and handling of fresh or processed food before it reaches retail) (see figure below).

Crop protection is by far the largest market with almost $60 billion in annual sales, with the burgeoning post-harvest segment representing some $1.5 billion. Biotalys believes that novel biocontrol products, alongside regulatory evolution and consumer demand, can further expand the post-harvest protection market opportunities.



Crop protection market consolidation creates opportunities

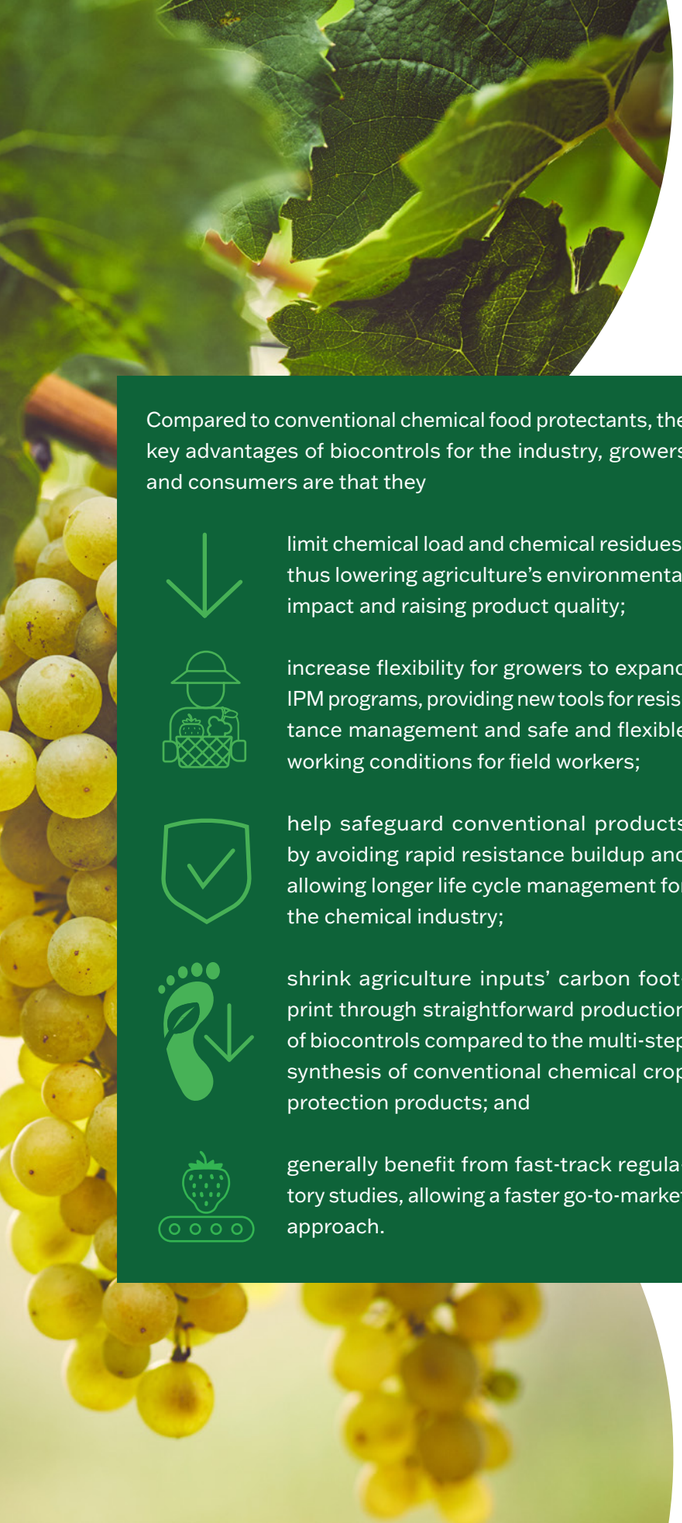
Over the past five years, the industry has increasingly consolidated, with six major global companies having a combined market share of 75%[8]. This lowers the main players' innovation potential: many of the top 10 companies that formerly competed in developing new food protectants are merging their R&D investments, as evident from the number of new conventional chemical pesticide active ingredients registered annually versus biocontrol products.

In addition, with stricter regulation of pesticides and rising consumer demand for more sustainable farming practices, major agricultural technology firms are exploring partnerships with new entrants and new technologies to complement their conventional chemical product range.

The biological food and crop protection market is growing

Over the last decade, consumers demanding healthy and safe food, stricter regulations, and growers' need for flexibility have driven growth in the biological food and crop protection market to over 15% annually, significantly outpacing conventional chemical crop protection.[9]

We expect growers to increasingly incorporate biocontrol products into their farming practices, especially in their Integrated Pest Management (IPM) programs that rotate a variety of crop protection products with different modes of action. This allows optimized diversity of applications and greater flexibility of operations, while substantially lowering the chemical input load. It also yields higher-quality products with less chemical residue, thus better meeting the demands of consumers, retailers and regulators and giving growers sustainable value from their products.



Compared to conventional chemical food protectants, the key advantages of biocontrols for the industry, growers and consumers are that they

- limit chemical load and chemical residues, thus lowering agriculture's environmental impact and raising product quality;
- increase flexibility for growers to expand IPM programs, providing new tools for resistance management and safe and flexible working conditions for field workers;
- help safeguard conventional products by avoiding rapid resistance buildup and allowing longer life cycle management for the chemical industry;
- shrink agriculture inputs' carbon footprint through straightforward production of biocontrols compared to the multi-step synthesis of conventional chemical crop protection products; and
- generally benefit from fast-track regulatory studies, allowing a faster go-to-market approach.

At the same time, in the last decade AgTech digital technology has grown robustly as machine learning algorithms, sensors, and robots become increasingly common in fields worldwide and production grows in complexity. With greater use of data and AI to assist crop production, data-driven decisions by growers will further stimulate alternatives to conventional chemical food protection.[10]

If technology advances spur development of new biological food protection products displaying performance and consistency equal to conventional chemical ones, market growth in the biological sector could accelerate even faster. Biological products also yield efficiency gains for growers, since some conventional chemicals require re-entry intervals of multiple days for treated areas in order to protect humans and animals against poisoning.

Opportunities in post-harvest protection

According to the FAO[11], 14% of all food produced globally is wasted or lost between harvesting and retail sale. For fresh fruits and vegetables, the estimate is 44% lost or wasted (along the full food value chain, including pre-harvest) before reaching the consumer.[12]

Limited conventional chemical or biological solutions are available, so this market segment could greatly benefit from our AGROBODY™ technology to complement current practices safely and sustainably. The use of safe, effective, and eco-friendly products also enhances the potential to boost the value of post-harvest protection in the next decade since these allow new applications in crops. Safety concerns increasingly exert pressure on conventional chemical products as residue from treatments moves closer to the end consumers.

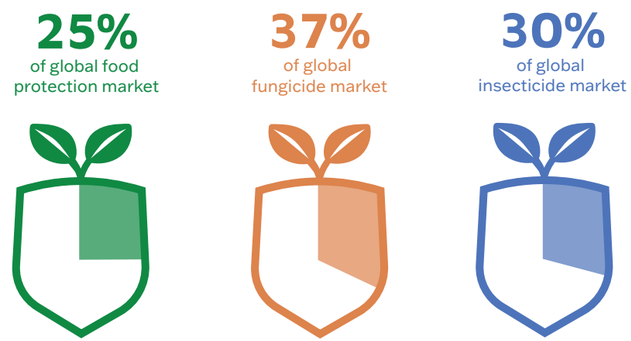
Fruits and vegetables: a main target market

Fruits and vegetables ("F&V"), one of our main targets, account for 25% of the total food protection market and represent 37% of the global market for fungicides and 30% for insecticides.[13]

Given the high value of the crops they protect, products in this segment are priced higher than for row crops. The combined high value and high relevance of F&V make this a critical focus area for innovative companies in crop protection.

F&V will also drive the evolution of sustainable practices in the short to medium term given the industry's close connection to the consumer (compared to commodities like corn or soy, which are largely consumed by animals).

The share of fruit & vegetables in the global food protection market



source: Mordor Intelligence - F&V crop protection market (2020) - https://www.mordorintelligence.com/industry-reports/global-crop-protection-chemicals-pesticides-market-industry

Our goal: to offer transformative solutions

Using our proprietary technology, the AGROBODY Foundry™ Platform, we aim to develop products that help reduce agriculture's environmental footprint, optimize use of natural resources, and give consumers healthy and safe choices.

We are confident that our product candidates will continue to demonstrate a biological-like clean safety profile, due to their intrinsic rapid biodegradability, while providing conventional chemical-like performance and consistency when used as per label recommendation in an IPM program. This addresses a key shortcoming of most biological food protection products that are typically less consistent and effective than conventional chemical ones.[14]

We also believe our proprietary technology platform can identify novel modes of action at competitive costs in an industry where conventional chemical innovation has slowed substantially over the last decade and where biological products do not usually offer a clear and single mode of action.

Finally, we expect to produce our product candidates at scale through fermentation with chemical-like quality control and reach manufacturing efficiency to compete in most food protection markets on the long term.

Our vision and strategy

We aim to completely reinvent food protection to drive a safe, sustainable food supply. As a platform-based biocontrol leader, we are committed to developing our end-to-end capabilities in discovery, development, and commercialization. To fully cultivate the potential of our proprietary AGROBODY Foundry™ platform, we intend to:

Continue leveraging our platform and technology to sharpen our competitive edge.

We plan to strengthen our technical capability to offer differentiated and effective biocontrol products at different stages of the food value chain. By steadily expanding our IP portfolio and building capacity in protein-based biocontrol products with a talented team and cutting-edge technology, we intend to gain a competitive edge that others will struggle to emulate.

Obtain first registration for our protein-based biofungicide Evoca™ in the U.S. and EU and use it to pave the way for future pipeline products.

We filed for EPA registration of our first AGROBODY™ protein-based biofungicide Evoca in December 2020, and for EU registration in March 2021. Once registered, Evoca will first enter the U.S. market to introduce key agricultural segments to our AGROBODY technology. This will create trust and demonstrate the main differentiating features of our AGROBODY biocontrols.

Recently, we announced a breakthrough in the development of Evoca, that can potentially transform the biofungicide from a market calibration tool into a product with commercial potential at competitive efficacy and cost to growers at the horizon of 2026. We intend to leverage this significant improvement and the efficient method of producing AGROBODY bioactives to substantially expand our IP portfolio.

.

Selectively leverage our AGROBODY Foundry™ platform to secure strategic collaborations and create additional value.

Building on the launch of Evoca, we intend to selectively partner with major agricultural and food industry players. This will deploy and validate our AGROBODY Foundry platform beyond our internal programs and leverage its unique features in industry-wide efforts to develop more sustainable products for food and crop protection. We intend to establish such partnerships where the market potential and conditions create value beyond what we could generate with our fully owned programs.

Expand our AGROBODY Foundry™ platform potential in adjacent markets to create resilience.

We want to penetrate markets beyond crop protection that are less sensitive to pricing and less commoditized, such as post-harvest protection and turf and ornamentals. Diversifying our market reach will allow us to create long-term financial resilience and fully leverage the differentiating value of our product candidates along the food value chain.

Use selective partnerships, acquisitions, and in-licensing of technology to complement capabilities, create scale, and enhance value.

Beyond strategic partnerships, we hope to accelerate our growth through acquisitions, and in-licensing of technology to complement our AGROBODY Foundry platform, broaden our market access and product pipeline, and accelerate revenue generation.

> “Farmers are eager to work with Biotalys’ unique technology. Now it’s time to scale-up.”

Marijn Dekkers

FOUNDER OF NOVALIS LIFESCIENCES

Bringing Evoca™ to the market initiates a positive cycle for Biotalys

With years of experience in Life Sciences, Marijn Dekkers is convinced that some crop protection products currently in use should be replaced by safer alternatives. Soon after he founded the investment and advisory firm Novalis LifeSciences in 2017, Biotalys was on his radar. “I’m not surprised innovative start-ups like Biotalys see the light in Belgium, in Ghent more specifically. Their agricultural community at its university is very strong.”

Marijn Dekkers founded Novalis LifeSciences in 2017. It currently invests in and advises thirteen promising firms. “I had been the CEO of Bayer in Leverkusen for seven years and of Thermo Fisher Scientific in Boston for ten. I wanted to invest my interest and accumulated knowledge in relatively young companies working on breakthrough technologies in life science areas,” Dekkers begins.

“By now our first fund is fully invested and we recently closed on a second fund of three hundred million dollars. We typically do not aim to own the whole company but strive to own a good piece of it.”

Promising growth companies

Novalis LifeSciences only invests in a company when it has already a proven product or service concept that has a good chance of becoming a commercial success. Dekkers explains: “Early stage venture capital is usually invested in a start-up early in the funding process. Novalis focuses on growth stage investments. That means we invest in companies that are already in further funding stages - series A, B or C - and elaborating their concept. They are often at a critical stage in their development, like Biotalys.”

"We want to see the concept working and the product being tested in real life, which in Biotalys' case means in real farming conditions," Dekkers continues. "Already knowing that a company can become a commercial enterprise lowers the investment risk. As for Biotalys, field trials proved that its first biocontrol is indeed effective."

Asked how he finds prospective companies, Dekkers replies: "Through my network. Being a CEO for seventeen years, you get to know interesting people and stakeholders in the Life Sciences community. In AgTech, Biotalys was soon on my radar." However, Novalis doesn't just make financial investments in its portfolio companies. "It's also an advisory firm," he explains. "We have experience actually running companies, so we try to be helpful to management by also making suggestions on strategy and operations."

No single solution

Why invest in novel agricultural crop protection? Dekkers explains: "In the sixties, a lot of progress was made in protecting crops and increasing their revenue. Industrialization and the baby boom after World War II created a spike in population growth, meaning more mouths to feed. Although crop protection chemicals often work well, they can of course end up in nature: our soils, our air, our water streams."

"Nowadays, safer alternatives could and should be developed for some of them. Of course not all chemicals are bad, but decades ago, in the rush to bring new crop protection products on the market to feed so many people, some products were approved that would not pass muster today."

Marijn Dekkers realized he wanted to invest in some companies developing novel crop protection products to replace existing ones. Biotalys was one of them. "I invested in two other companies which also develop biocontrols, but take a different technological approach. I wouldn't consider them competitors. There's no single solution in agricultural crop protection, since different plants get different diseases," Dekkers concludes: The main opportunity in crop protection is developing safer alternatives for some of the older products currently in use."

In adopting new technologies, Dekkers lists four factors: "First, obviously, how well does a product work? Second, how much does it cost? Third, how eager are governments to phase out existing products and find replacements? And fourth, getting farmers to change the way they work. An advantageous regulatory environment appeals not just to farmers but also to investors like me. It really is a continuous cycle of companies proving their technologies work and governments putting in the effort to get them adopted," he adds.

Consumer incentive

Dekkers notes that consumers also convince growers and producers to change their ways: "Consumers are becoming more aware of the food they eat. Biotalys is well aware of this consumer incentive. Plus, Biotalys' technology is unique in creating very stable biomolecules, less prone to degrade from sun or rain. Now comes scaling up at a reasonable price and penetrating the market."

Marijn Dekkers notices awareness of Biotalys on the market. "They're already working with experts who are happy with the product. Now we just need to find out how to make it in bulk, cost effectively" he explains. "Once Biotalys has that portfolio of products on the market and the positive cashflow that comes with it, they'll be able to finance even further breakthroughs. With Evoca coming on the market by the end of 2022, that cycle can start."

> "An advantageous regulatory environment appeals not just to farmers but also to investors like me."
>
> — Marijn Dekkers

NOVALIS LifeSciences

ABOUT MARIJN DEKKERS

Marijn Dekkers is the Dutch-American founder of Novalis LifeSciences, an investment and advisory firm. Following studies in chemistry at Radboud University of Nijmegen, he obtained his master's and PhD degrees in chemical engineering at Eindhoven University of Technology.

Before founding Novalis LifeSciences in 2017 he was CEO of Thermo Fisher Scientific in Boston, USA (2002-2009) and CEO of Bayer in Leverkusen, Germany (2010-2016).

002

Driven by science, committed to our planet

Our strengths

Protein-based biocontrols that offer safer and cleaner alternatives to chemical pesticides.

Distinct advantages over existing biologicals, combining chemical-like performance in an IPM framework with the clean safety profile of biologicals leaving no chemical residues and protecting biodiversity.

Antibody-based technology, validated in human therapeutics and animal health, now developed for sustainable agriculture.

From idea to market faster and at considerably lower development cost than chemicals.

A clear regulatory pathway, with first product registration dossier submitted to EU and U.S. authorities.

Addressing the growing challenges faced by farmers as well as the changing needs of retail, consumers and regulatory authorities.

Diversified pipeline of seven programs with combined potential market of $4.8bn, focusing on major pests and diseases in high value crops.

Exploring selective strategic collaborations and partnerships to leverage the technology platform and product candidates.

Clear and flexible commercialization strategy, with expected introduction of first product as market calibration tool as of H2 2022.

Strong IP position, with over 19 patent families related to the AGROBODY™ technology and pipeline.

Experienced & entrepreneurial management team with a strong track record in AgTech & biotech.

Established in 2013 as a spin-off from the VIB (Flanders Institute for Biotechnology), supported by renowned investors from Europe and the U.S.

Science: protein-based biocontrols

At Biotalys, we seek to develop novel alternative solutions to protect crops against plant pests and diseases while keeping the environment, farmers and consumers safe. The products we are developing are based on proteins, which are biodegradable and leave no chemical residues in the soil or on the crops we eat.

Proteins are the most common and diverse group of biological substances, and are often considered the central compounds necessary for life. They are made from amino acids: building blocks required by all living organisms, from plants to microbes to mammals.

Due to their small size and specific structure and properties, our AGROBODY™ proteins are ideal to develop the next generation of innovative protein-based biocontrol products. They have multiple advantages making them a highly effective alternative to conventional chemical products. At the same time, they safeguard the health of both our food and our environment.

Advantages of our protein-based biocontrols

OBTAINED BY FERMENTATION

Our AGROBODY proteins are obtained in simple micro-organisms such as yeast followed by filtration steps, thus limiting energy use and waste from their production.

SUBJECT TO CONTINUOUS QUALITY CONTROL

We can identify the content and purity of the product candidate at any point in time.

DESIGNED FOR APPLICATION LIKE A CONVENTIONAL CHEMICAL FOOD PROTECTION PRODUCT

Growers or industry professionals can use our biocontrols as an alternative without the need to change farm equipment or adapt distribution channels for specific temperature conditions, unlike with certain microbial biocontrol products that require a more controlled environment.

DESIGNED TO BE EASILY INTRODUCED IN GROWERS' IPM PROGRAMS

Our product candidates are developed as alternatives to existing conventional chemical food protection products or to improve resistance management.

DEVELOPED TO BE AS EFFECTIVE AND CONSISTENT AS CONVENTIONAL CHEMICAL FOOD PROTECTION PRODUCTS

Our protein-based biocontrols are meant to be an excellent alternative: as effective as conventional products when used in an IPM program, but as harmless as microbial food protection products.

SAFE FOR GROWERS AND CONSUMERS

The safety of our biocontrols is expected to allow rapid re-entry in the field and short pre-harvest intervals (to be further defined by the U.S./EU regulatory approval).

NATURALLY BIODEGRADABLE IN THE ENVIRONMENT

The stability of our AGROBODY proteins is fine-tuned during our R&D to assure their maximum efficacy before they naturally degrade into their amino acid building blocks (potentially a source of nutrients for plants and microorganisms), while remaining stable in their original formulated state.

SPECIFIC TO THE TARGET DISEASES OR PESTS

The mode of action and spectrum of activity can be tuned during the R&D to avoid undesired impact on beneficial organisms and the ecosystem.

Our technology: AGROBODY Foundry™

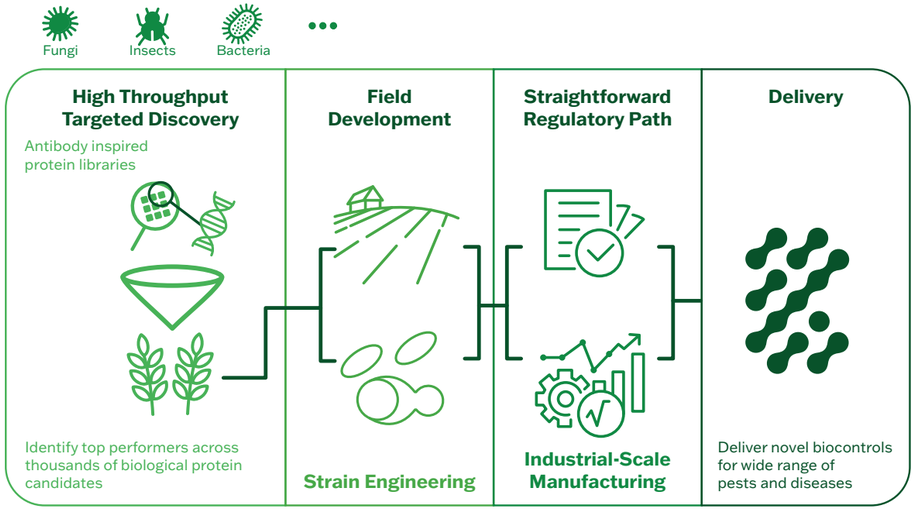
Our unique groundbreaking, proprietary technology platform has been developed to rapidly generate innovative protein-based crop protection products that are highly effective and that safeguard the health of both our food and our environment.

The AGROBODY Foundry™ platform

The AGROBODY Foundry platform is unique and scalable, allowing development of protein-based biocontrols to target multiple indications. It builds on a well-validated body of R&D that has already shown the technology's effectiveness in drug development for human and animal use.

Our biocontrols are manufactured through a proprietary industrial-scale bioprocess that enables development of biofungicides, bio-insecticides and biobactericides with novel modes of action. These lower the likelihood of a target organism developing resistance compared to widely used conventional chemical food protection products.

Current key crop pest and disease targets:



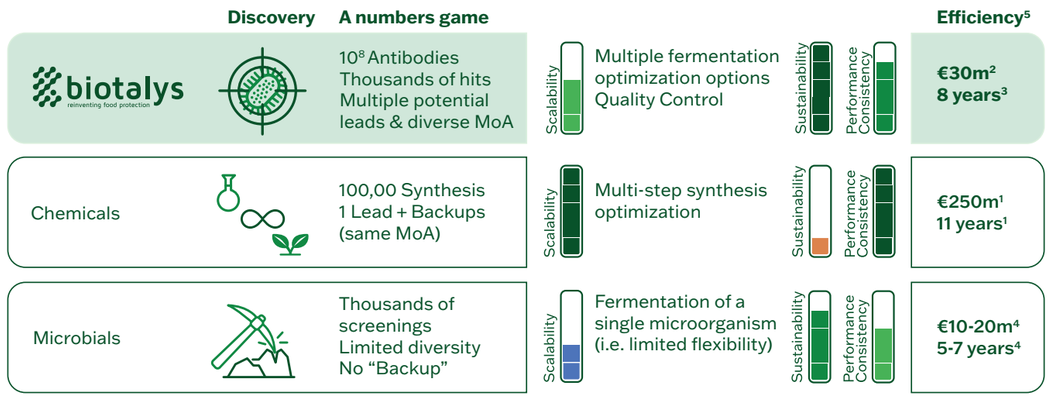
Targeted and automated approach combines the best of both worlds

Our targeted and automated approach during the discovery and development phase, plus a straightforward regulatory pathway, allow novel biocontrols to be developed three years faster and at markedly lower cost than the generation of chemical active ingredients.

Conventional chemical and microbial R&D platforms often require intensive scouting and screening in the research phases across large numbers of possible new leads to find candidates that are effective against specific insects, fungi or microbes. Our AGROBODY Foundry platform, in contrast, offers the advantage of generating AGROBODY proteins directly from the selected target insect, fungus or microbe.

AGROBODY proteins are designed to act against a given target through immunization of llamas, offering the potential of one-step provision of a broad range of active proteins with different modes of action.

Unlike many microbials, AGROBODY biocontrols are comparatively easy to manufacture: they are encoded by a single gene and are efficiently produced in microbial production hosts such as bacteria and yeast. Compared to the multi-step chemical synthesis for conventional chemical pesticides, the one-step fermentation is an effective, carbon-efficient approach to obtaining food and crop protection solutions.



Note(s): 1. Phillips McDougall Ag Industry Overview (April 2020); 2. Based on Biotalys analysis on targeted markets; 3. Based on current Biotalys stage gate plan, may vary per program; 4. An analysis of the biopesticide market now and where it is going, Outlooks on Pest Management (October 2015) and Biotalys internal estimates; 5. Approximative time and costs

Commitment to our planet and its people

Protecting food, protecting our future

Food loss accounts for 8%[15] of global greenhouse gas emissions, while consumers need safer, healthier and more nutritious food with far fewer chemical residues. Transformative technologies must help the agricultural industry satisfy future food demand. Our unique proprietary AGROBODY technology is designed to meet these needs.

An estimated one-half of total food waste happens during production in the field and the first steps of handling and storing post-harvest, before the food reaches consumers. Our protein-based biocontrols have novel modes of action aimed at helping growers and farmers boost their crops' pest resistance and limit food waste.

Implementing the UN Sustainable Development Goals in our activities

At Biotalys, sustainability is at the heart of our commitment to a safer and healthier food supply and a better planet. Our organization and our core activities are positioned to be aligned with the UN Sustainable Development Goals. These SDG's were adopted by all UN Member States in 2015 as a universal call to action to end poverty, protect the planet, and improve the lives and prospects of all people globally.[16]

By developing novel and non-harmful protein-based products to tackle a wide range of crop pests and diseases, we aim to offer farmers highly effective solutions while safeguarding the health of both our food and our environment. This addresses various Sustainable Development Goals including the following:

biotalys

GOAL 2: ZERO HUNGER[17]

Waste less food and support local farmers

A third of the world's food is wasted, yet 821 million people are undernourished. Greater agricultural productivity and sustainable food production are crucial to easing the threat of hunger.

By 2030, the UN aims to: ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and output; help maintain ecosystems; strengthen adaptability to climate change, extreme weather, drought, flooding, and other disasters; and progressively improve land and soil quality. The UN Food and Agriculture Organization also urges countries to help smallholder farmers increase food output.

Each of our pipeline products contributes to protecting crops and food, and hereby reducing food waste and hunger. The BioFun-7 program, for example, aims to develop protein-based biofungicides that can control leaf spot disease, a devastating disease of cowpea and other legumes that can cut smallholder growers' output by up to 40%. This program is supported by a multi-year grant by the Bill & Melinda Gates Foundation, to leverage our AGROBODY Foundry technology to discover novel antifungal biocontrols for use by smallholder farmers.

GOAL 12: RESPONSIBLE CONSUMPTION AND PRODUCTION[18]

Each year, an estimated one-third of all food produced ends up rotting in the bins of consumers and retailers or spoiling due to poor transportation and harvesting practices.

As part of Goal 12, the United Nations wants by 2030 to halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses. The Biotalys AGROBODY Foundry platform is designed to enhance the global food supply chain's efficiency and sustainability by identifying and developing innovative, safe food protection products.

The UN is also advocating environmentally sound management of chemicals and all wastes throughout their life cycle, consistent with agreed international frameworks, and significant reduction of their release into the air, water and soil to minimize their harmful impacts on human health and the environment. The protein-based biocontrols we are developing offer a safe and healthy alternative to conventional chemical crop protection products. This helps reduce chemical residues in our soils and on our food.

GOAL 15: LIFE ON LAND[19]

Halt and reverse land degradation, halt biodiversity loss

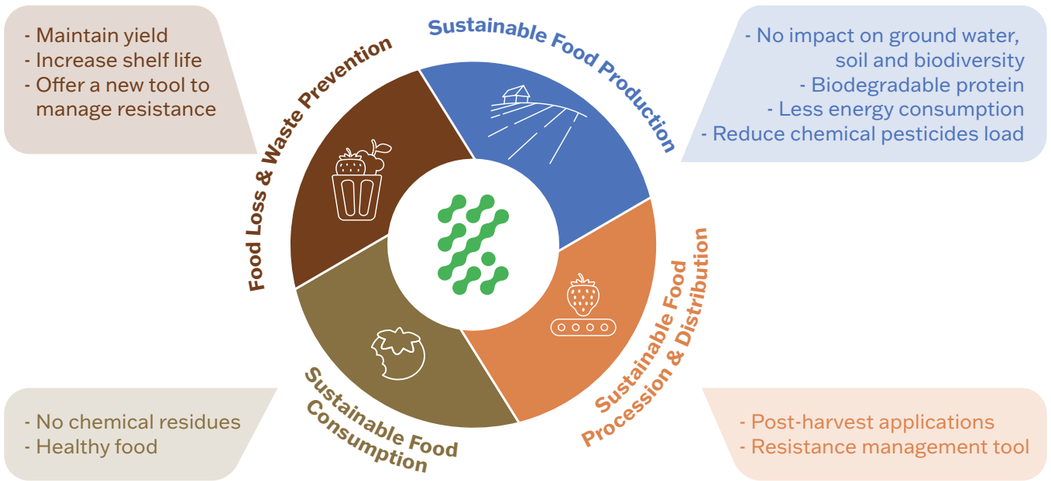
One priority of Goal 15 is urgent and significant action to stem degradation of natural habitats, halt the loss of biodiversity, and, by 2030, protect and prevent the extinction of threatened species.

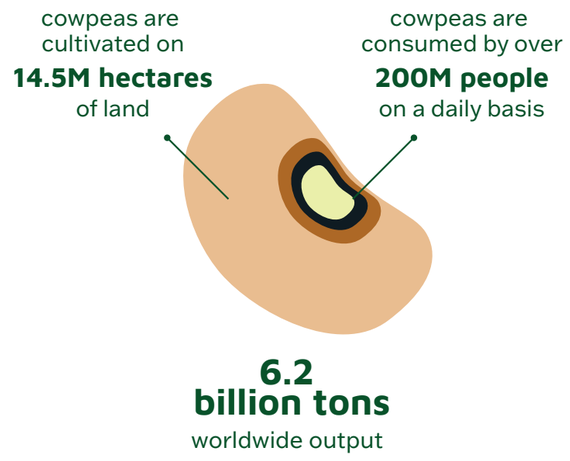
Our AGROBODY biocontrols are based on proteins. These are biodegradable by nature and are fine-tuned in our R&D for maximum efficacy before they naturally degrade into their amino acid building blocks. They are a potential source of nutrients for plants and micro-organisms, while remaining stable in their original formulated state. Our products hereby help protect the ecosystem.

We operate at the heart of the EU Farm to Fork Strategy

The European Commission has put forward its Farm to Fork Strategy[20] as part of the European Green Deal to make food systems fair, healthy and environmentally friendly. The Strategy sets a baseline and proposes legally binding targets to lessen food loss and waste in the European Union.

Our operations put us at the heart of this Farm to Fork Strategy. Our biocontrols are protein-based and by nature biodegradable. They have no impact on groundwater, soil and biodiversity, and are designed to be applied as a conventional pesticide. We seek to offer growers a new tool to manage resistance, maintain yield, and increase their crops' shelf life. They don't need to change farm equipment or adapt distribution channels for specific temperature conditions. Our AGROBODY biocontrols can be easily introduced in their IPM programs, and leave no chemical residues on crops and thus on the food we consume every day.





source: Kebede & Bekeko, (Cogent Food & Agriculture (2020), 6) and Food and Agriculture Organisation (http://www.fao.org/3/au994e/au994e.pdf).

Multi-year grant by the Bill & Melinda Gates Foundation

In October 2021, we were proud to receive a multi-year grant from the Bill & Melinda Gates Foundation. The Foundation was curious about our knowledge and technology and approached us to help address key challenges to smallholder farmers in Africa. The sponsored project leverages our unique technology platform to discover novel biofungicides to control Cercospora canescens, the causative agent of leaf spot disease. This is a devastating disease of cowpea and other legumes that can slash smallholder growers' output by up to 40%.

Cowpeas – often called "black-eyed peas"[21] after one of their subspecies – are a subsistence crop, often intercropped with sorghum, maize and pearl millet. They provide millions of farmers in Africa and developing countries, many of them women, an affordable source of proteins. Estimates are that cowpeas are cultivated on 14.5 million hectares of land, have a worldwide output of 6.2 million tons, and are consumed by over 200 million people on a daily basis.[22]

Over four years, our company will receive a $5.98 million (€5.14 million) grant in non-refundable installments. The goal is to achieve, by the end of 2025, proof-of-concept of effective on planta protection of the cowpea crop from leaf spot by an AGROBODY™ bioactive with potential cross-efficacy against other Cercospora diseases (such as C. beticola) for broader commercial application across different crops.

This project seeks to give the most vulnerable growers innovative, affordable tools to protect their crop yield and quality while maintaining soil health and biodiversity. This will enhance the lives and health of millions of smallholder farmers, generating an important economical and societal benefit.

Ecofriendly production by fermentation, supported by two reliable partners

Our AGROBODY biocontrols are manufactured in an environmentally friendly way. They are efficiently produced by fermentation in microbial production hosts such as bacteria and yeast, followed by filtration steps. This effective, carbon-efficient method of producing biocontrols limits energy use and waste from production.

Our company recently signed a long-term partnership with the Olon Group to produce protein-based biocontrols. This world-class contract manufacturing organization (CMO) has valuable expertise in microbial fermentation, one of the most ecofriendly and sustainable technologies for appreciably lowering production's overall environmental impact. Olon will both handle the large scale fermentation process of the biocontrols developed by Biotalys in its laboratories in Ghent and purify them into a technical intermediate.

This intermediate will then be formulated by Kwizda Agro, a reliable manufacturing partner with which our company already worked in developing our first biofungicide Evoca™. Formulation turns an active ingredient into a crop protection product that can be applied onto a crop. It's the last step in producing a biocontrol before packaging and shipment to the customer. Kwizda Agro will formulate the liquid active ingredient of our biocontrols into water-soluble granules as the customer end product. It will also package our products.

Kwizda Agro's state-of-the-art formulation facility in Austria is continuously upgraded to the highest standards of sustainability, health and safety, and quality management. This confirms our attachment to sustainability in every step of the production.

New headquarters with state-of-the-art sustainable laboratories

In January 2021, our team moved to new corporate headquarters and state-of-the art laboratories. The new premises have 1,800 square meters of laboratory and technical space plus 800 square meters of office space. This is home to our R&D operations and most of our management and staff functions. The new office conforms to our environmental values, allowing us to deliver operational and energy efficiencies through modern sustainable applications and technologies.

Biotalys wins 2021 SEAL Award for Sustainable Innovation

In December 2021, we received a SEAL Award, recognizing companies from around the world that show Sustainable and Environmental Leadership. Our company won in the Sustainable Innovation category.

Biotalys earns recognition in Fast Company's 2021 World Changing Ideas Awards

In May 2021, our company was included in Fast Company's 2021 World Changing Ideas Awards. These honor products, concepts, companies, policies, and designs that are pursuing innovation for the good of society and the planet. We were selected for providing alternatives to conventional chemical pesticides by developing protein-based biocontrol solutions, including our first biofungicide Evoca.

003
Products & pipeline

Innovative biocontrol solutions

A step-change in biocontrol technology

Our AGROBODY Foundry™ technology platform is built to create a new generation of protein-based biocontrols that effectively and selectively target pests and pathogens with novel modes of action.

DISCOVERY

In the discovery phase, our teams select targets, draw up science plans to develop the candidate products internally or with a relevant industry partner, and determine the most efficient way to address market needs.

In the next stage, the teams prepare tools and reagents from the selected target organisms to start immunization as identified in the project plan. This is followed by lead generation of AGROBODY libraries and selection of a panel of AGROBODY proteins. Next, up to 20 AGROBODY target-binding proteins are selected based on in vitro activity and production levels in non-optimized fermentation conditions.

The last phase is selection of the lead candidate and top performers, on planta bioactivity screening and early suitability for development, and productivity at research level to meet the requirements for viable commercial manufacturing.

AUTOMATION

Our technology platform is automated to cut the time required to identify potential candidates compared to manual methods and boost the platform's reliability and efficiency. It also allows multiple projects to be conducted in parallel, thus addressing a broad spectrum of disease mediators.

We have invested in implementing three robotic systems covering early stages of the AGROBODY protein discovery process; HT (high throughput) automated small-scale purification of biocontrols that allow enough AGROBODY protein to carry out accurate and quantitative characterization; and HT screening for expression of AGROBODY proteins in Pichia pastoris (a yeast species widely used in biochemical research and industrial scale biotech).

DEVELOPMENT

During the second phase of our R&D-process, the biocontrol product candidates are developed into market-tuned products. They are validated through commercially relevant field trials in different environments and crops over multiple years and supported by submission of registration dossiers in target countries.

Parallel product development work includes internal and external engagements to strengthen our IP position, preparing the regulatory filing (with regulators and third parties), planning the distribution/supply chain, and ensuring timing of market introduction.

STRAIN ENGINEERING

Our teams apply a multi-expression system approach to develop the most robust and efficient microorganisms for expression of our current and future product candidates. We are optimizing our Pichia pastoris expression platform, as well as developing an expression platform with filamentous fungi strains (filamentous fungi are broadly used in the biotech industry for fermenting large quantities of proteins and enzymes).

Recently, our strain-engineering teams achieved a more than 500% production increase using our expression toolbox, an unprecedented achievement for the active protein of Evoca™ in Pichia pastoris. We intend to leverage this method of producing AGROBODY bioactives to expand our IP portfolio.

The strain engineering strategy and implementation are built on in-house expertise, validated and augmented by external resources for feasibility testing.

MANUFACTURING, BIO-FERMENTATION AND FORMULATION

Our product candidates are manufactured by microbial fermentation and formulation at industrial scale, by leading contract development and manufacturing organizations which we have partnered with.

Our manufacturing partner Olon Group has superior expertise in microbial fermentation. This process, an industry standard, is well-controlled and validated. It is one of the most eco-friendly and sustainable technologies.

Further downstream, the fermentation media are processed by micro- and ultrafiltration into a technical intermediate. The active ingredient is then formulated into a crop protection product that fits growers' practices and needs for convenience on the field. It forms the last step of a biocontrol's production process before packaging and shipping to the customer. We recently signed an agreement with Kwizda Agro, an established crop protection manufacturer and provider of tolling services for the agricultural industry, to act as the formulator of our biocontrol products. Kwizda Agro will formulate the liquid active ingredient into water-soluble granules that form the customer end product. It will also package the products for distribution.

FIELD TRIALS

All product development and product positioning trials are outsourced to third-party CROs accredited and authorized to conduct trials with products under development. They apply standard farming practices recognized by the industry and the regulators.

Field trials are conducted to drive product development and confirm efficacy in relevant commercial settings, with the ultimate goal of providing growers with a return on investment in yield and/or commercial value of their final produces without compromising the environment and the overall biodiversity.

In later development stages, trials are equally set up to meet regulatory data requirements; this includes crop advisors, university extension specialists, crop reference institutes, and candidate commercial partners.

Biotalys implemented an extensive field trial program across 4 continents for its first biofungicide Evoca.

Evoca, our first biofungicide

The first protein-based biocontrol in our pipeline, Evoca, is a biofungicide designed to give fruit and vegetable growers a new rotation partner in integrated pest management (IPM) programs. It helps control diseases such as Botrytis and powdery mildew, hereby reducing dependency on chemical pesticides that leave residues in harvested produce. In addition, the product offers a distinctive new tool to manage pathogen resistance development.

Resistance management against powdery mildew and Botrytis is growing more complex as certain chemical classes are banned and resistant strains emerge, especially in the case of Botrytis on strawberries and grapes. Under wet conditions at flowering, up to 80% of the crop can be infested by Botrytis spores, causing huge losses and quality issues for the growers.

Evoca is a biofungicide with contact activity for preventive control of these fungal diseases. It offers farmers a new mode of action for resistance management and can replace traditional chemical pesticides in their IPM programs.

Our ongoing trial program and independent field trials confirm that Evoca consistently performs as well as established market leaders when used in IPM programs. It is comparable to conventional controls in convenience, storability and reliability.

The product enhances safety for workers, consumers, and the environment. Applying Evoca instead of conventional chemical fungicides in IPMs greatly reduces chemical residue in the harvested fruit, while maintaining yield and fruit quality.

Category	Biocontrol Fungicide
Diseases	Botrytis cinerea and Powdery mildew
Crops	Wine grapes Strawberry, Tomato, Cucurbit (greenhouse)
Mode of Action	New mode of action for use in IPM programs to replace traditional chemistries
Activity	Contact activity for preventive control
Formulation	Water Soluble Granules
Submitted dose rate (EU)	5 kg/ha (750 g A.S./ha)
Registration Timeline U.S. EU	 2022 2024

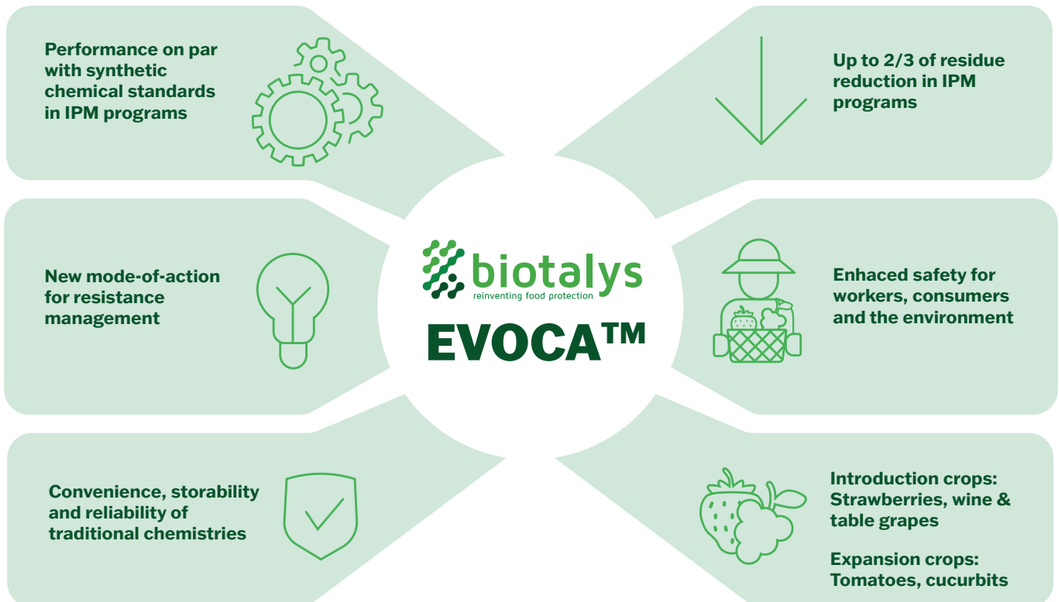
Field trial program

Evoca has been tested since 2017 in over 500 field trials in 10 countries over multiple seasons under different environmental conditions. It has been tested on tomato, strawberry, grape and cucurbits crops against Botrytis and powdery mildew, to compare its performance to conventional chemical and biological crop protection products.

For this ongoing global testing program we partner with renowned specialized independent contract research organizations (CROs), such as SynTech Research Group in Europe (see interview with Esther Debón of SynTech Research Group).

In 2021, more than 200 additional field and greenhouse trials were performed with Evoca. These field trials provide Biotalys with a tremendous amount of information on Evoca, essential for product development and positioning purposes.

Besides the product's performance, regulators are also evaluating the safety of Evoca for humans and the environment. Evoca has raised no toxicological red flags in the different toxicological studies, and confirmation of its safety profile will be part of the approval to be provided by regulators in the U.S. and the EU.



Field trial program since 2017

+ 500 field trials

Crops:
- Tomato
- Strawberries
- Grapes
- Cucurbits

Diseases:
- Botrytis
- Powdery mildew

Countries:

U.S.
California, Florida, Georgia, New York, Oregon, Washington

EU
Belgium, France, Germany, Italy, the Netherlands, Poland, Spain

South Africa

Japan

Spanish field trials confirm effectiveness of Biotalys' first biofungicide

The launch of a new product always follows years of research. For Evoca, Biotalys has so far conducted more than 500 trials on different crops for two fungal diseases. To this end our company works with a number of public and private organizations worldwide. SynTech Research Group is one. "The efficacy of Evoca is surprisingly high for a biological product," says Esther Debón, Biosolutions Specialist at the research group.

> "For Biotalys we used both biological and chemical reference products. This allowed us to make a complete comparative study."
>
> *Esther Debón*

SynTech Research Group conducts field trials for more than 700 companies worldwide, both big players and smaller local companies. It has partnered with Biotalys since 2018 for its extensive field trial program. Esther Debón, Biosolutions Specialist at SynTech and project manager for Biotalys' trials, was there from the beginning. "Because we were involved from the start, we carried out all kinds of tests for Biotalys. "When for a particular customer you do an isolated, stand-alone trial you miss very much of the product mode of action," Debón explains. "But in the case of Biotalys, it was very interesting for us to fully experience the product development of Evoca from start to finish."

From Rioja to Zielona Góra

In past years SynTech Research Group has conducted field trials with Evoca in several European countries, including Spain and Poland. "If you want to register a new crop protection product for commercialization in different countries, you need to test it in the region as well," Esther Debón says. "Each country has different climate conditions, type of soil, and agricultural practices. Companies want to be sure the product works optimally in each region."

Esther Debón herself is coordinator of the trials in Spain, where over the past four years more than 40 trials with Evoca have taken place. About 75 percent of these were in the open field, the remaining 25 percent in greenhouses. "We conducted a lot of trials on grapes," says Debón. A good geographical distribution was important. "For grapes we did a lot of field trials in the famous Rioja wine region, but also in other parts of Spain. Only for strawberries did we stay in the south of Spain, as they are very widely grown there," she says.

Focus on disease control

In 2022, SynTech Research Group plans more so-called taint tests for Evoca to make sure it does not affect the fruit's taste. But in recent years the product has been tested specifically for disease control. "We wanted to know how effective Evoca is against botrytis and powdery mildew. To do this we conducted trials on grapes, strawberries, tomatoes and cucurbits such as cucumbers, pumpkins and courgettes. The goal is always to prove that crops treated with Evoca have better disease control than non-treated crops. In addition, on other plots we apply a reference product that is already on the market. For Biotalys we used both biological and chemical reference products. This allowed us to make a complete comparative study," says Debón.

The field trials conducted by SynTech Research Group for Biotalys all followed the same general pattern. First, both parties agree on the protocol: how many treatments are to be applied to one field, when, how many times, and so on. Once the protocol is agreed, the field technicians carry out the trial as written. After the trial the project manager, in this case Debón, draws up a report with the data obtained. "What is important here is that we have expertise and knowhow of the product. As for the interpretation of

the results, we have a strict impartial quality standard."

"To find suitable fields to perform the trials, Debón's team works with local field technicians and farmers. "They have the necessary knowledge about the crops in their region. They know very well how and in what climate conditions the disease appears," says Debón.

The timing of the trials is also crucial. "Together with Biotalys we have carefully planned the trials in due time in order to select the best sites and to spray at the proper time. That way, we get the most out of the product, with excellent results," Debón explains.

Promising results

SynTech Research Group says the Evoca test results look promising. "All field technicians who have tested the product agree that the time between treatment and harvest can remain limited. For fruit - like strawberries - that is picked every day, this is very interesting," emphasizes Debón.

"We were also pleasantly surprised by the effectiveness. With biological products you generally don't expect this to be so high, but with Evoca that is definitely the case."

So does this mean growers can expect higher yields? Although SynTech Research Group has not conducted specific research on this, Debón expects Evoca to have a positive impact. "The product provides better disease control.

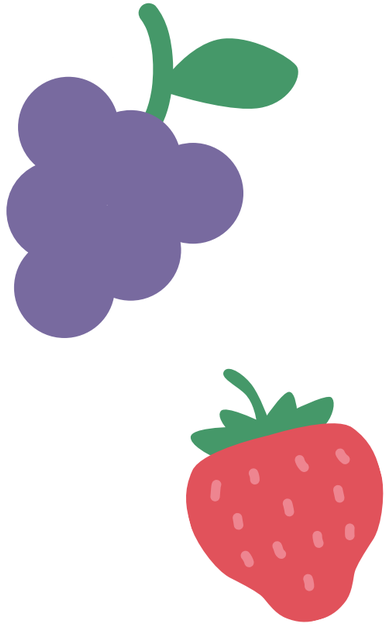
> "Field technicians who have tested Evoca agree: time between treatment and harvest can remain limited."
>
> — Esther Debón

2021 independent field trials

In 2021, a number of highly reputed independent academic institutions in the United States conducted independent efficacy field trials for grapes and strawberries. These extension trials are industry gold-standard studies that give growers and crop advisors detailed information on the performance of existing and pipeline crop protection products.

In all of these trials, the final commercial formulation of Evoca was tested among many other treatments and non-treated control plots, enabling comparison of its performance with conventional chemical and biological fungicide products.

The results from these independent trials also confirm that Evoca is an excellent new tool for growers and an ideal partner in IPM programs for strawberries and grapes, consistently performing as well as established market leaders.



Filing and registration process

The regulatory path for our AGROBODY biocontrol product candidates has been clarified through extensive pre-submission meetings with the competent authorities in the United States and the European Union. We worked with regulatory consulting firms to perform a data gap analysis, and discussed this with the Environmental Protection Agency (EPA) in the U.S. and the European Food Safety Authority (EFSA) and the Dutch Board for the Authorisation of Plant Protection Products and Biocides (Ctgb), the Member State rapporteur in the EU.

In December 2020 we submitted Evoca to the EPA for approval. Our submission passed both the completeness check and the preliminary technical screening. We expect to receive EPA approval for Evoca in the second half of 2022. In April 2021, we also submitted for approval in California since this state performs its own in-depth review.

In Europe, the registration dossier for the active substance of Evoca was submitted for approval in March 2021. We received confirmation from the EFSA and Ctgb that the dossier is admissible for review.

Evoca market calibration

Based on existing production costs, we have developed the first generation of Evoca as a market calibration tool for high-value fruits and vegetables such as strawberries and grapes.

The product is planned to introduce key agricultural sectors in the U.S. market to the benefits of protein-based products derived from our AGROBODY Foundry. This is aimed to gain the trust of farmers and to demonstrate our product's key distinguishing features to pave the way for the next generation of Evoca and other product candidates.

In December 2021, our company signed an exclusive U.S. distribution agreement for Evoca with Biobest, a global leader in biocontrol and pollination in covered crops reaching growers in over 65 countries. This agreement is part of a broader strategic partnership with Biobest for the next ten years (see interview with Biobest).

Under the agreement, Biobest will exclusively distribute Evoca in the U.S. for all crops and applications. This partnership will promote our product's exposure to the market and encourage farmers to adopt our unique technology.

Next generation of Evoca products creates commercial potential by 2026

In early 2022, our strain engineering and manufacturing teams achieved a major breakthrough: a more than 500% production increase for the active protein of Evoca in the yeast Pichia pastoris. Following field trial studies, registration and upscaling, this breakthrough has the potential to transform our first biofungicide from a market calibration tool into a commercial product of competitive efficacy and cost to growers by 2026.

This major production increase was built on our unique technology platform and its state-of-the-art protein expression toolbox. We intend to leverage this improvement and the method of producing AGROBODY bioactives to expand our intellectual property portfolio.

We are now validating the results at scale with our manufacturing partners, and continue to work with leading industry players in the synthetic biology field to refine production methods exploring a broad variety of fermentation hosts.

“We believe the Biotalys pipeline contains truly next generation products”

In December 2021, Biotalys announced a strategic partnership with Biobest, a leading player in biological crop protection and pollination. Operating in more than 65 countries on all continents, the company’s close contacts with growers position it ideally to market Biotalys’ products. “We believe the products can be more effective than those available on the market today,” says Sarah Van Beneden, Biobest’s Business Development Manager for Biopesticides.

> “The key element in our approach is that biology is central. Biotalys’ biofungicides fit the picture perfectly.”
>
> *Sarah Van Beneden*

The Biobest story started when founder Roland de Jonghe discovered that bumblebees improved the pollination of tomatoes and introduced the little creatures in a commercial greenhouse. The new pollination technique was a worldwide hit, boosting tomato yield and quality while reducing the manual labor required. Soon, growers also began paying more attention to the welfare of their new pollinators. “Bumblebees are not resistant to chemical pesticides, so the demand for compatible pest control alternatives like beneficial insects and biopesticides in greenhouse cultivation soon rose,” says Van Beneden.

A 360° approach centered on biology

Today, biological control products against both pests and diseases represent some eighty percent of Biobest’s turnover. These include beneficial insects and mites, but also biopesticides. “For a long time we only had one biopesticide, but ten years ago we started to complement our portfolio with additional biopesticides. When beneficial insects are not sufficient to protect the plants, you sometimes need an extra tool. Often growers use chemical products, but hereby expose the bumblebees and beneficial insects to these products. We also want to be able to offer our customers a total package to control both pests and disease,” says Van Beneden. “The key element in each approach is that biology is central. Biotalys’ biofungicides fit the picture perfectly.”

Biobest focuses on high-value crops, including vegetables, covered crops and ornamentals. “We want to promote the global, sustainable production of these crops. We also want to be a reliable partner for our growers, which we do mainly by offering them first-rate products. The efficacy of many of the classical biological pesticides now on the market is dependent of many external parameters, like temperature, humidity, other micro-organisms present and so on. A good guidance can resolve a lot, but not everything can be controlled. The impact of the external parameter might result in control which is lower than expected by the growers. A more consistent efficacy can really make

a difference. That's where we see the potential of Biotalys' innovative technology," Van Beneden says.

A perfect match

"We are very complementary to Biotalys," explains Van Beneden. "As a distributor, we maintain excellent contacts with our growers. In some countries, our technical advisors visit their customers almost every week to advise them and closely monitor their crops for pests or diseases. For product development and manufacturing, we look for valuable partners like Biotalys. Our partnership relates to distribution, but we also want to further develop the products together with Biotalys," she says.

The partnership with Biotalys was well prepared behind the scenes. "Biotalys had been on our radar for a while. The innovative antibody-based technology and the positive test results appealed to us. We believe the Biotalys pipeline contains truly next generation products. Moreover, this is a long-term global partnership for a series of products that have potential in many regions around the world. In other words, we see a bright future for Biotalys' products in our portfolio," says Van Beneden.

Integrating Evoca™ into existing disease control programmes

Under the strategic partnership, Biobest will become the exclusive distributor of Evoca in the United States. If all goes well, the product will enter the market later this year. "Biotalys has a strong story to tell. Evoca and the other pipeline products are being developed with a technology that is already successfully applied in the pharmaceutical sector. And that, of course, only adds to the credibility of these products."

"We see a bright future for Biotalys' products in our portfolio."

— Sarah Van Beneden

Long-term strategic partnership with Biobest

In December 2021, our company signed a long-term strategic partnership agreement with Biobest. It will grant Biobest access to five protein-based biocontrol solutions developed on our AGROBODY Foundry™ technology platform to expand Biobest's global offer in covered crops and berries.

Under the partnership, Biotalys will offer Biobest a right of first negotiation to conclude an exclusive distribution agreement for five protein-based biocontrol programs for use in the global covered crop and berry market for the next 10 years. The product candidates can be in either the existing or the future pipeline.

Each time a product candidate is promoted to the development stage on our AGROBODY Foundry technology platform, Biobest will have the rights to access the technology and add the end product to its portfolio of solutions in covered crops and berries. For each product candidate promoted, we will negotiate a tailored global distribution agreement and associated fees (for the technology and product) taking into account the spectrum, potency and crop applicability of the biofungicide, bio-insecticide or biobactericide solution.

The partnership also provides for our company to supply Biobest with the end products for commercialization to growers globally.

Our company retains full freedom to enter into commercial partnerships for the five biocontrol programs in applications other than covered crops and berries. We also retain full freedom for R&D partnerships leading to new product candidate programs on any crops and in any geographic regions.

Pipeline

Pipeline overview

Our team's R&D efforts and our AGROBODY technology have created a solid pipeline of seven product candidates. These can address critical market segments in the food and crop protection market where existing products are scarce or threatened by an evolving regulatory landscape.

Biofungicides

Our development program is first focusing on fungicides, especially on providing innovative solutions for the high-value fruits and vegetables market. This is one of the most valuable segments, representing more than USD 6 billion in value of the global fungicide market worth some USD 16 billion. It is also the most affected by food loss and waste, and involves serious consumer and regulatory concerns about the presence of residues.

We seek to achieve validation and credibility from the market calibration of Evoca, and to fully expand the technology in a growing range of crops.

These first programs are designed to offer novel biocontrol tools to address Botrytis and powdery mildew, devastating fungal diseases that affect high-value crops like strawberries, tomatoes, cucurbits and grapes.

In view of the recent breakthrough in protein expression, Biotalys has decided to adapt its pipeline to consolidate its efforts in biofungicides on capturing market share as rapidly as possible with the next generation of Evoca products by 2026:

- The second generation of Evoca (containing the same protein bioactive, with enhanced manufacturing and formulation) will be submitted to the EPA in the US and the European Food Safety Authority (EFSA) in the EU for rapid follow-on registration to replace Evoca in the US and enter into the European market as of 2024, allowing Biotalys to make a first significant step towards cost reduction as compared to the original investment plan.

- The third generation of Evoca (containing the same protein bioactive, with optimized manufacturing and formulation) is expected to enter both the US and the EU markets by 2026, and expected to provide commercial value at a faster pace than anticipated for the BioFun-5 program that it will therefore replace in terms of crops, geographies and partnership potential.

BioFun-6 is progressed according to plan, allowing to focus on the throughput and selection capacity, increasing the probability of success and a differentiating offer in the field of fruit and vegetables protection by 2028. The acquired knowledge, assays, processes and lead candidate from the previous BioFun-5 program are fully incorporated into the frame of the BioFun-6 program. With this change, Biotalys is enhancing its focus on the most value generating program, decreasing the risk while securing a strong IP position on recent achievements.

Our BioFun-2 and BioFun-4 programs address major diseases in row crops and specialty crops such as cereals (leaf spots) and potatoes and vines (oomycetes). Leaf spots, common fungal crop diseases causing sizable yield loss, are mostly treated with conventional chemical fungicides classes. Over the last decade increasing resistance has been observed in multiple crops, and regulatory scrutiny of conventional chemical solutions has risen. Biotalys is currently exploring early stage partnerships for these programs.

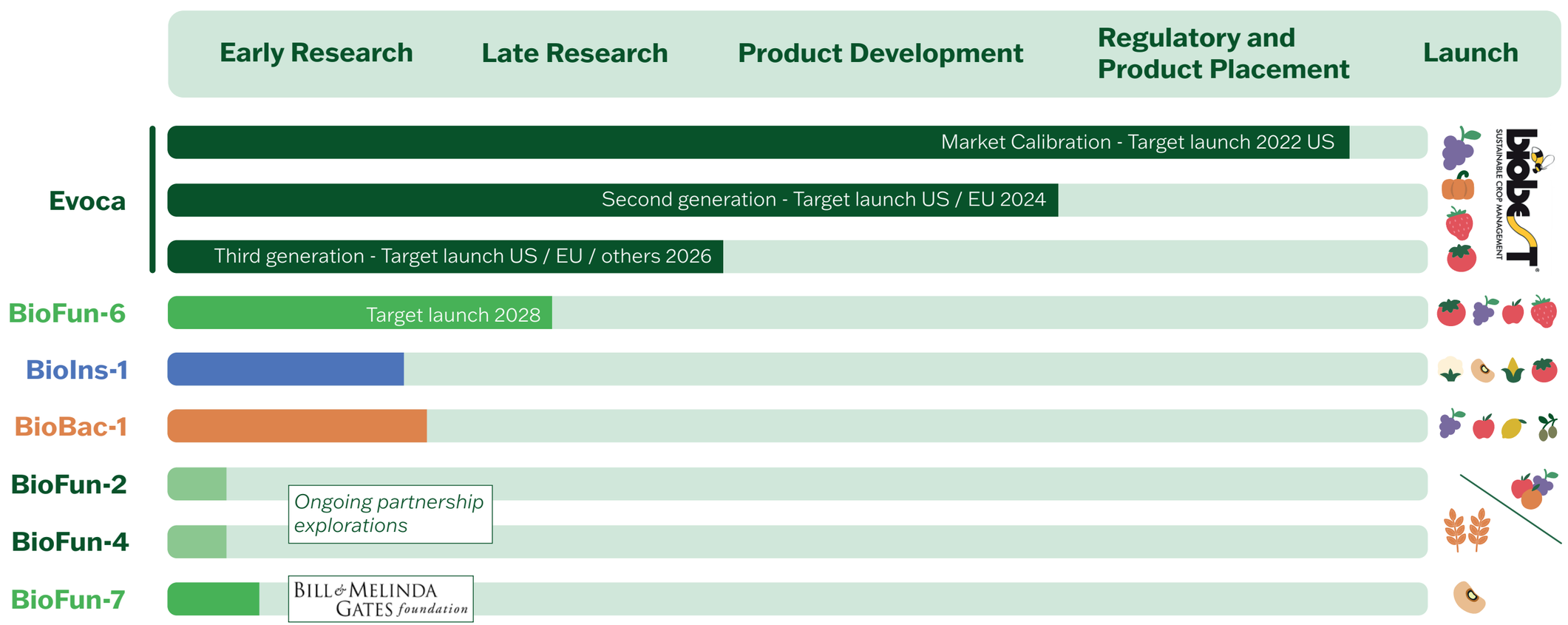
In October 2021, our company received a multi-year grant from the Bill & Melinda Gates Foundation to discover novel antifungal biocontrols able to control Cercospora canescens, the fungal agent for leaf spot disease with devastating impact on cowpeas and other legume crops. Estimates are that cowpeas are cultivated on 14.5 million hectares of land, have a worldwide production of 6.2 million tons, and are consumed by over 200 million people on a daily basis. They provide millions of African farmers, often women, an affordable source of proteins. This project's goal is to achieve, by 2025, proof-of-concept of effective protection of the cowpea crop from leaf spot by an AGROBODY bioactive, with potential cross-efficacy against other leaf spot diseases for broader application across different crops. This program is now labelled BioFun-7 in our pipeline.

Bio-insecticides and biobactericides

Our R&D team also launched programs on insecticides (BioIns-1 – targeting Lepidoptera for diverse field crops and vegetables), and on bactericides (BioBac-1 – targeting multiple key bacteria in fruits and vegetables).

These programs are expected to further demonstrate the broad technology potential of our AGROBODY Foundry platform and to address unmet needs in both the insecticide market and the "orphan" bactericide space.

Product Pipeline



Ahead of the curve with a top-notch science team and a unique technology

Adrian Percy, Chairman of the Biotalys Scientific Advisory Board, considers it undeniable that agriculture needs more R&D efforts to tackle the challenges farmers are facing today. “Biotalys, with its unique research technology and talented scientists, can spark truly transformative change in this space.”

> “Biotalys can spark truly transformative change with its unique research technology platform”
>
> — Adrian Percy,
> Chairman of the Biotalys Scientific Advisory Board

Adrian Percy points out that climate change and a focus on sustainability have altered the expectations of agriculture among the public and policymakers. “You often hear that the last century was the age of chemistry; well, now we’re in the age of biology.”

Through the eyes of the farmer

As Executive Director of the Plant Sciences Initiative at North Carolina State University and with more than 30 years of experience in the agricultural industry, Percy forcefully advocates developing novel agricultural technologies that ensure a safe and healthy global food supply while conserving the environment. “But we need to look at it through the eyes of the farmers, who are under increased pressure,” he says.

“Crop producers must ensure that their business remains profitable while being good stewards of their land so they can grow high yielding crops on it year after year. That is already a challenge. Governments are pushing them to use as few chemicals as possible in order to protect both human and environmental health. Meanwhile, the world’s growing population requires ever increasing productivity. This confluence of demands means farmers urgently need alternative tools for crop protection, ones that are not harmful to the environment but as effective against pests and diseases as the conventional chemical products they’re now using.”

Targeted approach yields results

Adrian Percy says the sector truly requires more R&D in innovative solutions to offer growers these solid alternative tools. “There’s been some disappointment with the performance of biological-based products in the past. That is where Biotalys really has the opportunity to make a difference with its targeted approach.”

“The underlying technology is very strong,” he continues. “The biocontrols developed by Biotalys are highly effective against specific plant diseases. That also means less risk of them being toxic to species you don’t want to affect in the field.”

Start of an exciting journey

Percy considers the AGROBODY Foundry™ platform one of Biotalys’ unique assets. “It really leverages this strong technology. Over time, I believe the platform will allow developing a suite of products against multiple diseases and insects on more than one crop. That means Biotalys has the potential to offer a whole range of products, developed in a very effective and fast manner.”

Independent field trials with the Company's first product, the biofungicide Evoca™, prove that Biotalys' solutions can be truly effective novel tools for growers as part of their Integrated Pest Management (IPM) programs. "These trials show that Evoca can be an alternative to certain chemical fungicides in an integrated disease management approach, and can certainly replace some biological products on the market that in some cases are not as effective as farmers want. This is the start of a very exciting journey, which we can accelerate in the years to come together with partners like Biobest."

Top-notch and passionate team

As Chairman of Biotalys' Scientific Advisory Board, Adrian Percy provides feedback and advice to the Company's science team. He believes Biotalys' unique technology and highly talented scientists put it ahead of the curve in the targeted biocontrol space.

"The Company can rely on top-notch science experts and passionate researchers. Its team has been built up in an area that has substantial scientific talent and R&D progress. With the Flemish Institute for Biotechnology (Vlaams Instituut voor Biotechnologie, VIB) as a key hub, Belgium is a lighthouse in the world for biotechnology and agrotechnology."

ABOUT ADRIAN PERCY

With more than 25 years of experience in the agricultural industry, Adrian Percy champions the necessity and benefits of modern agriculture. He is also a strong proponent of developing and adopting new agricultural and food technologies that support global food security while preserving the environment. Adrian currently serves as executive director of the North Carolina Plant Sciences Initiative (N.C. PSI), a world-class research and innovation effort to solve some of the world's most pressing agricultural issues. Previously he was CTO of UPL Ltd and head of R&D for Bayer's Crop Science division on its executive committee. Adrian is a toxicologist by training and received his PhD in biochemistry from the University of Birmingham.

004
People

Our people: skilled & passionate

Our industry experts, renowned scientists, and passionate professionals strive each day toward a shared goal: to deliver transformative solutions for sustainable food protection.

A diverse team

The science and lab teams are the beating heart of our company and are driving the progress in our development programs. It's a diverse group of talented scientists with broad experience and an analytical mindset that contributes to shaping our business strategies. They have enabled the Company to reach various major milestones this past year, together with our business colleagues and under the guidance of the executive team supported by the various staff functions.

Company culture and values

Our people row toward a shared goal and vision: to sustainably change how we protect crops and food. Their flexibility and perseverance were put to the test this past year in view of the Covid-19 pandemic. We invested in staff well-being and resilience by offering support for the new ways of working, recurrent Q&A sessions, a listening board, and weekly newsletters to foster an open and connected team spirit.

During 2021 we also conducted an engagement survey of our employees. Its findings helped us design a lively, open workplace where people can grow and develop their skills.

Our dynamic and entrepreneurial company culture is also reflected in our values: Teamwork, Passion, Innovation with Impact, Accountability, and Well-being.

75 team members

36 average age

11 nationalities

♂60% ♀40% men/ women

HQ and laboratories in Ghent, Belgium

CBO and field development team in North-Carolina and California, U.S.

“well.com”

Our company values guide the activities of our in-house social committee “well.com”, which has representatives from all divisions. This group of volunteers organized activities to stay connected while working at home under Covid-19 restrictions: a walking challenge, a virtual quiz, and a tomato growing challenge.

The committee also played a crucial part in our contribution to the community. During the end of year period, our colleagues donated 44 kg of food – doubled by the Company to 88 kg – to the local Federation of Food Banks (Voedselbanken).

Dinner With the Queen

2021 was an exciting year for Biotalys: the move to new headquarters; the filing of our first product for registration in the United States and Europe; and the transformation into a public company.

To celebrate these successes, we had a fantastic afternoon out on a biological fruit farm on a hot Summer day in September, closed by an outdoor dinner. The theme of this teambuilding event was the queen bee and more particular its contribution to agriculture. The dining experience between flowers and fruit crops in the midst of Flanders fields was unforgettable and a true testament to the values and mission of Biotalys.

Investing in talent and helping our people grow

Biotalys is not just any company: it's a fast-growing, dynamic, entrepreneurial AgTech player that recently became a public company. Meaning: an organization in transition. "That made the past year very exciting and challenging. But at the same time it created more possibilities and opportunities for the team," HR Manager Sophie Snijders recalls.

Over the past year, the HR department pursued two key goals: helping employees transition from a firm with an R&D focus to a public company with an additional commercial focus; and attracting the right scientific and business talent.

"The scientific teams are the beating heart of Biotalys. They apply their analytical minds to solve challenging problems and contribute to business development strategies. Recently we added some colleagues with a more commercial profile to our team to prepare our market entry. This creates an interesting mix of people with a diverse set of backgrounds and added value."

Attracting talent

Another challenge: assuring the Company has the talent that will drive growth. In three years, the work force grew from 25 to more than 70. And we plan to continue hiring additional people in the years to come.

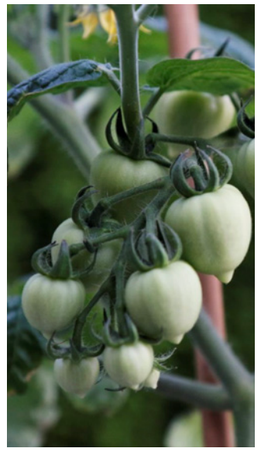
"Attracting the right talent, ensuring that our employees are at the top of their game and can grow and develop their skills: that's my main goal," says the HR manager. "We are also eager to welcoming foreign talent to help us achieve our ambitions."

Biotalys is indeed a diverse company with no fewer than eleven nationalities. Sophie Snijders considers this a company asset: "This diversity fuels creativity, ensures an open mind, and yields different scientific insights."

In the war for talent, Biotalys must compete in the job market against well-established life sciences rivals. Sophie Snijders, however, lists some key advantages of Biotalys. "First, we have a unique, ambitious mission with a sustainable future at its core, one that people can be proud to be part of. Second, of course, we're a high-tech company with an entrepreneurial spirit: our people have the opportunity to share their ideas, see results of their work quickly, and be involved. Our employees challenge each other and themselves every day to grow and meet the Company's targets. And third, our new offices and laboratories are state-of-the-art, offering an ideal, comfortable and pleasant work environment."

Sophie Snijders

> "As we set the bar high in our company, we also promote the wellbeing and resilience of our people, next to offering them attractive rewarding."
>
> — Sophie Snijders, HR Manager



Wellbeing as a corporate value

In a company as Biotalys, employee engagement is also critical. “Wellbeing is one of our corporate values for good reason”, Snijders argues.

This translates into flexible working hours, teleworking, developing soft skills, and organizing social activities. “These already existed before the corona pandemic, but the crisis increased the importance of thinking about how we as a team keep in touch.”

Specifically, Biotalys uses ambassadors and a social committee, and held an engagement survey. “We realize that as a scale-up company in the biotech sector, we set the bar high. The environment is flexible, dynamic, and constantly changing. It’s up to us to make sure our people can deal with it, to make them more resilient.”

The engagement survey, conducted by external experts, then reveals the priorities. “That way, we know what we need to focus on in the coming period”, Snijders says.

“And of course we aim to offer attractive and competitive rewarding to all of our team members. In this respect we have recently decided to allow all of the colleagues to participate in our long-term incentive plan through stock options. This also aligns the whole team with the interests of the Company in the long run.”

Let’s grow tomatoes

In the spirit of an AgTech company, team-building activities and company competitions often are keyed to the sector. “For example, as a team we take on a ‘growing challenge’ every year. In 2021, the goal was to grow a tomato plant. We gave everyone a pot of seeds and some potting soil, and the challenge was to grow a plant within a certain time. We made it a competition, with an award for the biggest plant, the plant with the most tomatoes, and the craziest or most beautiful tomato. Every couple of weeks we set aside half an hour for an update. Anyone who participated could call in voluntarily to discuss issues they faced while growing the plant or exchange tips and photos. It was great fun and connected the team members with our work and with each other.”

Investor and Shareholder Information

The shares in 2021

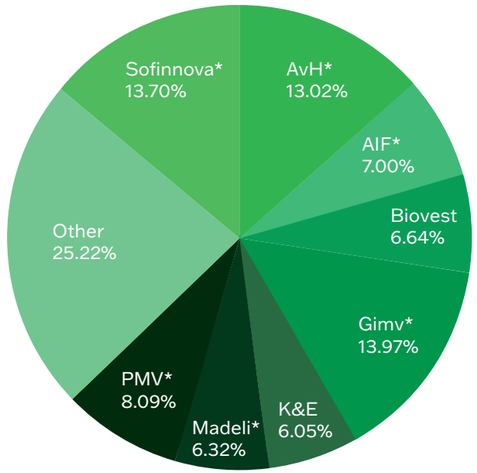
BTLS
LISTED
EURONEXT

The shares of Biotalys NV are traded since 2 July 2021 on the regulated Euronext Brussels under the symbol ‘BTLS’.

At 31 December 2021, the share capital of the company amounted to €81,968,625.55 represented by 30,805,551 ordinary shares.

Major shareholders

Biotalys’ shareholding consists of institutional and retail investors, both international and local. At the date of this annual report, the shareholder structure was as follows:



Notes:

AIF:
Agri Investment Fund CVBA

AvH:
Ackermans & van Haaren NV

Gimv:
Gimv NV, Adviesbeheer Gimv Venture Capital 2010 NV and Biotech Fonds Vlaanderen NV

Madeli:
Madeli Participaties BV

PMV:
ParticipatieMaatschappij Vlaanderen NV (PMV NV). PMV holds 100% of the shares in Biotech Fonds Vlaanderen NV which on its turn holds 8.09% of the shares in Biotalys. This participation however is managed by Gimv NV.

Sofinnova:
Sofinnova Partners S.A.S.

Analyst coverage

There are three analysts actively covering Biotalys:

- KBC Securities – Guy Sips
- Berenberg – Sebastian Bray
- Kepler Cheuvreux – Daan Vandenberk

2021 Investor and stakeholder events

Biotalys implemented an ambitious program to engage with actual and potential investors on the company's mission and activities. Following the initial public offering on Euronext Brussels in July 2021, Biotalys reached out to investors at the following events:

September

BRYAN GARNIER FOOD TECH INVESTOR CONFERENCE

CEO Patrice Sellès and CFO Wim Ottevaere spoke at the Virtual Food Tech Investor Conference hosted by Philippe Le Sann (Bryan Garnier).

KNOWLEDGE FOR GROWTH

Head of Investor Relations Toon Musschoot gave a company presentation and participated in a panel debate on Europe's Farm to Fork strategy at Knowledge for Growth organized by FlandersBio in Ghent, Belgium.

October

VFB ANNUAL HAPPENING

Our CFO and Head of IR met with retail investors at annual event of the Flemish Federation of Investors (VFB) in Antwerp, Belgium.

November

FOODTECH CONGRESS

In November, CEO Patrice Sellès presented the company at the AgriTech session during the 2021 FoodTech Congress.

KEPLER CHEUVREUX GLOBAL AGRI FORUM

The CEO and CFO presented the company to institutional investors at the Virtual Global Agri Forum, hosted by Christian Faitz and Daan Vandenberk (Kepler Cheuvreux).

KBC SECURITIES SITE VISIT

Biotalys welcomed a delegation of investors invited by KBC Securities on site. Management presented the company, followed by a labtour and Q&A.

FINANCE AVENUE

Biotalys' CFO and Head of IR gave a workshop to retail investors at Finance Avenue, organised by financial media De Tijd and De Belegger.

DEUTSCHES EIGENKAPITALFORUM (EKF)

The Biotalys management gave a company presentation and had 1-2-1 meetings with German institutional investors at the Deutsches Eigenkapitalforum (EKF).

December

KBC SECURITIES SMALL & MID CAP CONFERENCE

Biotalys participated in the KBC Securities Small & Mid Cap Conference for institutional investors in December, hosted by Guy Sips (KBC Securities).

BERENBERG VIRTUAL FIRESIDE CHAT

CEO Patrice Sellès presented the company to a range of institutional investors at a virtual fireside chat hosted by Sebastian Bray (Berenberg).

For 2022, the company is planning to set up a Shareholders Club to connect on a regular basis with its retail investors in addition to the existing social media and press release publications.

Corporate Governance

1. Reference code

The Company applies the Belgian Code on Corporate Governance 2020 as its reference code. The Code can be consulted on the website of the Corporate Governance Committee (www.corporategovernancecommittee.be). The Committee published a new (third) version of the Code on May 9, 2019, which replaces that of March 12, 2009, and became effective as of January 1, 2020.

The Company's governance deviates on some points from the principles set out in the Belgian Code on Corporate Governance . A discussion and explanation ("comply or explain") can be found below (Chapter 7 - Deviations from the Belgian Code on Corporate Governance).

More information on the Company's Governance can also be found in the Corporate Governance Charter on www.biotalys.com/investors/corporate-governance.

2. Board of Directors

2.1 Role

The Company is headed by a board ('Board') acting as a collegiate body. The Board's role is to pursue sustainable value creation by the Company, by setting the Company's strategy, putting in place effective, responsible and ethical leadership and monitoring the Company's performance.

The Board decides on the Company's medium and long-term strategy based on proposals from the Executive Committee ('ExCom') and determines the risk appetite of the Company in order to achieve its strategic objectives. The Board closely monitors the Company's performance and ensures that the necessary financial and human resources are in place for the Company to meet its objectives. The Board supports the executive management in the execution of its tasks and should be prepared to challenge the executive management in a constructive manner when appropriate.

The Company has opted for a "one-tier" governance structure. As a result, the Board is the ultimate decision-making body and is authorised to carry out all actions that are necessary or useful to achieve the Company's purpose, except for the powers reserved to the shareholders at the shareholders meeting by law, or as specified in the articles of association of the Company ('Articles of Association'). At least once every five years, the Board should review whether the chosen governance structure is still appropriate, and if not, it should propose a new governance structure to the Shareholders' Meeting. The Board currently intends to review the governance structure during the accounting year 2025 in order to propose (if applicable) a new governance structure to the shareholders meeting to be held in 2026.

2.2 Composition

On 31 December 2021, the Board is composed as follows (which composition did not change till the date of this annual report):

Name	Age	Position	Start of initial term	Start of current term	End of term (*)
Simon E. Moroney (Chairperson) (**)	62	Independent director Chair	2021	2021	2025
Patrice Sellès	50	Executive director Chief executive officer	2019	2021	2025
Johan Cardoen	63	Independent director	2013	2021	2025
Markus Heldt (***)	63	Independent director	2021	2021	2025
Catherine Moukheibir (****)	61	Independent director	2021	2021	2025
Pieter Bevernage	53	Non-executive director	2019	2021	2025
Patrick Van Beneden	59	Non-executive director	2013	2021	2025

(*) The term of the mandates of each Director will expire immediately after the annual general shareholders' meeting held in the calendar year indicated. It will be proposed to the shareholders during the extraordinary shareholders meeting on 15 April 2022 to change the date of the annual general meeting (currently set at the third Friday of April) to the fourth Tuesday of April.

(**) With effect from 16 April 2021

(***) With effect from 5 July 2021

(****) With effect from 18 June 2021

During 2021 a number of directors resigned. These resignations were in most instances driven by the IPO of the Company and the reshuffling of the Board as a consequence thereof. With effect on 16 April 2021 Inno Tune BV (permanently represented by Lieven De Smedt) resigned as a director. With effect on 5 July 2021 following directors resigned, Koen Quaghebeur, Sofinnova Partners SAS (permanently represented by Denis Lucquin) and Nomad Technology Consulting LLC (permanently represented by Adrian Percy). With effect on 1 October 2021, Luc Basstanie resigned as a director.

Mr. Simon Moroney, Mr. Johan Cardoen, Mr. Markus Heldt and Mrs. Catherine Moukheibir meet the criteria as independent director of the Belgian Code on Corporate Governance.

Simon E. Moroney, Independent director and Chair

Simon E. Moroney has over 30 years of industry leadership and research experience. From 1992 to 2019, he was co-founder and CEO of MorphoSys AG, a leading biotechnology company focused on the treatment of cancer and autoimmune diseases, and currently sits on the board of Novartis AG as a non-executive director. Simon E. Moroney has been recognized and awarded with the German Cross of the Order of Merit for his work and contribution to the biotechnology industry. He holds a D. Phil in Chemistry from the University of Oxford, United Kingdom, and has held positions in the Department of Pharmacology at the University of Cambridge, as Assistant Professor in the Chemistry Department, University of British Columbia and as Associate and Lecturer in the Chemistry Department of the ETH Zurich.

Patrice Sellès, Executive director and Chief executive officer

Patrice Sellès has over 20 years of experience in the Ag and Food Tech Industry. Prior to joining Biotalys in July 2019, he held a number of leadership roles at Syngenta AG, including developing the science and technology strategy as well as deploying a technology acquisition team to establish strategic partnerships and licensing agreements in crop protection, biologicals and biotechnology. Prior to that, he was an investment manager at Life Science Partners Bioventures in Cambridge (MA, USA). Patrice Sellès started his career in scientific management roles in various industries bringing chemical ingredients from early stage discovery to development and scale-up. He is a chemical engineer and holds a PhD in organic chemistry from the University Pierre et Marie Curie, Paris, France.

Johan Cardoen, Independent director

Johan Cardoen has over 30 years of experience in the biotech sector, in particular in the AgTech sector. He was managing director of VIB until 1 July 2020, where he was responsible for the innovation and business team. He represented VIB on the boards of directors of various life science and AgTech companies, and currently continues to do so at Aphea.Bio NV. He is currently also the chairperson of Meiogenix SA and member of the board of directors and remuneration committee of Complix NV. Johan Cardoen started his career at Plant Genetic Systems and subsequently AgrEvo Hoechst Schering GmbH and Aventis CropScience (now Bayer CropScience) where he was responsible for all biotech related technology acquisitions. In 1999, Johan Cardoen joined CropDesign NV (acquired by BASF SE) as Vice President Technology Alliances and IP and subsequently Business Development and became CEO in 2004. Johan Cardoen holds a Master's degree in biological sciences, a PhD in Biology and a Postgraduate degree in business management from KU Leuven, Belgium.

Markus Heldt, Independent director

Markus Heldt has over 40 years of experience in the agricultural industry. He has worked for BASF SE between 2000 and 2019, where he served as Group Vice President of the Agricultural Products and Fine Chemicals division in São Paulo, Latin America, and as Group Vice President for Crop Protection in North America in Research Triangle Park, North Carolina. Between 2009 and 2019, Markus Heldt was President of BASF SE's Agricultural Solutions division, leading the acquisition of certain businesses and assets from Bayer AG in 2018. Prior to joining BASF SE, Markus Heldt held positions at Cyanamid Agrar GmbH & Co KG, Shell International Ltd and Celamerck GmbH & Co KG. He commenced his career as commercial apprentice and management trainee at Boehringer Ingelheim GmbH.

Catherine Moukheibir, Independent director

Catherine Moukheibir has a long leadership career in the biopharmaceutical industry, as well as a deep background in international finance. She most recently served as chief executive officer of MedDay Pharmaceuticals SA. She was also the chair of the board of directors of MedDay Pharmaceuticals SA from 2016 to 2021. Prior to that, Catherine Moukheibir served as the senior advisor for finance and a member of the executive board of directors at Innate Pharma SA from 2011 to 2016, and as the chief financial officer for Movetis NV from 2008 to 2010. Catherine Moukheibir previously served as the director of capital markets for Zeltia Group S.A. from 2001 to 2007. She currently serves on the board of directors of OxfordBiomedica plc, DNA Script SAS, Noema Pharma AG, CMR Surgical Ltd, Asceneuron SA and Ironwood Pharmaceuticals, Inc. She also held past directorships on the boards of directors of Ablynx NV, Cerenis Therapeutics SA, Creabilis S.A., GenKyoTex S.A., Kymab Group Limited and Zealand Pharma A/S. Catherine Moukheibir has an M.A. in economics and an M.B.A. from Yale University.

Pieter Bevernage, Non-executive director

Pieter Bevernage is member of the executive committee and general counsel of Ackermans & van Haaren NV with extensive experience in the management of listed companies, corporate governance, M&A, remuneration policy and compliance. Prior to joining Ackermans & van Haaren in 1995, he practiced M&A, corporate and financial law at the law firm Loeff Claeys Verbeke (now Allen & Overy). Pieter Bevernage is also a member of the board of directors of Anima NV, Biolectric Group NV and Green Offshore NV. Pieter Bevernage holds a Master's degree in Law from the KU Leuven, Belgium and a LLM (Master of Laws) from the University of Chicago Law School, USA.

Patrick Van Beneden, Non-executive director

Patrick Van Beneden has over 35 years of experience in venture capital investments in the life sciences and AgTech sector. He was a partner at Gimv NV from 1985 to 2020 and currently acts as consultant to Gimv NV. Patrick Van Beneden is currently a member of the board of directors and audit committee of The Foundry Innovation and Research 1, Ltd. (Fire1) and ONWARD, Inc. and a director of JenaValve Technology, Inc. He has also been a member of the board of directors of Innogenetics NV (acquired by Solvay SA), Crucell NV (acquired by Johnson & Johnson), Hypnion (acquired by Eli Lilly and Company LLY), CropDesign NV (acquired by BASF SE), Astex Technology Limited (now subsidiary of Otsuka Pharmaceutical Co. Ltd) and Ablynx NV (acquired by Sanofi SA), as well as Complix NV and flanders.bio vzw. Patrick Van Beneden has a Master's degree in financial sciences from Vlekho, Belgium.

By January 2027, at least one third of the members of the Board should be from a different gender than the other members. The current Board does not yet meet that requirement. See Chapter 8 - Diversity.

2.3 Activity Report of the Board

During 2021, 18 meetings of the Board were held. The table below sets out the attendance to the meetings of the Board for each director.

Name	Attendance
Simon E. Moroney (*)	16 out of 16 meetings
Patrice Sellès	18 out of 18 meetings
Johan Cardoen	16 out of 18 meetings
Markus Heldt (**)	5 out of 5 meetings
Catherine Moukheibir (***)	6 out of 7 meetings
Pieter Bevernage	18 out of 18 meetings
Patrick Van Beneden	18 out of 18 meetings

(*) Simon E. Moroney was nominated as a director with effect on 16 April 2021 and attended to all board meetings since then.

(**) Markus Heldt was nominated as a director with effect on 5 July 2021 and attended to all board meetings since then.

(***) Catherine Moukheibir was nominated as a director with effect on 18 June 2021 and attended to all but one board meetings since then.

In 2021, the Board regularly met in relation to the initial public offering of the Company and the listing of its shares on the regulated market of Euronext Brussels and the preparation of the extraordinary general meeting in that respect of 18 June 2021.

Furthermore, the Board met around the budget for the current financial year, monitored the Company's results and the development of the activities on the basis of reports prepared by the ExCom and discussed the recommendations of the advisory committees. The Board also paid ample attention to the strategy for 2021-2025, the progress made in the various pipeline programs, the Agrobody Foundry™ platform, the progress of the regulatory submissions regarding Evoca™, the impact of the COVID-19 crisis on the Company, human relation matters, the preparation of the ordinary and special general meeting dated 16 April 2021 (in particular in relation to the application of the "alarmbel" procedure of article 7:228 of the Code of Companies and Associations) and business development matters (including the strategic partnership with Biobest Group NV).

Members of the ExCom as well as third party advisors regularly attend meetings of the Board on invitation of the Board for specific topics.

3. Committees of the Board of Directors

The Board has established two board committees which are responsible for assisting the Board and making recommendations in specific fields: (a) the audit committee (in accordance with article 7:99 of the BCCA and provisions 4.10 and following of the Belgian Code on Corporate Governance) and (b) the nomination and remuneration committee (in accordance with article 7:100 of the BCCA and provisions 4.17 and following and 4.19 and following of the Belgian Code on Corporate Governance). The terms of reference of these board committees are primarily set out in the Corporate Governance Charter. Furthermore, the Board has installed a Scientific Advisory Board (the members of which do not need to be directors of the Company) to provide strategic scientific and technology advice and guidance with a view to position Biotalys optimally to develop and execute its global business strategy and achieve its growth objectives.

3.1 Audit Committee

The audit committee consists of at least three directors. Pursuant to article 7:99 of the BCCA, all members of the audit committee must be non-executive directors, and at least one member must be independent within the meaning of provision above of the Belgian Code on Corporate Governance. The chairperson of the audit committee is to be appointed by the members of the audit committee.

The following directors are the members of the audit committee: Catherine Moukheibir (chairperson), Markus Heldt and Pieter Bevernage. With respect to the independence and the expertise in accounting of one member of the audit committee, reference is made to the biography of Catherine Moukheibir (see section 2.2 Composition). Mrs. Catherine Moukheibir also meets the critiria of an independent director.

The members of the audit committee must have sufficient financial expertise to fulfil their role effectively and the members need to have collective expertise in the activities of the Company, and at least one member of the audit committee must have the necessary competence in accounting and auditing. According to the Board, the members of the audit committee satisfy this requirement, as evidenced by the different senior management and director mandates that they have held in the past and currently hold.

Pursuant to article 7:99 of the BCCA, the role of the audit committee is at least to:

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

The audit committee shall meet sufficiently regularly to execute its duties effectively, with a minimum of four meetings a year or at the request of at least two of its members. As the audit committee was formed at the time of the IPO, only two meetings were held during 2021.

Name	Attendance
Catherine Moukheibir	2 out of 2 meetings
Markus Heldt	2 out of 2 meetings
Pieter Bevernage	2 out of 2 meetings
Luc Basstanie (*)	1 out of 1 meeting

* With effect on 1 October 2021, Luc Basstanie resigned as a director.

3.2 Nomination and remuneration committee

The nomination and remuneration committee consists of at least three directors. Pursuant to article 7:100 of the BCCA and the Belgian Code on Corporate Governance, (i) all members of the nomination and remuneration committee are non-executive directors, (ii) the nomination and remuneration committee consists of a majority of independent directors and (iii) the nomination and remuneration committee is chaired by the chairperson of the Board or another non-executive director appointed by the committee.

The following directors are the members of the nomination and remuneration committee: Simon E. Moroney (chairperson), Johan Cardoen and Patrick Van Beneden.

Pursuant to article 7:100 of the BCCA, the nomination and remuneration committee must have the necessary expertise in terms of remuneration policy, which is evidenced by the experience and previous roles of its current members. Also, the chief executive officer participates in the meetings of the nomination and remuneration committee in an advisory capacity each time the remuneration of another member of the ExCom is being discussed.

Furthermore, the role of the nomination and remuneration committee is at least to make recommendations to the Board with regard to the remuneration and appointment of directors and members of the ExCom and, in particular, to:

Pursuant to its function as remuneration committee:

- make proposals to the Board on the remuneration policy of directors, the persons in charge of the management, and the persons in charge of the daily management, as well as, where applicable, the resulting proposals that the Board must submit to the general shareholders' meeting;
- make proposals to the Board on the individual remuneration of the directors, the other persons in charge of the management, and the persons in charge of day-to-day management, including variable remuneration and long-term performance premiums, whether or not tied to shares, in the form of stock options or other financial instruments, and of severance payments, and where applicable, the resulting proposals that the Board must submit to the general shareholders' meeting;

- prepare the remuneration report; and
- explain the remuneration report at the annual general shareholders' meeting.

Pursuant to its function as nomination committee:

- make recommendations to the Board with regard to the appointment of directors and members of the executive management;
- make recommendations to the Board in relation to the assignment of responsibilities to the executives;
- prepare plans for the orderly succession of board members;
- lead the re-appointment process of board members;
- ensure that sufficient and regular attention is paid to the succession of executives;
- ensure that appropriate talent development programs and programs to promote diversity in leadership are in place.

The nomination and remuneration committee shall meet sufficiently regularly to execute its duties effectively, with a minimum of four meetings a year or at the request of at least two of its members.

As the nomination and remuneration committee was formed at the time of the IPO, only three meetings were held during 2021.

Name	Attendance
Simon Moroney	3 out of 3 meetings
Johan Cardoen	2 out of 3 meetings
Patrick Van Beneden	3 out of 3 meetings

3.3 Scientific Advisory Board

The Board has installed a Scientific Advisory Board to provide strategic scientific and technology advice and guidance to the Company on the following matters, with a view to position the Company optimally to develop and execute its global business strategy and achieve its growth objectives:

- improving the efficiency and efficacy of the research and development programs;
- defining next-generation product and technology development programs, including providing ideas and concepts for new product and technology areas;
- analysing critically the key results of the lead programs; and
- providing strategic direction on regulatory matters.

The Scientific Advisory Board meets al least twice a year pending travel authorization and provides to the Board feedback on the discussions with the Group, including recommendation to the Board related to scientific and technological progress. In addition, individual feedback from members of the Scientific Advisory Board are obtained in an ad-hoc manner to address specific matters.

The members of the Scientific Advisory Board may, but do not have to be, members of the Board.

The following persons are members of the Scientific Advisory Board: Nomad Technology Consulting LLC, permanently represented by Adrian Percy (Chairperson), Jacqui Campbell, Daniel Joo and Franz-Josef Placke.

The following paragraphs contain brief biographies of each of the members of the SAB, or in the case of legal entities being director, their permanent representatives:

Adrian Percy, Chairman of the SAB

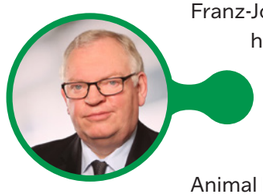
Adrian Percy has more than 25 years of experience in the agricultural industry. He currently serves as the executive director of the North Carolina Plant Sciences Initiative, a research and innovation effort that is poised to solve some of the world's grandest agricultural issues. Previously he was the CTO of UPL Ltd and the head of research and development for the Crop Science division of Bayer as part of their executive committee. Adrian is a toxicologist by training and received his PhD in biochemistry from the University of Birmingham.

Jacqui Campbell, Member of the SAB

Jacqui Campbell is a senior executive and has over 28 years of experience in the global agriculture industry. During her tenure with Syngenta she has held leadership positions across R&D, production and supply chain and has deep experience in scaling technology from an idea in the lab to both commercial production and product in the field. She is currently responsible in Syngenta for assessing novel technologies and business opportunities across the Agtech landscape and is an executive member of the Syngenta Corporate Venture Fund Committee.

Daniel Joo, Member of the SAB

Daniel Joo is currently Vice President of Biology at Oerth Bio. He brings 20+ years of expertise in both wet lab and dry lab sciences that are critical to innovation in emerging technology. Utilizing both approaches as the Director of Informatics, he led genomics and bioinformatics efforts at AgraQuest, a biopesticide company, which was acquired by Bayer in 2012. Within Bayer, he held various strategic positions in Traits and Biologics, focused on the identification and improvement of novel traits or microbes for controlling weeds, pests and diseases. Prior to joining Oerth, Daniel was the Head of Microbiome Discovery at BASF. He also has 10 years of experience working for start-up biotech companies in human therapeutics. Daniel received both his B.A in Biology and B.A.S. in Computer Science at the University of Pennsylvania. He received his Ph.D. in Molecular and Cell Biology from the University of California at Berkeley and conducted his postdoctoral fellowship at UCSF.



Franz-Josef Placke, Member of the SAB

Franz-Josef Placke works as a self-employed Technology Advisor for Life Sciences and he is currently also Chair of the Advisory Board for Rottendorf Pharma. Franz-Josef is retired from Bayer AG where he held senior management positions with global responsibility in R&D as well as in production for more than 15 years. He was responsible for product development, product safety and regulatory affairs in Bayer CropScience and for product supply and product quality in Bayer Animal Health and the Pharma division. He is passionate about sustainable agriculture and believes in new technologies to improve and secure agricultural productivity and farmer's income while minimizing the environmental impact. Equally important is for him the societal acceptance of technologies and the trust in science. Franz-Josef received his PhD in natural science from University of Würzburg (Institute for Pharmacy). He is a pharmacist by training and studied at University of Marburg.

4. Executive Management

4.1 Role and composition of the Executive Committee

The members of the ExCom are nominated and dismissed by the Board. Only the CEO is entrusted with the day-to-day management of the Company with the other members of the Excom in support. The ExCom is essentially tasked with discussing the general management of the company, and prepares the decisions to be taken by the Board.

Name	Function	Start of Term
Patrice Sellès	Chief executive officer	2019
Wim Ottevaere*	Chief financial officer	2020
Patrick McDonnell	Chief business officer	2021
Luc Maertens	Chief operating officer	2019

(*) Acting via WIOT BV

On September 17, 2021, Mrs. Hilde Revets left the Company as Chief Scientific Officer.

Patrice Sellès, Chief executive officer

Patrice Sellès has over 20 years of experience in the Ag and Food Tech Industry across various countries, including the USA and Switzerland. Prior to joining the Company in July 2019, he held a number of leadership roles at Syngenta, including developing the science and technology strategy as well as deploying a technology acquisition team to establish strategic partnerships and licensing agreements in Crop Protection, Biologicals and Biotechnology. Prior to that, he was an investment manager at Life Science Partners Bioventures in Cambridge (MA, USA) where he led multiple investment deals in the Food and Ag Tech ecosystem and joined the Board of three portfolio companies. Patrice started his career in scientific management roles in various industries bringing chemical ingredients from early stage discovery to development and scale-up. He is a chemical engineer and received his PhD in organic chemistry from the University Pierre et Marie Curie, Paris, France.

Wim Ottevaere, Chief financial officer

Wim Ottevaere has over 40 years of experience in strategic financial roles especially for multiple biotech companies across various markets. He was the chief financial officer of Ablynx NV until September 2018. From 1992 until joining Ablynx NV in 2006, Wim Ottevaere was chief financial officer of Innogenetics NV. 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, Wim Ottevaere held various positions in finance and administration within the Dossche group. Since he left Ablynx NV, he has been consultant for several biotech companies. He is currently a member of the Board and chairperson of the audit committee of Sequana Medical NV . Wim Ottevaere holds a Master's degree in Business Economics from the University of Antwerp, Belgium.

Patrick McDonnell, Chief business officer

Patrick McDonnell joined Biotalys in October 2021 from BASF, where he worked as Global Lead Business Development for Agricultural Products. He brings more than 30 years of experience in sourcing and implementing innovative solutions to agriculture, within various legacy companies of BASF, Bayer and Syngenta. He is an expert in go-to-market strategies and has launched many fungicides, insecticides and herbicides in different sales and marketing roles. Over time, Patrick has developed an expertise in biosolutions for greenhouses, in crops as diverse as mushrooms and citrus. Recently, he has been pioneering digital solutions in the global pest control industry, one of the key innovations aimed at helping growers to apply more targeted crop protection products to make agriculture more sustainable. Previously, Patrick set up his own plant nursery business where he established strong relations with growers and suppliers and experienced first hand what the needs of the agricultural community are to protect their crops against pests and diseases. Patrick studied at John Carroll University, Cleveland, Ohio, where he received a Degree in Biology and Chemistry.

Luc Maertens, Chief operating officer

Luc Maertens has over 20 years of experience in the agricultural industry with expertise in strategy development and implementation, operations management, and activities ranging from research through to regulatory approval and market entry. Prior to joining Biotalys in 2017 as chief executive officer, and being appointed chief operating officer in July 2019, he was head of Syngenta AG's Ghent Innovation Center, and headed the RNAi-based Biocontrol R&D Platform globally. Before that, he was a member of the executive team at Devgen NV where he held various positions in science, regulatory affairs and operations management within the divisions of Crop Protection, Seeds and Biotechnology for the European, Asian and African markets. He started his career at VIB in the Department of Medical Protein Research of the Faculty of Medicine at the University of Ghent, Belgium. Luc Maertens holds a Master's degree in biomedical sciences from the University of Brussels (VUB), Belgium.

4.2 Activity report

The ExCom meets on a weekly basis. During 2021, apart from the normal items related to human resources, strategy, R&D Developments, business development and finance, a lot of attention was also given to managing the impact of COVID-19 on the organization, the re-location of the operations from the offices situated at the Technologiepark in Zwijnaarde to the new offices at the Buchtenstraat in Sint-Denijs-Westrem and the initial public offering and listing of the shares of the Company on Euronext Brussels in June and July.

5. Conflicts of interest

Directors are required to arrange their personal and business affairs so as to avoid conflicts of interest with the Company. Any director with a conflicting interest on any matter before the Board will be required to bring it to the attention of his or her fellow directors. If the conflict is a direct or indirect conflict of a financial nature falling within the meaning of Article 7:96 of the BCCA, the relevant director shall also bring it to the attention of the statutory auditor and take no part in any deliberations or voting related thereto. If the conflict does not fall within the scope of Article 7:96 of the BCCA, the Board shall, under the lead of the Chairperson, decide which procedure needs to be followed to protect the interests of the Company and the shareholders, as the case may be. Finally, the Board should act in such a manner that a conflict of interests, or the appearance of such a conflict, is avoided. In the possible case of a conflict of interests, the Board should, under the lead of its Chairperson, decide which procedure it will follow to protect the interests of the Company and all its shareholders.

In 2021 and up to 9 March 2022, certain directors declared a conflict of interest. The following declarations were made in that respect:

- The minutes of the meeting of the Board of 27 January 2021 contain the following:

"Mr. Patrice Sellès informed the Board that he has a conflict of interest in the meaning of article 7:96 of the Belgian Code on Companies and Associations with respect to item 4 (Update and discussion of the Corporate Performance, including Key People) of the agenda as this also concerns the level of the bonus payment to him personally.

(…)

The Board decides to grant a bonus to Mr. Patrice Sellès of €84,600. The Board justifies this decision as follows: Patrice Sellès has had a steep learning curve in the Company and has done so successfully. Furthermore, important progress was made by the Company (filing of the first regulatory dossier in the US), contacts with potential partners in the commercialisation of the Company's products, guidance in the IPO process and possible alternative financing options for the Company. The granting of this bonus is therefore in the Company's interest and is in line with the Company's policy on remuneration."

- The minutes of the meeting of the Board of 30 March 2021 contain the following:

"Mr. Patrice Sellès declared to have a conflict of interest in respect of item 6.8.1 and 7.3 of the minutes. In respect of item 6.8.1, the conflict is due to the fact that Mr. Patrice Sellès currently holds 750,000 warrants under ESOP III of which 187,500 are vested (and assuming an IPO in May 2021, 210937 warrants would be vested). In case the Board would decide to allow immediate vesting and/or exercise this would mean that all 750,000 warrants would vest. In case of an exercise of all warrants this would result in a total exercise price of 964,050 EUR to be paid to the Company. Furthermore, Mr. Patrice Sellès is the direct beneficiary of the bonus that is presented under item 7.3 of the minutes i.e. a bonus of gross 150,000 EUR linked to a successful closing of Project Bumblebee and after market.

- Nomad Technology Consulting LLC, permanently represented by Adrian Percy declared to have a conflict of interest in respect of item 6.8.1 of the minutes. In respect of item 6.8.1, the conflict is due to the fact that Nomad Technology Consulting LLC, permanently represented by Adrian Percy currently holds 10,000 warrants under ESOP III of which 2,500 are vested (and assuming an IPO in May 2021, 2,812 warrants would be vested). In case the Board would decide to allow immediate vesting and/or exercise this would mean that all 10,000 warrants would vest. In case of an exercise of all warrants this would result in a total exercise price of 12,854 EUR to be paid to the Company.

- Inno Tune BV, permanently represented by Lieven De Smedt declared to have a conflict of interest in respect of item 8 of the minutes as he is the beneficiary of the bonus payment of 50,000 EUR that will be proposed to the shareholders."

(…)

"In respect of the conflict of interest the Board notes the following:

- Mr. Patrice Sellès declared to have a conflict of interest due to the fact that Mr. Patrice Sellès currently holds 750,000 warrants under ESOP III of which 187,500 are vested (and assuming an IPO in May 2021, 210,937 warrants would be vested). In case the Board would decide to allow immediate vesting and/or exercise this would mean that all 750,000 warrants would vest. In case of an exercise of all warrants this would result in a total exercise price of 964,050 EUR to be paid to the Company.

- Nomad Technology Consulting LLC, permanently represented by Adrian Percy declared to have a conflict of interest due to the fact that Nomad Technology Consulting LLC, permanently represented by Adrian Percy currently holds 10,000 warrants under ESOP III of which 2,500 are vested (and assuming an IPO in May 2021, 2,812 warrants would be vested). In case the Board would decide to allow immediate vesting and/or exercise this would mean that all 10,000 warrants would vest. In case of an exercise of

all warrants this would result in a total exercise price of 12,854 EUR to be paid to the Company.

The financial consequence for the Company overall are as set out above, it being understood that the decision not to allow immediate vesting and not to request immediate exercise does not mean that (over time) the Company will still receive the full amount of the subscription price depending on whether or not the beneficiaries will remain in the Company during the normal vesting period and whether or not the warrants under ESOP III will be "in the money" at the time of exercise. The Board considers, however, that keeping ESOP III in place as incentive is an important factor and will contribute to the success of the IPO. This also avoids upfront dilution in the IPO for the investors in the IPO. Furthermore, an exercise of the options would require a substantial cash investment by the beneficiaries of ESOP III which they cannot be compensated with an immediate sale on the market in view of the lock up obligation that will apply. For these reasons, the Board decides that it is in the interest of the Company to keep the ESOP III in place following the IPO i.e. without accelerated vesting or requirement to exercise."

(…)

"In respect of the conflict of interest of Patrice Sellès, the Board notes that the conflict is due to the fact that Patrice Sellès is the beneficiary of an IPO bonus of 150,000 EUR (gross). The financial consequence for the Company is a potential cash out of 150,000 EUR to be increased with applicable employer's social security payments, which the Board determines to be in the interest of the Company in view of the particular effort that has been and is still required from the CEO in the framework of the proposed IPO. It is in the interest of the Company that there is a continued motivation of the management team and the CEO in particular to bring the IPO to a successful closing. This entails a number of skill sets (in particular) contacts with potential investors, which the CEO is handling in a diligent manner."

(…)

"To the extent applicable or necessary the Board notes the following in respect of the conflict of interest of Inno Tune BV, permanently represented by Lieven De Smedt. The Board follows the procedure as far as necessary or applicable as the matter is a proposal to the shareholders meeting and not a decision of the Board itself. The Board notes that the cash out for the Company is 50,000 EUR (gross) and considers this is in the interest of the Company and a fair compensation for the work that Inno Tune BV, permanently represented by Lieven De Smedt has performed for the Company as chairman of the Board.

- The minutes of the meeting of the Board of 21 June 2021 contain the following:

"Patrice Sellès notified the Board that, pursuant to the decision of the Board of 30 March 2021, he would be entitled to a bonus if the IPO meets certain pre-defined conditions. Bonuses have also been granted under the same conditions to the other members of the executive committee of the Company. The Board noted that Patrice Sellès has a financial interest that is in conflict with the resolutions that will be passed by the Board within the meaning of Article 7:96 BCCA. He is however of the opinion that the contemplated resolutions in connection with the IPO are in the interest of the Company, as it will allow the Company to attract new capital with a view to the further development of its activities and at the same to reinforce its net equity. Patrice Sellès will therefore not participate in the deliberation and the voting on the agenda items of the meeting, as listed hereinafter and a reference to a unanimous decision relates to all board members other than Patrice Sellès. The Board takes the view and decides that the IPO and the related documentation and agreements are clearly in the interest of the Company as a successful IPO will allow the Company to strengthen its financial position and its ability to pursue its business plan. The financial consequences for the Company linked to these decisions cannot be determined with certainty at this moment in time as it will depend on the success of the IPO. In this respect it is noted that the maximum amount of the capital increase that will be proposed to the general shareholders meeting is 80 million EUR but even in case the IPO would result in a lower amount and would be limited to the precommitments of shareholders and cornerstone investors, minimum proceeds can be expected ranging up to 29 mio EUR. In case the IPO would not be successful, the Company will however bear the cost incurred with the IPO process without any proceeds. These costs are currently estimated at approximately 1.8 mio EUR."

- The minutes of the meeting of the Board of 1 July 2021 contain the following:

"Patrice Sellès notified the Board that, pursuant to the decision of the Board of 30 March 2021, he would be entitled to a bonus if the IPO meets certain pre-defined conditions. Bonuses have also been granted under the same conditions to the other members of the executive committee of the Company. The Board noted that Patrice Sellès has a financial interest that is in conflict with the resolutions that will be passed by the Board within the meaning of Article 7:96 BCCA. He is however of the opinion that the contemplated resolutions in connection with the IPO are in the interest of the Company, as it will allow the Company to attract new capital with a view to the further development of its activities and at the same to reinforce its net equity. Patrice Sellès will therefore not participate in the deliberation and the voting on the agenda items of the meeting, as listed hereinafter and a reference to a unanimous decision relates to all board members other than Patrice Sellès. The Board takes the view and decides that the IPO and the related documentation and agreements are clearly in the interest of the Company as a successful IPO will allow the Company to strengthen its financial position and its ability

to pursue its business plan. The financial consequences for the Company linked to these decisions cannot be determined with certainty at this moment in time as it will depend on the success of the IPO. In this respect it is noted that the maximum amount of the capital increase that will be proposed to the general shareholders meeting is 80 million EUR but even in case the IPO would result in a lower amount and would be limited to the precommitments of shareholders and cornerstone investors, minimum proceeds can beexpected ranging up to 29 mio EUR. In case the IPO would not be successful, the Company will however bear the cost incurred with the IPO process without any proceeds. These costs are currently estimated at approximately 1.8 mio EUR."

- The minutes of the meeting of the Board dated 16 September 2021 contain the following:

"Mr. Patrice Sellès informs the Board of Directors that he has a conflict of interest of a patrimonial nature within the meaning of Article 7:96 of the Companies and Associations Code that is contrary to the interests of the Company with respect to the agenda item relating to the granting of an IPO Bonus (meeting of the Board of Directors of 16 September 2021) since he himself is the beneficiary of this IPO Bonus for a gross amount of EUR 150,000. Mr. Patrice Sellès will also notify this conflict of interest to the auditor.

Mr. Patrice Sellès leaves the meeting with respect to the deliberation, discussion and decision on this agenda item.

The Board of Directors refers in this case to its previous decision of 30 March 2021. The financial consequence of granting the IPO-Bonus to Mr. Sellès amounts to a payment of EUR 150,000 at the expense of the Company. The Board of Directors justifies the granting of the IPO-Bonus by referring to the successful closing of the initial public offering of the Company and the listing of its shares on Euronext Brussels in difficult market conditions. This has enabled the Company to raise significant new funds (EUR 52.8 million gross). Mr Patrice Sellès played an important role in this successful conclusion.

The other members of the board of directors have unanimously decided to grant the IPO-Bonus to Mr. Patrice Sellès."

- The minutes of the meeting of the Board dated 18 January 2022 contain the following:

"Prior to the deliberation and vote by the Board, Patrice Sellès declared a conflict of interest within the meaning of article 7:96 of the Companies and Associations Code (WVV) with regard to item 8 of the agenda (Performance of the Company/ExCom and proposals for remuneration) as he is one of the beneficiaries of the remuneration submitted for decision.

Furthermore, the following directors: Johan Cardoen, Simon Moroney, Catherine Moukheibir and Markus Heldt, insofar as necessary or applicable, reported a conflict of interest in the sense of section 7:96 WVV with regard to item 7 of the agenda (Feedback from the remuneration and nomination committee (including remuneration of independent directors)) as they are the potential beneficiaries of the remuneration submitted for decision. It should be noted that the procedure of article 7:96 WVV is followed on a voluntary basis and to the extent necessary or appropriate since the decision regarding this remuneration lies with the general meeting of shareholders and as such does not fall within the competence of the Board as provided for in article 7:96 WVV."

(…)

"The Board takes note of the fact that Simon Moroney, Catherine Moukheibir, Marcus Heldt and Johan Cardoen voluntarily want to apply the conflict of interest procedure of section 7:96 WVV. In principle, the matter of remuneration of directors falls within the competence of the general meeting of shareholders, yet the aforementioned directors wish to exclude any discussion about a possible conflict, even if this conflict is not strictly legal.

The decision only concerns the proposal to the next general meeting of shareholders of an additional annual share component of the remuneration of independent directors.

The Board unanimously decided to propose to shareholders the approval of an additional annual share component to the remuneration of independent directors. This will be in the form of newly issued shares in respect of which the relevant directors will have an obligation to subscribe at a pre-set subscription price (independent of the value of the share at that time) ("share units" where each share unit represents the obligation of the relevant director to subscribe to one new share of the Company). The number of share units granted on an annual basis is as follows:

Simon Moroney	1500
Johan Cardoen	1250
Catherine Moukheibir	1250
Markus Heldt	1250

The new shares will be issued under the authorised capital of the Company. If the Company does not have authorised capital available, the Company reserves the right to deliver existing shares (if it can proceed to purchase its own shares under company law) or to compensate them in cash.

The basic characteristics of the share units are as follows:

- The share units are not shares (i.e. they do not grant voting rights, preferential subscription rights or other membership rights to the holder);
- They are not transferable.
- Share units only vest over a three-year period as long as the director is still in office (1/3 each year after granting) except in the event of death or an exit (merger, sale, takeover bid) where immediate vesting applies.
- Share units that have not vested shall lapse.
- The vesting is not linked to any performance criteria and the remuneration in share units is therefore fixed remuneration.
- The underlying new shares will only be effectively issued after a period of three years from the grant of the share units but they will only become negotiable at the earliest after the lapse of (i) three years after the grant of the share units or (ii) one year after the termination of the mandate of the director concerned whichever is the latest.

The Board is of the opinion that granting a share component in the remuneration of independent directors is in the interest of the Company and, in particular, helps to align the interests of the directors with those of the Company. This is, by the way, a principle that is put forward in the Belgian Corporate Governance Code. Offering such compensation is also seen as necessary to attract independent directors of high calibre now and in the future, also in view of the international market in which the Company has to compete in that area.

The financial consequences for the Company of this additional share component are in principle very limited if new shares could be used as underlying shares of a share unit, which is the starting point. In particular, there would then be no cash-out for the Company except for the notarial deed costs when issuing the new shares, which can be estimated at EUR 3,000 to 4,000. The subscription price of the new shares will be rather low and rather symbolic as it concerns a remuneration element and should not be taken into account in this consideration. This subscription price will be determined at a later date. In the exceptional circumstance that the Company would not have the authorised capital to proceed with the issue of new shares and would have to buy back its own shares (if possible, under company law) or to pay cash compensation, the cost will be equal to the number of shares to be compensated multiplied by the market price of the share at that time. Assuming a constant stock market price of, for example, EUR 10, this amounts to a cash-out of EUR 52,500 annually in the event of an allocation of 5250 share units (as is currently proposed)."

(...)

"The Board notes the conflict of interest within the meaning of article 7:96 WVV that Patrice Sellès has with respect to the present decision to grant a bonus for 2021 and an increase in the base remuneration for 2022. This conflict of interest is triggered by the mere fact that Patrice Sellès is himself the beneficiary of the bonus/remuneration.

With regard to the stated conflict of interest of Mr. Patrice Sellès under article 7:96 WVV, the Board is of the opinion that granting the performance bonus 2021 and the increase in the base remuneration for 2022 to Mr. Patrice Sellès is justified and in line with the remuneration policy of the Company. The increase also brings the compensation of Patrice Sellès more in line with the market standard. The financial impact for the Company amounts to a cash-out of 81.000 EUR as bonus for 2021 and 25,000 EUR for 2022 (bringing the base salary (excluding bonus and equity related compensation) to 250,000 EUR) (all amounts are gross)."

6. Related party transactions

Any proposed related party transaction or arrangement falling within the scope of Article 7:97 of the BCCA shall be submitted to a committee of three independent directors in accordance with such article and shall only be entered into after review by the committee. Even when transactions or arrangements do not fall within the scope of Article 7:97 of the BCCA, each director should, in particular, be attentive to conflicts of interests that may arise between the Company, its directors, its significant or controlling shareholder(s) and other shareholders.

In 2021, no related party transaction or arrangement within the scope of Article 7:97 of the BCCA were entered into and consequently no announcements were made pursuant to article 7:97§4/1 of the BCCA of related party transactions. No material limitations were imposed or prolonged by a shareholder that would fall within the scope of article 7:97 § 6 of the BCCA.

7. Deviations from the Belgian Code on Corporate Governance

The Company will apply the ten corporate governance principles contained in the Belgian Code on Corporate Governance and will comply with the corporate governance provisions set forth in the Belgian Code on Corporate Governance, except in relation to the following:

- In deviation of provision 3.19 of the Belgian Code on Corporate Governance, no company secretary has been appointed on the date of the report. This deviation is explained by the size of the Company. The Company currently relies on the assistance of an external legal advisor to assist in its corporate governance matters. The Board will continuously assess the need for the appointment of an in-house company secretary in the future in order to align its corporate governance with the provisions of the Belgian Code on Corporate Governance.

- In deviation of provision 4.14 of the Belgian Code on Corporate Governance, no independent internal audit function has been established. This deviation is explained by the size of the Company. The audit committee will regularly assess the need for the creation of an independent internal audit function and, where appropriate, will call upon external persons to conduct specific internal audit assignments and will inform the Board of their outcome.

- In deviation of provision 7.6 of the Belgian Code on Corporate Governance, the non-executive non-independent members of the Board do not receive part of their remuneration in the form of shares. This deviation is explained by the fact that the interests of these non-executive members of the Board are currently considered to be sufficiently oriented to the creation of long-term value for the Company. In respect of the independent directors, the Board proposes to issue a number of share-units to these director in order to comply with provision 7.6 of the Belgian Code on Corporate Governance (see chapter 9 – Remuneration Policy and Remuneration Report - section 9.1.3.1 - Independent Directors). It should be noted that the share-units are not entirely equivalent to a share (no voting rights, no preferential subscription rights or other membership rights), however, in the opinion of the Company, the share-units meet the objectives provided for in provision 7.6 of the Belgian Code on Corporate Governance.

- Pursuant to article 7:91 of the BCCA and provisions 7.6 and 7.11 of the Belgian Code on Corporate Governance, shares or options on Shares should not vest and be exercisable within three years as of the grant thereof. The Board has been explicitly authorized in the Articles of Association to deviate from this rule. This authorization is explained by the fact that this allows for more flexibility when structuring share-based awards. For example, it is customary for share incentive plans to provide for a vesting in several instalments over a well-defined period of time, instead of vesting after three years only. This is the case for the proposed share-units granted to the independent directors which vest on a yearly basis and is also the case for stock options granted under the Company's long term incentive plans. This seems to be more in line with prevailing practice, while such share incentive plans and other remuneration and other practices provide for sufficient orientation of the beneficiaries to the creation of long-term value for the Company.

- In deviation of provision 7.9 of the Belgian Code on Corporate Governance, no minimum threshold of shares to be held by the members of the ExCom has yet been set. This deviation is explained by the fact that the interests of the members of the ExCom are currently considered to be sufficiently oriented to the creation of long-term value for the Company, also considering the fact that all of them hold ESOP warrants. Therefore, setting a minimum threshold of shares to be held by them is not deemed necessary. However, the Company intends to continuously review this in the future in order to align its corporate governance with the provisions of the Belgian Code on Corporate Governance.

- In accordance with provision 7.12 of the 2020 Code, the Board should include provisions that would enable the Company to recover variable remuneration paid, or withhold the payment of variable remuneration, and specify the circumstances in which it would be appropriate to do so, insofar as enforceable by law. The Company believes that this provision of the 2020 Code is not appropriate and adapted to take into account the realities of companies in the AgTech industry, including, notably, for management teams located in the United States. The share option plans set up by the Company do however contain bad leaver provisions that can result in the share options, whether vested or not, automatically and immediately becoming null and void. Notwithstanding the Company's position that share options are not to be qualified as variable remuneration, the Board is of the opinion that such bad leaver provisions sufficiently protect the Company's interests and that it is therefore currently not necessary to provide for additional contractual provisions that give the Company a contractual right to reclaim any (variable) remuneration from the members of the executive management. For that reason, there are no contractual provisions in place between the Company and the members of the executive management that give the Company a contractual right to reclaim from said executives any variable remuneration that would be awarded. This deviation is also explained by the fact that the Company considers there to be sufficient checks and balances for the calculation and payment of the variable remuneration.

8. Diversity

The Company is convinced of the positive influence of a diversity-based personnel policy, and is itself actively striving for a complementary composition of its Board, executive committee and staff (in terms of professional background and skills, as well as gender). The attraction, education and counselling of talented staff members with complementary knowledge and experience is a priority.

At the level of the Board, this is reflected in the Corporate Governance Charter (section 4.3.1) stating that the composition of the Board should take into account sufficient diversity of skills, background, age and gender. The three first selection criteria ensure the complementarity in terms of professional skills, knowledge and experience, while the fourth criterion sets a goal to consider candidates of different gender.

By January 2027, at least one third of the members of the Board should be from a different gender than the other members. The current Board has 1 female director (14%) and 6 male directors (86%), with a diversity of education and professional experience. The Board will continue to look to increase diversity at the level of the Board of Directors and the ExCom including through the use of headhunters and through its own network.

It is also a task of the Board to ensure that the members of the ExCom have diverse professional backgrounds with complementary skills. It is the aim of the Board that the long-term vision of the Company is supported by executives who actively promote the values of the Company and, in this sense, contribute to value creation. This translates, among other aspects, into a preference for providing talented staff members with career development options within the Company. All members of the ExCom have been appointed based on their personal merits.

The Company is building teams from qualified candidates regardless of their gender, race, religion or sexual orientation. A diverse team of different types of people, from different backgrounds and experiences helps us to be more innovative, creative and achieve better results. Our recruitment process is free from biases and is merit-based determining which candidates have the abilities, knowledge, and skills considered the most suitable for the job. We ensure our talent pool is diverse by sourcing candidates from a variety of places, by offering internships and connecting with different schools and universities and by encouraging our employees to refer their connections.

9. Remuneration Policy and Remuneration Report

9.1 Remuneration Policy

9.1.1 INTRODUCTION

This remuneration policy has been prepared by the Board on recommendation of the nomination and remuneration committee in accordance with article 7:89/1 of the BCCA and the Belgian Code on Corporate Governance and applies to the members of the Board and the executive management of the Company. This remuneration policy will be submitted for approval to the ordinary general shareholders' meeting of the Company to be held on 15 April 2022 in order to align the current remuneration policy of the Company with the requirements of article 7:89/1 BCAC. If a majority of the votes were to be cast against this revised remuneration policy, the Company will take the necessary steps to address the concerns of those voting against it, and will adapt its remuneration policy. The Board intends to apply the remuneration policy for a period of four years it being understood that the Company can deviate from the remuneration policy as provided for in article 7:89/1,§5 BCCA.

9.1.2 BACKGROUND AND OBJECTIVES

As an agricultural technology company focused on addressing food protection challenges with proprietary protein-based biocontrol solutions and aiming to provide alternatives to conventional chemical pesticides for a more sustainable and safer food supply, the Company's strategy involves researching, developing, testing and eventually (after obtaining the necessary regulatory and other approvals) commercializing solutions to address three core challenges facing global food production today: the 1.6 billion tons of global food wasted every year, the potential effects of conventional chemical pesticides on biodiversity and food safety, and the sustainable food production from farm to fork.

Therefore, it is important that the Company is able to attract and retain directors and members of the executive management with the talent, knowledge, ability, experience, skills, values and behaviour to deliver on the Company's long-term strategy and goals, to support the Company's purpose and to promote continuous improvement in the Company's business. The Company's remuneration policy covering members of the Board and the ExCom is designed with this in mind.

For members of the ExCom, the policy is designed to reward performance in order to motivate them to deliver increased shareholder value through superior business results. Levels of fixed and variable remuneration should be sufficient to attract, reward and retain members of the executive management who have the profile determined by the Board, to promote the achievements of strategic objectives in accordance with the Company's risk appetite and behavioural norms and to promote sustainable value creation. Finally, it is also important that the remuneration policy of the Company is competitive in the (employment) markets in which the Company operates. For members of the Board, remuneration is aimed at being in line with companies of similar size and complexity and comprises only fixed compensation". The Board determines the remuneration of the directors and the members of the executive management in accordance with the provisions of the BCCA and the Belgian Code on Corporate Governance, upon recommendation and proposal of the nomination and remuneration committee, while respecting the prerogatives of the general shareholders' meeting. The nomination and remuneration committee commissions an independent external advisor to benchmark the compensation of the members of the Board and the executive management against peer companies to ensure that it remains fair, competitive and in line with market practice. The remuneration of the members of the Board and the executive management is therefore market driven.

The specific powers and composition of the nomination and remuneration committee are set out in the corporate governance charter of the Company. In accordance with article 7:89/1, §5 of the BCCA, the Company may temporarily derogate from this remuneration policy in exceptional circumstances. These exceptional circumstances cover situations in which the derogation is necessary to serve the long term interests and sustainability of the Company as a whole or to assure its viability. Such derogation requires the approval of both the nomination and remuneration committee and the Board. The remuneration report relating to the relevant financial year will include information on any derogation, including its justification.

9.1.3 BOARD OF DIRECTORS

The level and structure of the remuneration of the members of the Board are determined based on their general and specific responsibilities and market practice.

9.1.3.1 Independent directors

The remuneration of independent directors consist of a fixed remuneration and is composed of a cash remuneration and a share based remuneration.

Cash remuneration: It includes a fixed cash remuneration which varies depending on whether the director also acts as chairperson of the Board or a committee. The remu-

neration can be reduced pro rata temporis depending on the duration of the mandate during a given year.

Currently the yearly fixed cash remuneration is as follow: 75,000 EUR for the chairperson of the Board and 55,000 EUR for other independent directors. Chairpersonship of a committee entitles the independent director to an additional 10,000 EUR.

Share based remuneration: As part of the remuneration policy, the Board decided to propose to the general shareholders meeting on April 15, 2022, the approval of an additional annual share component to the remuneration of independent directors. This will be in the form of newly issued shares in respect of which the relevant directors will have an obligation to subscribe at value i.e. 1 EUR per share (independent of the value of the share at that time) ("share units" where each share unit represents the obligation of the relevant director to subscribe to one new share of the Company) .

The number of share units proposed to be granted for 2022 is 1,500 for the chairperson of the Board and 1,250 for other independent directors. As from 2023, the number of share units that will be granted yearly will be calculated as follows:

(i) for the chairperson of the Board : 10,500 divided by the average closing price of the Biotalys share on Euronext Brussels during the month of March of the relevant year and (ii) for other independent directors: 8750 divided by the average closing price of the Biotalys share on Euronext Brussels during the month of March of the relevant year. Fractions of shares will be disregarded.

The new shares will be issued under the authorised capital of the Company. If the Company does not have authorised capital available, the Company reserves the right to deliver existing shares (if it can proceed to purchase its own shares under company law) or to compensate them in cash (i.e. a cash amount equal to the closing stock price of the shares to be delivered under the share units at the time the shares should have been issued minus the subscription amount).

The basic characteristics of the share units are as follows:

- The share units are not shares (i.e. they do not grant voting rights, preferential subscription rights or other membership rights to the holder);
- They are not transferable;
- Share units only vest over a three-year period and as long as the director is still in office (1/3 each year after granting) except in the event of death or an exit (merger or other corporate law reorganisation, sale of substantially all assets of the Company, takeover bid with change of control) where immediate vesting applies.
- Share units that have not vested shall lapse.
- The vesting is not linked to any performance criteria and the remuneration in share units is therefore fixed remuneration. The share units also create an obligation for the director to subscribe i.e. it is not an option leaving discretion with the director whether or not to exercise.
- The underlying new shares will only be effectively issued after a period of three years from the grant of the share units.

The issue of share-units is designed to align the remuneration policy of the Company in respect of independent directors with provision 7.6 of the Belgian Code on Corporate Governance. It should be noted that the share-units are not entirely equivalent to a share (no voting rights, no preferential subscription rights or other membership rights), however, in the opinion of the Company, the share-units meet the objectives provided for in provision 7.6 of the Belgian Code on Corporate Governance. Pursuant to article 7:91 of the BCCA and provisions 7.6 and 7.11 of the Belgian Code on Corporate Governance, shares or options on Shares should not vest and be exercisable within three years as of the grant thereof. The Board has been explicitly authorized in the Articles of Association to deviate from this rule. This authorization is explained by the fact that this allows for more flexibility when structuring share-based awards. For example, it is customary for share incentive plans to provide for a vesting in several instalments over a well-defined period of time, instead of vesting after three years only. This is the case for the proposed share-units granted to the independent directors which vest on a yearly basis. The Company believes that such share incentive plans and other remuneration and other practices provide for sufficient orientation of the beneficiaries to the creation of long-term value for the Company.

Relative weighting of each remuneration component	
Fixed Cash Amount	80-90%
Share Units	10-20%

9.1.3.2 Non-independent non-executive directors

Non-executive directors that are not independent directors are not entitled to a remuneration in cash. They also do not receive any share-based compensation. This is not in line with provision 7.6 of the Belgian Code on Corporate governance which requires that board members should receive a part of their remuneration in shares. The Company takes the view that as long as the non-independent non-executive directors are linked to important shareholders of the Company, their interest are sufficiently aligned without the requirement to give additional remuneration to these directors.

9.1.3.3 Non-executive directors

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

Non-executive directors are not entitled to any pension or early retirement scheme provided by the Company.

9.1.3.4 Executive directors

The directors who are also a member of the executive management are remunerated for the executive management mandate (see section 9.1.4 - Executive Management), but not for their director mandate.

9.1.3.5 All directors

Directors are not entitled, in their capacity of director, to any kind of performance cash bonus or variable remuneration. Directors are also not entitled to any kind of compensation when their mandate ends.

Furthermore, the Company has implemented directors' and officers' insurance coverage in order to cover liability they may incur in the exercise of their functions.

9.1.4 EXECUTIVE MANAGEMENT

It is reminded that the Board is explicitly authorised in the articles of association to deviate from the principles set out in article 7:91 of the BCCA.

Article 25 of the articles of association states the following:

"The time requirements as stipulated in article 7:91 of the Belgian Code of Companies and Associations regarding the vesting or exercise of shares, share options or any other rights to acquire shares by directors are not applicable and the board of directors may, by way of remuneration, grant to directors shares, share options and any other rights to acquire shares that are vested or can be exercised earlier than three years after their grant. This does not require the express authorisation of the general meeting. The provisions of article 7:91 of the Belgian Code of Companies and Associations relating to linking ¼ of the variable remuneration of executive directors to predetermined and objectively measurable performance criteria over a period of two years and ¼ over a period of three years, are not applicable and the board of directors may deviate from them without the prior express approval of the general meeting"

The remuneration of the members of the ExCom consist of (i) a fixed remuneration, (ii) as short term incentive, a variable remuneration in the form of a cash bonus determined depending on the overall Company's performance and individual performance (apart from the CEO whose variable remuneration is solely based on the Company's performance as a whole), (iii) as long term incentive, stock options under the long term incentive plans of the company, (iv) group/hospital insurances and other benefits.

- Fixed remuneration: the fixed remuneration is determined by the Board on recommendation of the nomination and remuneration committee and is reviewed on a yearly basis. The review takes into account the market in which the Company is operating and the Board regularly involves external consultants to perform a benchmark review.

- Variable cash bonus: as a short term incentive, each of the members of the ExCom is eligible to obtain a cash bonus depending on the performance of the Company and his or her individual performance. The goals towards which the performance of the Company are measured are set at the beginning of each year by the Board on recommendation of the nomination and remuneration committee. The goals are reviewed each year and are set in such a way that they cover a number of key areas for the Company i.e. finance, operational progress, business development and human capital. The individual performance of each member of the ExCom is decided upon by the Board upon recommendation of the nomination and remuneration committee. The latter takes into account the manner in which the ExCom member has contributed towards the achievement of the corporate

goals, the engagement and taking of responsibility of the ExCom member and the development of relevant competences and skills. Bonusses may also be linked to special projects. As stated above, the performance level of the CEO is set at the performance of the Company overall.

- Stock Options under the Company's long term incentive plans: the purpose of the stock option plan is to remunerate the beneficiaries for their contribution to the long-term value creation. The Board decides on the granting of stock options to members of the executive committee based on the recommendation of the nomination and remuneration committee and may link the grant or the vesting to performance criteria which will be confirmed in accordance with article 7:90 BCCA.

- Insurances and other benefits: Each member of the executive management who is a salaried employee may be entitled to a number of fringe benefits, which may include participating in a defined contribution pension or retirement scheme, disability insurance, a company car, a mobile telephone, internet access and/or a laptop computer according to general Company policy, and other collective benefits (such as hospitalisation insurance and meal vouchers). Executive members who are engaged on the basis of a services contract do not receive fringe benefits, except that they may be provided with a mobile phone and laptop computer and they qualify for reimbursement of expenses incurred while carrying out their professional responsibilities.

Relative weighting of each remuneration component	
Fixed base salary	45-55%
Cash bonus	20-35%
Stock Options	10-20%
Insurance	7-10%
Other benefits	1%

9.1.5 CONSIDERATION OF PAY AND EMPLOYMENT CONDITIONS OF EMPLOYEES

The Company wants to attract talented employees who combine expertise and passion for its business and strive to make the business grow, taking into account the governance and working procedures the Company has put in place.

The standards that are used to determine the remuneration policy of the members of the executive committee are also applied to the other staff members. Similarly as for members of the executive committee, the remuneration for staff members is composed of a (i) a fixed remuneration, (ii) variable remuneration in the form of a cash bonus determined depending on the overall Company's performance and individual performance, (iii) stock options under the long term incentive plans of the company, (iv) group/hospital insurances and other benefits.

A yearly target setting and appraisal cycle, defines the targets for each employee. A formal year end appraisal process assesses the targets and actual results for all employees, which may lead to a variable remuneration, based on this process. The nomination and remuneration committee takes into account the compensation of the employees when preparing the remuneration policy applicable to the directors and the members of the executive management. Particularly, the nomination and remuneration committee discusses and assesses key areas of remuneration policy for the wider workforce throughout the year, the annual bonus pool and resulting pay outcomes for employees across the workforce and any material changes to the structure of workforce compensation.

9.1.6 CRITERIA FOR THE AWARD OF VARIABLE REMUNERATION

The criteria for the award of variable remuneration are, to the extent possible, of a quantitative nature. Each year the Board, upon recommendation and proposal of the nomination and remuneration committee, determines the criteria and parameters to be applied on the variable remuneration.

As mentioned, the applied criteria to determine the variable remuneration of the members of the executive management are set in such a way that they cover a number of key areas for the Company i.e. finance, operational progress, business development and human capital. Within each of these areas, specific goals will be set by the Board upon recommendation of the nomination and remuneration committee taking into account the long term strategy of the Company. This will include the board-approved annual budget, as well as measurable operational targets, such as showing entrepreneurship and leadership, respecting the Company's governance and agreed processes and procedures, business development (e.g. entering into value creating partnerships),

feeding the pipeline of projects, field trial progression, implementation of the go-to-market strategy, obtaining external visibility (via peer reviewed and corporate publications, within the media, at conferences, …), employee wellbeing, delivering projects on time, implementing quality plans on defined topics, improving business, financial, control or support processes, managing and improving sustainability aspects of the business (being it environmental, social or governance wise) as well as ensuring long term financial viability of the organization.

The aforementioned criteria may change on a year-to-year basis. The metrics and the relative weight attributed to each of them are set by the Board annually, taking into account the Company's strategic priorities. In setting out the metrics and the relative weight attributed to each of them, the Board will base itself on audited figures or other objective measurable elements. The variable cash bonus paid out to the members of the executive management is awarded unconditionally and is not subject to any vesting mechanisms. Each year, upon recommendation and proposal of the nomination and remuneration committee, the Board decides on the objectives of the executive management for the coming financial year and evaluates their performance for the period ending, in conformity with the procedure currently in place. This performance evaluation is also used to determine the variable part of their annual remuneration.

In accordance with provision 7.12 of the 2020 Code, the Board should include provisions that would enable the Company to recover variable remuneration paid, or withhold the payment of variable remuneration, and specify the circumstances in which it would be appropriate to do so, insofar as enforceable by law. The Company believes that this provision of the 2020 Code is not appropriate and adapted to take into account the realities of companies in the AgTech industry. The ESOP warrant plans set up by the Company do however contain bad leaver provisions that can result in the share options, whether vested or not, automatically and immediately becoming null and void. Notwithstanding the Company's position that ESOP Warrants are not to be qualified as variable remuneration (when not depending on performance criteria), the Board is of the opinion that such bad leaver provisions sufficiently protect the Company's interests and that it is therefore currently not necessary to provide for additional contractual provisions that give the Company a contractual right to reclaim any (variable) remuneration from the members of the executive management. For that reason, there are no contractual provisions in place between the Company and the members of the executive management that give the Company a contractual right to reclaim from said executives any variable remuneration that would be awarded.

9.1.7 SHARE-BASED REMUNERATION

The Company may from time-to-time award share options (in the form of subscription rights) to the executive management, at the discretion of the Board. On the date of this remuneration policy, the Company has the following outstanding plans:

(i) ESOP warrants that were granted to employees, consultants and directors of the Company pursuant to the ESOP 2017 plan (the "ESOP 2017 Warrants").

(ii) ESOP warrants that were granted to employees, consultants and directors of the Company or an affiliated company pursuant to the ESOP 2020 plan (the "ESOP 2020 Warrants").

(iii) ESOP warrants that were granted to employees, consultants and directors of the Company or an affiliated company pursuant to the ESOP 2021 plan (the "ESOP 2021 Warrants").

The ESOP 2017 and 2020 Warrants are subscription rights to profit certificates that convert into shares of the Company upon exercise at a ratio of 2:1. The ESOP 2021 Warrants are subscription rights to shares of the Company at a ratio of 1:1.

The number of ESOP Warrants offered to each of the beneficiaries is freely determined by the Board, acting upon the recommendation of the nomination and remuneration committee.

The granting or vesting of share options may depend on variable objectives or performance criteria in line with the criteria that apply for the variable cash bonus.

The Company may launch new long term incentive plans in the future for the grant of stock options to its employees, directors and consultants. Such new long term incentive plans will be similar in all material respect to the ESOP 2021 plan.

The Company believes that the granting of stock options is an important element to attract and retain key personnel to implement its strategy. Furthermore, equity-based compensation creates an incentive for the staff to pursue long-term value creation which is key for the strategy of the Company.

9.1.8 AGREEMENTS WITH THE MEMBERS OF THE BOARD AND THE EXECUTIVE COMMITTEE

9.1.8.1 Non-executive directors

Each non-executive director exercises its mandates as self-employed workers vis-à-vis the Company. The relationship is based on the appointment of the non-executive director by the general meeting and is confirmed in an appointment letter that is accepted by the director.

According to the articles of association of the Company, the term of a directors' mandate cannot exceed four (4) years, but may be renewed. The directors' mandates may be terminated "ad nutum" (at any time) without any form of compensation.

There is no specific agreement between the Company and non-executive directors which waives or restrains this right of the Company to terminate "ad nutum" (at any time) the mandates of the non-executive directors.

9.1.8.2 Executive managers

In accordance with provision 7.12 of the Belgian Code on Corporate Governance, the Board approves, upon recommendation and proposal of the nomination and remuneration committee, the main terms and conditions of the contracts of the chief executive officer and the other members of the executive management.

Currently, all the members of the executive management are engaged on the basis of an employment agreement or consultancy agreement.

The employment agreements are for an indefinite term.

The employment agreements and consultancy agreements include, where appropriate, non-competition undertakings, as well as confidentiality and IP transfer undertakings that will try to seek maximum protection of the Company's interests, under applicable laws.

The Company hired Mr. Patrice Sellès, acting in the role of Chief Executive Officer, effective as of 1 July 2019. The executive employment agreement with Mr. Patrice Sellès provides that if the Company terminates the employment agreement without cause or if Mr. Patrice Sellès resigns for good reason, Mr. Patrice Sellès shall be eligible to receive as severance an amount equal to six months of base salary in effect at the time of the separation. In addition, the Company has the right, exercisable at any time, to terminate the executive employment agreement with immediate effect for cause (as defined in the employment agreement) by providing written notice.

The Company hired Mr. Luc Maertens, acting in the role of Chief Operations Officer, effective as of 6 November 2019. The executive employment agreement with Mr. Luc Maertens provides that each party may terminate the agreement with a notice period of 6 months without having to provide any reason for such termination. If the Company gives notice, it may decide that it does not require Mr. Luc Maertens to perform his duties during the entire notice period. In such a case, compensation will be due to Mr. Luc Maertens related to the non-performed notice period. In addition, each Party has the right to terminate the executive employment agreement with immediate effect for cause (as defined in the employment agreement).

The Company hired Mr. Wim Ottevaere (acting through Wiot BV), in the role of Chief Financial Officer, effective as of 1 July 2020 for a period of two years. The consultancy agreement provides that each party may terminate the agreement with a notice period of 6 months without having to provide any reason for such termination. If the Company gives notice, it may decide that it does not require Wim Ottevaere (acting through Wiot BV) to perform his duties during the entire notice period. In such a case, compensation will be due related to the non-performed notice period. In addition, each Party has the right to terminate the executive employment agreement with immediate effect for cause (as defined in the consultancy agreement).

Biotalys Inc., hired Mr. Patrick McDonnell in the role of Chief Business Officer, effective as of 4 October 2021. The executive employment agreement with Mr. Patrick McDonnell provides that each party may terminate the agreement with a notice period of 60 days without having to provide any reason for such termination. If the Company gives notice, it may decide that it does not require Mr. Patrick McDonnell to perform his duties during the entire notice period. In such a case, compensation will be due to Mr. Patrick McDonnell related to the non-performed notice period. In addition, each Party has the right to terminate the executive employment agreement with immediate effect for cause (as defined in the employment agreement).

9.1.9 PENSION AND EARLY RETIREMENT SCHEME

Members of the ExCom are entitled to participate in a retirement scheme in the form of an individual pension commitment with a defined contribution system. The Board may deviate from this and not grant any pension or early retirement scheme in respect of members of the ExCom that work through a consultancy agreement. For Mr. Wim Ottevaere (acting through Wiot BV) as consultant no pension and early retirement scheme is provided.

9.1.10 DECISION MAKING PROCESS

The Board, upon recommendation and proposal of the nomination and remuneration committee, validates the remuneration policy and proposes the remuneration policy to the ordinary general shareholders' meeting for approval.

The Board assesses, on a yearly basis, if the remuneration policy needs to be adapted. The nomination and remuneration committee assesses on a yearly basis if all elements of the remuneration policy are in line with the strategic objectives of the Company and proposes improvements to the Board, where deemed appropriate. As mentioned in the Company's Corporate Governance Charter, the directors (thus members of the nomination and remuneration committee, or of any other concerned advisory committee) should act in such a manner that a conflict of interests, or the appearance of such a conflict, is avoided. Each board member should, in particular, be attentive to conflicts of interests that may arise between the Company, its board members, its significant or controlling shareholder(s) and other shareholders. The board members who are proposed by significant or controlling shareholder(s) should also ensure that the interests and intentions of these shareholder(s) are sufficiently clear and communicated to the Board in a timely manner.

9.2 Remuneration Report

9.2.1 INTRODUCTION

This remuneration report was prepared in accordance with Article 3:6, §3 of the BCCA ("Remuneration Report").

In accordance with Article 7:89/1 of the BCCA, the remuneration committee also applied itself to the preparation of the remuneration policy, which will be submitted for approval to the general meeting of April 15, 2022. The remuneration policy, which is included in its entirety in the annual report (see section 9.1 - Remuneration Policy), will apply to the financial years 2022 through 2025. The Remuneration Report gives an overview of the remuneration as applied in the financial year 2021.

On March 10, 2022, the remuneration committee discussed the draft remuneration report, which constitutes a specific part of the Corporate Governance Statement in the annual report, and ensured that the draft report contains all the information required by law. It should be noted that, as the Company only became a listed Company on 2 July 2021, no remuneration policy in the sense of article 7:89/1 was available with respect to the remuneration granted in 2021.

In the absence of a remuneration policy, this Remuneration Report does not contain any information regarding deviations from the remuneration policy.

9.2.2 BOARD OF DIRECTORS

During the financial year 2021 the remuneration of the current independent directors consisted exclusively of a fixed remuneration in cash. Since this remuneration is not linked to the Company's or the director's performance, this remuneration needs to be considered as fixed remuneration. Non-independent non-executive directors did not receive a remuneration. Also the executive director, did not receive a remuneration on the basis of his directorship.

The remuneration of the directors in 2021 was as follows:

Name	Remuneration				
	Chairperson	Director	Chairperson Audit Committee	Chairperson Nomination and Remuneration Committee	Total
Simon E. Moroney	53,024	-	-	7,070	60,094
Johan Cardoen(*)	-	-	-	-	-
Markus Heldt	-	26,909	-	-	26,909
Catherine Moukheibir	-	29,486	5,361	-	34,847
Pieter Bevernage	Not remunerated				
Patrick Van Beneden	Not remunerated				
Patrice Sellès	Not remunerated as a director				

(*) The Board proposes to the general meeting of 15 April 2022, that Johan Cardoen will receive a cash remuneration for its role as independent director in 2021, equivalent to the remuneration applied for other independent directors.

Each non-executive director is entitled to reimbursement of costs incurred in connection with the performance of his or her duties as a director subject to appropriate substantiation thereof.

With respect to the directors that resigned in 2021, the following applied:

Inno Tune BV (permanently represented by Mr. Lieven De Smedt), as chairperson of the Board until 16 April 2021 received a fixed remuneration of 35,150 EUR and a special bonus payment of 50,000 EUR. Nomad Technology Consulting LLC (permanently represented by Mr. Adrian Percy), received a fixed remuneration of 12,500 EUR.

Mr. Koen Quaghebeur, Sofinnova Partners SAS (permanently represented by Mr. Denis Lucquin) and Mr. Luc Basstanie did not receive any remuneration.

9.2.3 EXECUTIVE COMMITTEE

9.2.3.1 Overview

The remuneration of the members of the ExCom consist of (i) a fixed remuneration, (ii) variable remuneration in the form of a cash bonus determined depending on the overall Company's performance and individual performance, (iii) stock options under the long term incentive plans of the company, (iv) group/hospital insurances and other benefits. Furthermore, as a result of the completion of the IPO, a special IPO bonus was granted to certain members of the ExCom.

The table below shows the remuneration received by Mr. Patrice Sellès (individually) and the other members of the ExCom (in aggregate) in respect of their mandates in 2021. It is reminded that only Mr. Patrice Sellès is entrusted with the day-to-day management of the Company.

Patrick McDonnell was appointed as of 4 October 2021 and his remuneration is paid by Biotalys Inc other than ESOP Warrants which are granted by Biotalys NV. Wim Ottevaere is acting through Wiot BV. In accordance with the consultancy agreement with Wiot BV, 150,000 ESOP 2020 Warrants vested as a result of the completion of the IPO in July 2021. The amounts include remuneration for Hilde Revets for the period until she left the Company on 17 September 2021 and her severance agreement.

	Chief executive officer (€)	Other members of the Executive Committee (€)
Fixed Remuneration	225,000	529,682
One-year variable remuneration	82,917	88,554
IPO	150,000	135,000
Pension plan	19,454	35,374
ESOP Warrants (*)	293,452	281,204
Insurances	5,162	9,455
Severance(**)	-	51,613
Other	-	25,760
Total Remuneration	775,985	1,156,643
Proportion of fixed remuneration in total remuneration (***)	70%	81%

(*) The ESOP Warrants that vested in 2021 were valued based on the Black & Scholes value as of the grant date.

(**) Of the total Severance amount, €25,000 has been paid in 2021 and €26,613 will be paid in 2022.

(***) Taking into account the ESOP Warrants vested in 2021 as fixed remuneration (as none are linked to performance criteria).

9.2.3.2 ESOP Warrants

9.2.3.2.1 Overview

In accordance with the remuneration policy that is proposed for approval to the general meeting on 15 April 2022, stock options may be granted on a yearly basis to the members of the ExCom and vesting thereof may be dependent on performance criteria.

The table below provides an overview of the total number of ESOP Warrants for each member of the Executive Committee for the year ending 31 December 2021.

Name	Main Conditions of the Plan						Number of Share Options Granted and Vesting Status				
	Plan		Award Date	End of Vesting Period	Exercise Period		Exercise Price of the Option	Cummulative Share Options Granted	Vested prior to 2021	Vested during 2021	Unvested at year end
Patrice Sellès	ESOP 2020	(**)	9/03/2020	31/03/2024	1/01/2024	15/10/2027	€ 1.2854	750,000	-	328,125	421,875
Luc Maertens	ESOP 2017	(**)	29/06/2017	30/06/2021	1/01/2021	15/04/2027	€ 0.820134	420,000	367,500	52,500	-
	ESOP 2017	(**)	21/06/2018	30/06/2022	1/01/2022	15/04/2027	€ 0.820134	100,000	62,500	25,000	12,500
	Subtotal							**520,000**	**430,000**	**77,500**	**12,500**
Wim Ottevaere (*)	ESOP 2020	(**)	23/07/2020	30/06/2022	1/01/2024	15/10/2027	€ 1.2854	300,000	37,500	225,000 (***)	37,500
	ESOP 2021		13/10/2021	31/10/2025	1/01/2025	15/04/2031	€ 6.6200	15,000	-	-	15,000
	Subtotal							**315,000**	**37,500**	**225,000**	**52,500**
Patrick McDonnell	ESOP 2021		13/10/2021	31/10/2025	1/01/2025	15/04/2031	€ 6.6200	125,000	-	-	125,000
Hilde Revets	ESOP 2017	(**)	21/06/2018	17/09/2021	1/01/2022	15/01/2022	€ 0.820134	39,583	31,250	8,333	-
	ESOP 2020	(**)	9/03/2020	17/09/2021	1/01/2024	15/01/2024	€ 1.2854	35,417	-	35,417	-
	ESOP 2020	(**)	5/10/2020	16/03/2022	1/01/2024	15/01/2024	€ 1.2854	25,000	-	-	25,000
	Subtotal							**100,000**	**31,250**	**43,750**	**25,000**
	Total							**1,810,000**	**498,750**	**674,375**	**636,875**

(*) Acting through Wiot BV

(**) Share options held/granted/vested under the ESOP 2017 and ESOP 2020 plans each convert into shares of the Company at a 2:1 ratio upon exercise.

(***) In accordance with the consultancy agreement with Wiot BV, 150,000 ESOP 2020 Warrants vested as a result of the completion of the IPO in July 2021.

Inno Tune BV (permanently represented by Lieven De Smedt) held 144,444 ESOP 2017 Warrants that had fully vested in 2020. All Warrants held by Inno Tune BV were exercised during 2021 resulting in the issuance of 72,222 ordinary shares after the 2:1 conversion ratio was applied. Nomad Technology Consulting LLC (permanently represented by Adrian Percy) was granted 50,000 ESOP 2017 Warrants. As of 31 December 2021, 38,542 Warrants have vested and no Warrants have been exercised.

9.2.3.2.2 Key features of the ESOP Warrants

The key features of the various share option plans are largely the same, and can be summarized as follows:

Grant:

- ESOP 2017: Warrants could be granted to an employee, consultant or director of the Company.

- ESOP 2020/ESOP 2021: Warrants could be granted to an employee, consultant or director of the Company or an affiliated company (including, as the case may be, persons acting as representatives of a company with which the Company (or an affiliated company) has entered into a consultancy agreement or which assumes a directorship in the Company (or an affiliated company).

Form of share options:
Registered form.

Transfer of share options:
Unless under certain specific conditions (including transfer by the participant-legal entity to its manager), the Warrants are not transferable inter vivos once they have been granted.

Number of shares to be issued upon exercise of share option:

- ESOP 2017/ESOP 2020: Each Warrant can be exercised for one new profit certificate which convert into new shares of the Company at a 2:1 ratio.

- ESOP 2021: Each Warrant can be exercised for one new share of the Company.

Consideration:
Each Warrant is granted for free, i.e. no consideration is due upon the grant of the Warrants.

Expiration:

- The ESOP 2017 Warrants expire and cannot be exercised after ten years after the issue of the ESOP 2017 Warrants.

- The ESOP 2020 Warrants expire and cannot be exercised after 31 December 2027.

- The ESOP 2021 Warrants expire and cannot be exercised after ten years following their issuance or such shorter term as the Board may determine at the time of grant.

Vesting:
Warrants shall vest over a period of four years, whereby (i) 25% of the Warrants granted to and accepted by a participant shall be deemed definitively vested after one year of the date of the offer, (ii) the balance as from the end of the first month following the first anniversary of the offer, vest in equal monthly installments.

ESOP 2020/ESOP 2021: The basic vesting scheme of the Warrants can be modified by the Board in a fully discretionary manner and it may also decide, at its sole discretion, to accelerate or otherwise modify a previously determined vesting schedule.

Exercise:
On the condition that the ESOP Warrants are vested, the ESOP Warrants can be exercised during the first fifteen days of each quarter and this at the earliest as from the beginning of the fourth calendar year following the calendar year in which the offer of the ESOP Warrants has taken place until the last quarter within the term of the ESOP Warrants, unless the Board decides otherwise in certain circumstances.

Termination:
As further set forth in the Warrant plan, in case of a termination of the relationship between the participant and the Company, the exercise period and/or vesting period of the Warrants and the validity of vested Warrants may vary depending on the circumstances under which the relationship between the participant and the Company is terminated (e.g. due to serious cause, breach of contract or bankruptcy or serious default, death, retirement, invalidity).

Terms and conditions:
The terms and conditions can be amended or supplemented per participant and are governed by the laws of Belgium.

9.2.4 SEVERANCE PAYMENT

Mrs. Hilde Revets, Chief Scientific Officer, left the Company on 17 September 2021. The Board on recommendation of the nomination and remuneration committee decided to apply the existing employment agreement between the Company and Mrs. Revets entitling Mrs. Revets to a severance payment of six months.

The Board further agreed that 25,000 of the previously granted 100,000 ESOP 2020 Warrants would vest as of the end of the notice period, subject to certain conditions.

9.2.5 USE OF RIGHT TO RECLAIM

The Company does not have any right to reclaim variable remuneration, hence the Company did not use such right in 2021.

9.2.6 DEROGATIONS FROM THE REMUNERATION POLICY

As set out in the above in this remuneration report, the Company did not yet have a remuneration policy as provided for in 7:89/1 of the BCCA . The Company applied its existing guidelines (as a non-listed company) on remuneration. The remuneration of the Board members and the members of the ExCom have been described in the prospectus dated 22 June 2021. With respect to the remuneration of independent directors, the Board proposes to the general meeting to allocate share-units as part of the fixed remuneration. The Board also proposes to the general meeting to grant a yearly cash remuneration to Mr. Johan Cardoen (as independent director) similar as to the other independent directors. The cash remuneration will apply since 5 July 2021, the date of nomination of Mr. Johan Cardoen as independent director.

9.2.7 EVOLUTION OF THE REMUNERATION AND THE PERFORMANCE OF THE COMPANY

As the Company only became a listed company in 2021, the Company was not under an obligation to provide a Remuneration Report for the period prior to 2021. The Company does not have readily available the information related to previous financial years that is required to allow a comparison with previous financial years. Therefore, this remuneration report includes the information related to 2021 only. As from next year, the remuneration report will start to include information relating to years prior to the reported year (with the year 2021 being the earliest year in the comparison).

9.2.8 YEARLY PERFORMANCE OF THE COMPANY

With respect to 2021, the Company used a number of performance criteria that determined the variable cash bonus of the members of the executive committee. These performance criteria included: the conclusion of a distribution deal for Evoca™, the reduction of production costs for Evoca™, the conclusion of an R&D agreement with a major player in the agrotech field, the Company being recognized as a 'great place to work', demonstrate commercial potential of pipeline products, strengthening of IP portfolio, R&D efficiency increase and progress on the regulatory process of Evoca™ as well as the long term financing of the Company through a successful IPO. Each of these performance criteria obtained a weighting going from 20% to 5% and the (partial or over) achievement of the performance criteria was decided upon by the Board on proposal of the nomination and remuneration committee.

9.2.9 YEARLY AVERAGE REMUNERATION OF THE EMPLOYEES OF THE COMPANY

Average remuneration of employees on a full-time equivalent basis 2021 is € 108,259.

9.2.10 RATIO HIGHEST AND LOWEST REMUNERATION

Highest remuneration to members of the ExCom	€ 775,985
Lowest remuneration (in full time equivalent) of the employees	€ 34,062
Ratio highest remuneration/lowest remuneration	22.78

10. Internal and External Audit Function

10.1 Internal audit function

As of the date of this report,there is not yet a dedicated internal audit function given the size of the Company. The Audit Committee will regularly assess the need for the creation of an independent internal audit function and, where appropriate, will call upon external persons to conduct specific internal audit assignments and will inform the Board of Directors of their outcome.

10.2 External audit function

The company's statutory auditor is Deloitte Bedrijfsrevisoren BV, represented by Mr. Pieter-Jan Van Durme (*). The statutory auditor conducts the external audit of both the consolidated and statutory figures of Biotalys NV, and reports to the Board. The statutory auditor was appointed at the ordinary general meeting of 19 April 2019 for a three-year term, which expires at the ordinary general meeting of 2022. The Company expensed fees to the auditor of €445 thousand (excluding VAT) in 2021. The fees (excluding VAT) are broken down as follows:

- Audit fee for statutory and consolidated financials: €65 thousand.
- Fees within the framework of the Initial Public Offering of Biotalys: €347 thousand of which:
    - ◊ €162 thousand audit fees for the audit of the IFRS annual accounts in 2019 and 2020
    - ◊ €185 thousand audit related fees for issuance of comfort letters
    - ◊ Legal mission: €33 thousand.

(*) On request of Deloitte Bedrijfsrevisoren BV, Mr. Gert Vanhees was replaced by Mr. Pieter-Jan Van Durme with effect on 1 August 2021.

11. Legal information

11.1 Capital structure

On 31 December 2021, the corporate capital of the Company amounted to 81,968,625.55 EUR, represented by 30,805,551 shares. Furthermore, 2,730,545 warrants were outstanding as of 31 December 2021 which are convertible into 1,486,519 shares after considering the 2:1 ratio applicable for the warrants issued before the reverse share split (in the framework of the IPO).

At the date of this annual report, the corporate capital of the Company amounts to 82,044.740.55 EUR represented by 30,851,955 shares. Furthermore, 2,637,737 warrants were outstanding as of the date of this annual report which are convertible into 1,440,115 shares after considering the 2:1 ratio applicable for the warrants issued before the reverse share split.

In respect of the composition of the shareholder base on 31 December 2021 reference is made to Chapter "Investor and Shareholder Information - Major Shareholders". The Company has not received any notification under article 74§7 of the law dated 1 April 2007 on public takeover bids.

11.2 Restrictions on transfer of financial instruments

Pursuant to Article 11 of the Royal Decree on Primary Market Practices dated 17 May 2007, any natural or legal person who, in the year preceding the first admission of shares to trading on a Belgian regulated market or on a Belgian multilateral trading facility, has acquired shares outside the framework of a public offer at a price lower than the price of the public offer made at the same time as the admission of the shares concerned to trading, may not transfer those shares for one year after such admission, except in the case of a transfer leading to an obligation to launch a takeover bid, or if the shares are contributed or transferred in the framework of a takeover bid. This prohibition is subject to certain exemptions as further clarified in the aforementioned article. The Company was first admitted to listing on Euronext Brussels on 2 July 2021.

There are no legal or statutory transfer restrictions that apply to the financial instruments of the Company, other than those applicable to ESOP Warrants (see chapter 9.2.3.2.2 – Key features of the ESOP Warrants).

The Company has no knowledge of the existence of any shareholders' agreements between the shareholders restricting the transfer of financial instruments (other than certain lock-up arrangements entered into in connection with the IPO). Subject to a number of exceptions, the warrants under each of the ESOP Plans are not transferable (inter vivos).

11.3 Holders of financial instruments with particular voting rights and description of such rights

The Company has not issued any financial instruments with particular voting rights. Each share entitles the holder thereof to one vote subject to restrictions under Belgian law.

11.4 Description of the mechanism to control voting rights under applicable ESOP Plans

The ESOP Plan governing the ESOP 2020 Warrants provide that upon exercise of a warrant, the resulting beneficiary part or (upon conversion) share shall be certified and transferred to a Dutch "Stichting Administratiekantoor" if so requested by the Board. In view of the IPO, it is unlikely that the Board will request such certification.

11.5 Legal or statutory limitations regarding the exercise of the voting rights attached to shares

Each shareholder of the Company is entitled to one vote per share.

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 vis-à-vis the Company;

- 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.

11.6 Shareholders agreement

On the date of this annual report the Company has no knowledge of the existence of any shareholders' agreements between the shareholders (other than certain lock-up arrangements entered into in connection with the IPO).

11.7 Rules relating to the nomination and replacement of directors and regarding the changes to the articles of association of the Company

Changes to the articles of association
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 authorized capital), decisions with respect to the Company's dissolution, mergers, demergers and certain other reorganizations 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 BCCA 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 (whereby abstentions are not included in the numerator nor in the denominator). An amendment of the Company's corporate purpose requires the approval of at least 80% of the votes cast at a general shareholders' meeting (whereby abstentions are not included in the numerator nor in the denominator), 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.

Rules regarding the nomination and replacement of directors
The appointment and renewal of all directors (i) is based on a recommendation of the nomination and remuneration committee, taking into account the rules regarding the composition of the Board that are set out in the BCCA and the Articles of Association, and (ii) is subject to approval by the shareholders' meeting deciding with a simple majority and with no presence requirement it being understood that the Board may temporarily fill a vacancy and nominate a director which needs to be confirmed at the next general meeting. The Board has in place nomination procedures and objective selection criteria for executive and non-executive Board members. The directors may be natural persons or legal entities but need not be shareholders. Whenever a legal entity is appointed as a director, it must appoint an individual as its permanent representative, who will carry out the office of director in the name and on behalf of that legal entity. In their capacity as board members, board members may not be subject to an employment agreement with the Company. Each director individually should have skills, knowledge and experience that are complementary to the need of the Company, and should bring to the Board an inquisitive and objective perspective that enables him or her, if needed, to challenge management.

When dealing with a new appointment, the Chairperson of the Board and the chairperson of the nomination and remuneration committee must ensure that, before considering the candidate, the Board has received sufficient information such as the candidate's curriculum vitae, an assessment of the candidate based on the candidate's initial review, a list of the positions the candidate currently holds, and, if applicable, the necessary information for assessing the candidate's independence. The nomination and remuneration committee leads the nomination process and recommends suitable candidates to the Board. The Board is responsible for proposing members for nomination to the Shareholders' Meeting. Any proposal for the appointment of a director to the Shareholders' Meeting shall be accompanied by a recommendation from the Board, based on the advice of the nomination and remuneration committee. It shall be accompanied by the relevant information on the candidate's professional qualifications together with a list of the positions the candidate already holds.

11.8 Authority of the Board regarding the issue of shares or the buy-in of own shares

Issue of financial instruments under the authorised capital
On 18 June 2021, the Company's general shareholders' meeting authorized, the Board to increase the share capital of the Company within the framework of the authorized capital with a maximum of 79,953,137.91 EUR. On the date of this report, the Board has not yet used that authority.

The Company's general shareholders' meeting decided that the Board, when exercising its powers under the authorized capital, will be authorized to restrict or cancel the statutory preferential subscription rights of the shareholders (within the meaning of article 7:188 and following of the BCCA). This authorization includes the restriction or suppression of preferential subscription rights for the benefit of one or more specific persons (whether or not employees of the Company or its subsidiaries). The authorization is valid for a term of five years as from the date of the publication of the authorization in the Annexes to the Belgian State Gazette (Belgisch Staatsblad) which occurred on 9 July 2021. In principle, from the date of the FSMA's notification to the Company of a public takeover bid on the financial instruments of the Company, the authorization of the Board to increase the share capital in cash or in kind, while limiting or cancelling the preferential subscription right, is suspended. However, on 18 June 2021, the Company's general shareholders' meeting expressly authorized the Board to increase the Company's capital after the FSMA's notification. This authorization is valid for a term of three years as from 18 June 2021.

Buy-in of own shares
The general meeting has not granted an authority to the Board with respect to the buy-in of own shares. The Company has the possibility provided for in article 7:215§1 BCCA to buy-in own shares in order to offer these shares to its staff. However, as the Company currently has no distributable reserves it is not in a position to buy-in own shares.

11.9 Important agreements that enter into force, change or terminate upon a change of control over the Company following the public take-over bid

The Company is of the opinion that in 2021 no agreements have been concluded that fall within the scope of article 7:151 BCCA.

The Company wishes to inform shareholders, however, that in the agreements it concluded with Biobest Group NV (cfr. Press release dated 17 December 2021), there is a termination right for Biobest if the event that the Company is acquired by a competitor of Biobest. Also, in the Master Manufacturing Agreement that the Company entered into with Olon S.p.A (cfr. Press release dated 12 January 2022), in case of a change of control over the Company whereby the acquirer is a competitor of Olon, Olon has the right to terminate the agreement.

11.10 Agreements containing specific remuneration for directors or employees in case of dismissal or termination without cause pursuant to a change of control over the Company

The Company has not entered into such agreements.

11.11 Information regarding important events that occurred after end of the accounting year 2021

Since the end of the accounting year 2021 the Company entered into two agreements that validate the market preparedness of the Company in respect of Evoca™.

- On 12 January 2022, the Company announced that it entered with Olon, an Italian based, world-leading contract development and manufacturing organization, into a long-term strategic partnership for the manufacturing of Biotalys' biocontrol products. The partnership is driven by the common vision of transforming food protection with unique protein-based biocontrol solutions and secures the global supply of Biotalys' newly developed biofungicide, Evoca™, planned for market introduction in the United States in the second half of 2022 – pending regulatory approval.

- On 27 January 2022 the Company announced that it has entered into an agreement with Kwizda Agro, an Austrian company, to act as the formulator of the protein-based biocontrol products developed by Biotalys. This agreement forms a critical step in the set-up of the production process for Biotalys' unique products, starting with its first biofungicide Evoca™ planned for market introduction in the United States in the second half of 2022 – pending regulatory approval.

Furthermore, the Company announced on 25 January 2022 that it has achieved a breakthrough in protein expression of the bioactive ingredient of its first biocontrol product Evoca™. The breakthrough has the potential to transform Evoca™ from a market calibration tool into a product providing commercial value at competitive efficacy and cost to growers at the horizon of 2026, pending field trial studies, registration and upscaling. The company is evaluating the impact on its current activities and will communicate implications in due course.

11.12 Information regarding circumstances that could have a material impact on the development of the Company

Except for the risks and uncertainties described in the part "Legal and Financial Information" in the chapter "Description of the Principal Risks and Uncertainties associated with the activities of the Company" and the uncertainties that could arise from the current situation in Ukraine (including the economic sanctions), the Company is not aware of any circumstances that have occurred that may adversely affect the Company's development.

Legal and Financial Information

1. Business Review

Other operating income amounted to €2 million and relates to R&D tax incentives received and grants awarded to support R&D activities. The primary increase relates to grants from government and the Bill & Melinda Gates Foundation to support Biotalys' R&D activities, which accounted for €1.0 million for 2021 (2020: €0.45 million).

Research and development expenses amounted to €13.9 million for 2021, an increase of €2.4 million compared to 2020. These increases primarily relate to increases in internal staffing levels to develop the company's pipeline product candidates, depreciation of lab equipment and external spending for production, field trials and regulatory expenses for Evoca.

General and administrative expenses amounted to €4.9 million for 2021, compared to €2.4 million in 2020. The increase was mainly driven by an increase in employee benefit expenses, strengthening the company's management team and an increase in professional services related to the preparation for the initial public offering in July 2021.

Marketing expenses rose from €0.8 million in 2020 to €1.3 million in 2021 as a result of strengthening of the sales and marketing team in support of the expanded market calibration of Evoca planned for 2022 and beyond.

Financial income amounted to €1.5 million in 2021, compared to €2.7 million in 2020, and related primarily to the full release of the remaining derivative liability of the Anti-Dilution warrants as they were cancelled upon the IPO.

Financial expenses amounted to €0.3 million and related primarily to interest expenses for the leases and bank loans (€0.2 million in 2020).

Income taxes expense remained negligible as in 2020.

Loss of the period was €16.9, compared to €10.7 in 2020.

Basic and diluted loss per share for 2021 amounted to €1.10 compared to €14.33 in 2020 (following adjustment to reflect the 2:1 reverse share split with the IPO).

Cash and cash equivalents increased to €56.1 million in 2021 (compared to €23.1 in 2020), as a result of the company's IPO in July 2021, partially offset by changes in the level of working capital, higher R&D expenditures and strengthening of the company's management team.

2. Description of the principal risks and uncertainties associated with the activities of the Company

The principal risks and uncertainties associated with the Company's business include (without being limited to) the risks and uncertainties described below. The risks and uncertainties described herein apply to the Group as a whole.

2.1 Risks relating to Biotalys' product discovery and development activities

Biotalys has never brought a product to the market. All but one of Biotalys' product candidates are still in early stages of discovery. Only one product candidate is in the registration phase, but will, if regulatory approval is obtained, only be introduced as a market calibration tool and is not expected to become a profitable product for Biotalys. Biotalys' technology platform AGROBODY Foundry™ and the modes of action of its product candidates are novel, have not been tested on a commercial scale, may not result in a marketable product in the near future, if ever or may not be well understood, may be difficult to apply or may not be accepted by customers.

There is a high risk that Biotalys' product candidates may not result in a marketable product, commercial success or profitability in the near future, if ever. This is driven by a number of factors, including:

- A high degree of difficulty to identify during the discovery phase suitable product characteristics that will eventually withstand use in an open agricultural environment.. In particular, field trials may demonstrate that identified product candidates are not safe and/or do not reach sufficient efficacy. In such case regulatory approval of the product candidate will not be obtained.

- The market for biological agricultural products is still underdeveloped. Biotalys' innovative food protection product candidates may not be well understood, may be difficult to apply and may not be accepted by customers. Also, the agricultural industry is consolidated from crop protection product producers to distributors to retailers which further increases the entry level for new innovative products.

- The uncertainty that product candidates can be produced on a larger scale at competitive prices compared to conventional chemical pesticide products that are typically less expensive and more effective than biologicals.

This risk may also be exacerbated by Biotalys' limited operating history and financial situation.

One of the main elements of Biotalys' strategy is to use and expand its AGROBODY Foundry™ platform to further build its pipeline of product candidates. However, obtaining approved or marketable products or commercial success on the basis of product candidates identified with Biotalys' AGROBODY Foundry™ platform is subject to many risks and may be more difficult or require more time than expected or turn out to be impossible.

One of the main elements of Biotalys' strategy is to use and expand its AGROBODY Foundry™ platform to further build its pipeline of AGROBODY™ biocontrol product candidates, which to date consists in seven product candidates. However, Biotalys is still at a very early stage of discovery and development, and its AGROBODY Foundry™ platform has not yet, and may never lead to approved or marketable products or commercial success. In particular, product candidates that are identified with Biotalys' AGROBODY Foundry™ platform may:

- be difficult or impossible to produce on a large industrial scale and in a cost-efficient manner;
- not show the stability, production efficiency and shelf-life shown in the early development phase when produced on large industrial scale or stored in a commercial environment and used on the field;
- not achieve acceptable performance levels in the field, or may achieve varying performance levels as a result of environmental and geographic conditions;
- not be compatible with the application or technology process of growers or retailers;
- be found unsafe and be harmful to consumers, growers, crops, farm workers, animals, beneficial insects or the environment;
- be displaced by new technologies;
- not be acceptable to regulators;
- be difficult or impossible to formulate for use on the field; or
- be difficult to competitively price relative to alternative food protection products.

Although Biotalys is using its AGROBODY Foundry™ platform to build a pipeline of product candidates, due to its limited resources and uncertain access to further capital, it must prioritize development of certain product candidates over other potential candidates. These decisions may prove to have been wrong and/or could cause Biotalys to have missed valuable opportunities.

2.2 Risks related to manufacturing and potential commercialization of Biotalys' product candidates

The current costs of manufacturing Biotalys' product candidates are high. Despite recent progress in cost efficiency, Biotalys has also not yet been able to cost-effectively manufacture any products on large scale for use in commercial environments. Biotalys may not be able to manufacture its product candidates in an economically viable manner and/or its product candidates may not be competitive in the target markets.

Despite the recent progress that has been made regarding, cost-efficient production, Biotalys has not yet demonstrated its ability to cost-effectively produce high-quality, high-volume quantities of its product candidates, whether in collaboration with its CMO partner or on its own. Difficulties that may be encountered in scaling up production include problems involving continued access to licensed in or development of proprietary strains, production yields (a combination of expression level (titer), recovery of the protein from the fermentation broth and the spray drying quality), quality control and assurance, shortage of qualified personnel, production (including energy and raw materials) costs and process controls, as well as in finding formulation options and appropriate registered preservatives for use and storage in commercial environments. Biotalys cannot assure that existing or future production techniques will enable it to meet its large-scale production goals cost-effectively.

Biotalys' product candidates are novel biocontrol product candidates, and if distributors or growers are unable to handle or to work effectively with its product candidates, Biotalys' various commercial relationships, reputation and results of operations will be materially adversely affected.

The application or handling of Biotalys' product candidates by growers and by distributors will require them to follow detailed protocols regarding the management, harvest, transportation, application and storage of its product candidates. These recommended protocols may require a change in current planting, rotation or agronomic practices, which may be difficult to implement or may discourage the use of Biotalys' product candidates by growers. Biotalys' general or specific protocols may not apply in all circumstances (e.g. may depend on weather, disease pressure), may be improperly implemented by lack of time, may not be sufficient, or may be incorrect for example by mixing with another product that would impact the efficiency of Biotalys' product, leading to reduced yields, crop failures or other production problems or losses. If growers purchase Biotalys' product candidates on the basis of yield expectations that are not realized, Biotalys may experience damage to its commercial relationships, reputation and results of operations with respect to its product candidates, notwithstanding the cause for such failures.

2.3 Risks relating to Biotalys' dependence on third parties

Biotalys has no own production facilities to manufacture its product candidates if and when regulatory approval would be obtained and expects to rely in the near term third-parties.

Biotalys currently does not own any production facilities and expects to continue to use CMOs to manufacture its product candidates if and when regulatory approval has been obtained. Biotalys' reliance on a third party to manufacture its product candidates presents significant risks to it, including the following:

- pushed out or canceled delivery due to tariff restrictions or infectious disease quarantines;
- reduced control over delivery schedules, yields and product reliability;
- price increases by the CMO;
- inability to access the required fermenter volumes and capacity to produce at scale for agriculture applications;
- manufacturing deviations from internal and regulatory specifications, including contaminations;
- the failure of a key manufacturer to perform its obligations to Biotalys for technical, market or other reasons;
- challenges presented by introducing Biotalys' fermentation processes to new manufacturers or deploying them in new facilities, including contaminations;
- difficulties in establishing additional manufacturers if Biotalys is presented with the need to transfer its manufacturing process technologies to them;
- misappropriation of Biotalys' intellectual property; and
- if a CMO makes improvements in the manufacturing process for its product candidates, Biotalys may not own, or may have to share, the intellectual property rights to those improvements.

Biotalys relies on third parties to conduct, monitor, support and oversee field trials, and any performance issues by them may impact its ability to complete the development of, obtain regulatory approval for, or commercialize its product candidates on a timely basis or at all.

Biotalys relies on third parties, such as growers, consultants, contractors, and universities, to conduct, monitor, support and oversee its field trials. With respect to any partnership Biotalys may enter into, because field trials are conducted in multiple geographies and with multiple partners, it is difficult for Biotalys to monitor the daily activity of the work being conducted by such third parties that it engages. If these CROs fail to meet expected deadlines, fail to transfer to Biotalys any regulatory or other information in a timely manner, fail to adhere to protocols, or fail to act in accordance with regulatory requirements or Biotalys' agreements with them, or if they otherwise perform in a substandard manner or in a way that compromises the quality or accuracy of their activities or the data they obtain, then field trials, discovery and development and commercial production of Biotalys' product candidates may be extended or delayed with additional costs incurred, and/or its data may be rejected by regulators and regulatory approval may be refused.

One of the main elements of Biotalys' strategy is to use selective strategic collaborations and partnerships to leverage its technology platform and product candidates, create additional and enhanced value, for which Biotalys also relies on third parties. Biotalys may not be able to identify partners, and any partnerships that Biotalys may enter into in the future may not be successful, which could adversely affect its ability to develop, distribute and commercialize its product candidates.

Although Biotalys currently has no material R&D arrangements with third parties in place, Biotalys is continuously seeking to engage with partners in the industry to develop scientific knowledge and expertise to further expand its AGROBODY Foundry™ platform in new crops and new applications. To the extent that Biotalys pursues such arrangements, it will face significant competition in seeking appropriate partners. Moreover, such arrangements are complex and time-consuming to negotiate, document, implement and maintain. Biotalys may not be successful in establishing or implementing such arrangements. The terms of any collaborations, partnerships or other arrangements that Biotalys may establish may not be favorable to it. The success of any future collaborations or partnerships is uncertain and will depend heavily on the efforts and activities of Biotalys' partners.

Biotalys has no sales and marketing capabilities and will rely on third-party distributors who will be its principal customers. If Biotalys is unable to establish successful relations with these third parties, or they do not focus adequate resources on selling Biotalys' product candidates or are unsuccessful in selling them to end users, sales of Biotalys' product candidates will be adversely affected.

Biotalys has never sold any products in the past and expects to rely on independent distributors of agriculture input to distribute, and assist it with the marketing and sale of, the product candidates it is developing. These distributors will be Biotalys' principal customers, and its ability to generate revenue will depend in large part on Biotalys' success in establishing and maintaining these sales and distribution channels. Other, that the agreement entered into with Biobest Group NV for the distribution of Evoca in the United States, Biotalys has not yet entered into any commercialization or distribution agreement for any of its other product candidates and there can be no assurance that it can do so on favorable terms, if at all. In addition, there can be no assurance that Biotalys' distributors, including Biobest Group NV, will be successful in selling its product candidates to end users, or will focus adequate resources on selling them, and they may not continue to purchase or market Biotalys' product candidates for a number of reasons, which could have a material adverse effect on Biotalys' ability to distribute and sell its product candidates.

2.4 Risks relating to Biotalys' organization

Biotalys' future growth and ability to compete depends on its key personnel and recruiting additional qualified personnel. Biotalys may be unable to attract and retain management and other personnel it needs to succeed.

Biotalys' success depends upon the continued contributions of its key management, scientific and technical personnel, many of whom have been instrumental for Biotalys and have substantial experience with its product candidates and related technologies, which Biotalys considers as one of its main strengths. These key management individuals include the members of Biotalys' Board and ExCom, including Patrice Sellès, chief executive officer, Wim Ottevaere, chief financial officer, Luc Maertens, chief operations officer and Patrick McDonnell, chief business officer. Biotalys may not be able to retain such persons. The loss of key managers and senior scientists could delay, or otherwise negatively impact, Biotalys' discovery and development activities. In addition, Biotalys' ability to compete in the highly competitive agricultural and food protection industries depends upon its ability to attract and retain highly qualified management, scientific and technical personnel.

2.5 Risks relating to the markets and countries in which Biotalys operates

- Biotalys' product candidates are novel biocontrol products and may be slowly adopted by customers or not at all. Biological crop protection products are not well understood and investment in customer education will be required. Effectively marketing and selling Biotalys' product candidates may be difficult or may even never materialize.

- Concerns and claims regarding the safe use of products with biotechnology traits and crop protection products in general, their potential impact on health and the environment, and the perceived impacts of biotechnology on health and the environment can affect regulatory requirements and customer purchase decisions, which could have a material adverse effect on the viability of certain of Biotalys' product candidates, its reputation and the cost to comply with regulations.

- The crop protection industry is highly competitive with an important market share taken up by major multinational agrichemical companies, and Biotalys may struggle to obtain and maintain a favorable market position.

- Biotalys' business could be adversely affected by the introduction of alternative crop protection measures such as new technologies, pest resistant seeds or genetically modified ("GM") crops or by increased weed and insect resistance.

- Changes in the conditions in the agricultural industry globally, including commodity, energy and raw materials price fluctuations, weather patterns, field conditions and water scarcity, changes in policies of and subsidies from governments and international organizations, and sustainability concerns, may adversely affect Biotalys' prospects and future product sales.

Biotalys' business is subject to risks arising from epidemic diseases, such as the outbreak of the COVID-19 illness.

The outbreak of the Coronavirus Disease 2019, or COVID-19, which has been declared by the World Health Organization to be a "public health emergency of international concern," has spread across the globe and is impacting worldwide economic activity. A public health epidemic, including COVID-19, poses the risk that Biotalys or its employees, suppliers, manufacturers, distributors and other partners may be prevented from conducting business activities for an indefinite period of time, including due to shutdowns that may be requested or mandated by governmental authorities. Biotalys may also be unable to conduct or finalize important field trial programs within the expected deadlines or at the expected costs, which may have a material adverse effect on Biotalys' ability to complete the development of, obtain regulatory approval for, or commercialize its product candidates on a timely basis or at all. While the impact of COVID-19 on Biotalys' financial situation has been limited in 2021, a continued spread of COVID-19 or similar pandemics and the measures taken by the governments of countries affected, such as imposing restrictions on business operations, could adversely impact Biotalys' financial condition and may result in longer development timelines and costs. The COVID-19 outbreak and mitigation measures may also have an adverse impact on global economic conditions, which could have an adverse effect on Biotalys' business and financial condition, including by limiting its ability to obtain financing or by limiting Biotalys' target customers' or partners' investment potential. The extent to which the COVID-19 outbreak impacts Biotalys' results will depend on future developments that are highly uncertain, including new information that may emerge concerning the severity of the virus and the actions to contain its impact.

2.6 Legal and regulatory risks

Biotalys has not yet obtained regulatory approval for any of its product candidates. The crop protection products industry is subject to a stringent regulatory environment including extensive regulations for obtaining product registrations. Biotalys may not be able to obtain or maintain the necessary regulatory approvals for its product candidates, which will restrict its ability to sell the product candidates in some markets. Biotalys' inability to obtain regulatory approvals, or to comply with ongoing and changing regulatory requirements, could delay or prevent sales of the product candidates Biotalys is developing and intends to commercialize.

Biotalys has not yet obtained regulatory approval for any of its product candidates and currently has filed one registration application for its BioFun-1 (tradename: Evoca™) product candidate in the United States and in the European Union. Biotalys is subject to strict norms governing registration of crop protection products. Crop protection products must receive regulatory approval before they can be sold, and Biotalys may not be able to obtain such approvals in a timely manner or at all. In all markets Biotalys intends to operate in, including the United States and the European Union, crop protection products must be registered after being tested for safety, efficacy and environmental impact. In most of Biotalys' target markets, crop protection products must also be re-registered after a period of time to show that they meet all current regulatory standards, which may have become more stringent since the initial registration of the product, impacting the product life cycle. In the US and Japan, crop protection products are reassessed for re-registration after at the latest 15 years, while in Europe at the latest every ten years. Compliance with registration requirements, which vary from country to country and some of which are becoming stricter over time, involves significant investments of time and resources, and Biotalys may not be able to obtain such approvals. The final classification of Biotalys' product candidates depends on the outcome of the regulatory review process by the regulatory authorities and will have to be assessed on a product by product basis. This also includes the non-GMO classification of Biotalys' product candidates. The genetically modified micro-organism (GMM) used in the manufacturing process is not present in the AGROBODY™ proteins and biocontrols, which allows for the classification as biochemical pesticide in the US and review as PPP under the Regulation (EC) No 1107/2009 in EU. However, each regulator may impose or change its own requirements and/or delay or refuse to grant registration. Regulatory standards and trial procedures are continuously changing, which changes may be influenced by lobbying groups and responding to these changes and meeting existing and new requirements may be costly and burdensome for Biotalys. Regulatory authorities may also withdraw their approval of the product or impose restrictions on its distribution in the form of a modified risk evaluation and mitigation strategy at any time. In addition, the changing regulatory standards may affect its ability to sell the product candidates in the market and may lead to additional data requirements and/or studies

which could not be compatible with AGROBODY™ biocontrols resulting in delays or inability to demonstrate the safety profile. If Biotalys is unable to obtain or maintain all of the necessary approvals for registering or re-registering its product candidates, it would not be able to sell product candidates in the relevant markets. Biotalys also relies on third party service providers to conduct field trial procedures as well as GLP laboratory service providers to conduct environmental and toxicological studies necessary for the regulatory dossier. Inability to conduct such trials or studies on schedule or in accordance with the regulatory requirements, may lead to delays in the registration and eventual sale of its product candidates.

Biotalys uses animals in its research and development activities. Policy reform, including recent EU policy reforms, and the public perception regarding the use of animals for scientific purposes could delay or even prevent the development and commercialization of any potential product candidates.

Biotalys creates AGROBODY™ proteins through the analysis of a small amount of blood taken from immunized llamas. The EU Directive 2010/63/EU on the protection of animals used for scientific purposes does not allow the use of animal-based methods when other methods not entailing the use of animals exist that would allow obtaining the results sought (Articles 4 “Principle of replacement, reduction and refinement” and 13 “Choice of method”). In 2020, the EU Reference Laboratory for alternatives to animal testing (“EURL ECVAM”) issued Recommendations on Non-Animal-Derived Antibodies, in which it recommends, on the basis of its review of the scientific validity of non-animal-derived antibodies, that animals should no longer be used for the development and production of antibodies for research, regulatory, diagnostic and therapeutic applications and that EU Member States should no longer authorize the development and production of antibodies through animal immunization, where robust, legitimate scientific justification is lacking. The EURL ECVAM recommendation suggests that non-animal derived antibodies are equivalent to animal-derived antibodies for the vast majority of applications and encourages manufacturers and suppliers to replace animal-derived antibodies available in their catalogues with non-animal-derived antibodies. While the EURL ECVAM recommendations are not legally-binding, and its principles are to be enacted in legislation by EU Member States to be binding and Biotalys is not aware of any current legislative initiatives in this respect, and will continue to be debated at member state levels and with competent authorities, policy reforms, in the EU, as well as potentially in other major targeted countries, could delay or even prevent the development and commercialization of any potential product candidates. Such developments could also influence public perceptions, the viability of certain of Biotalys’ product candidates, its reputation and the cost to comply with regulations.

Biotalys may be exposed to product liability and remediation claims and its insurance coverage may become unavailable or be inadequate.

Even if Biotalys is able to comply with all regulations and obtain all necessary registrations, it cannot provide assurance that Biotalys’ product candidates will not cause injury to crops, the environment or people under all circumstances. Biotalys may be held liable for, or incur costs to settle, liability and remediation claims if any product candidates it develops, or any product candidates that use or incorporate any of its technologies, cause injury or are found unsuitable during product testing, manufacturing, marketing, sale or use. Although Biotalys carries insurance and continuously updates its insurance policies to cover all liabilities related to research and development activities at levels customary for companies in its industry such coverage may become unavailable or be or become inadequate to cover all liabilities it may incur.

2.7 Risks relating to intellectual property

Biotalys’ success will depend significantly on its ability to protect its intellectual property and proprietary and licensed in rights, and any inability to fully protect and exploit Biotalys’ intellectual property and confidential know-how may adversely affect its financial performance and prospects.

Much of Biotalys’ value is in its intellectual property and Biotalys’ success will depend significantly on its ability to protect its proprietary rights and to protect and continue to use its licensed in rights, including in particular the intellectual property and confidential know-how. Biotalys relies on a combination of patent(s) (applications), trademarks and confidential know-how, and uses non-disclosure, confidentiality and other contractual agreements to protect its technology. For more information on Biotalys’ intellectual property policy, Biotalys generally seeks patent protection where possible for those aspects of its technology and products that it believes provide significant competitive advantages. However, Biotalys may be unable to adequately protect the intellectual property rights and confidential know-how or may become subject to a claim of entitlement, infringement or misappropriation that Biotalys are unable to settle on commercially acceptable terms. Biotalys cannot be certain that patents will be issued with respect to its pending or future patent applications. In addition, Biotalys does not know whether any issued patents will be upheld as valid or proven enforceable against alleged infringers or whether they will prevent the development of competitive patents or provide meaningful protection against competitors or against competitive technologies.

Biotalys' product candidates may infringe on the intellectual property rights of others, which may cause it to incur unexpected costs or prevent it from selling its product candidates.

Many of Biotalys' competitors have a substantial amount of intellectual property that it must continually monitor to avoid infringement. Although it is Biotalys' policy and intention not to infringe valid patents, whether present or future and other intellectual property rights belonging to others, including through freedom to operate assessments, Biotalys may be required to exercise certain judgements in making such assessments and its processes and product candidates may, or may be alleged to, infringe current or future issued or granted patents. If patents belonging to others already exist that cover its product candidates, processes, or technologies, or are subsequently issued, it is possible that Biotalys could be liable for infringement of such patents and be required to take remedial or curative actions to continue its manufacturing and sales activities with respect to product candidates that are found to be infringing. Intellectual property litigation is often expensive and time-consuming, regardless of the merits of any claim, and Biotalys' involvement in such litigation could divert its technical and management personnel attention away from operating their normal responsibilities.

As a result of Biotalys' dependence on third parties, it also depends on the confidentiality obligations of third parties under the relevant agreements, which might not provide adequate protection for its confidential information.

Biotalys also relies upon unpatented confidential and proprietary information, including technical information and confidential know-how to develop and maintain its competitive position. Much of Biotalys' unpatented confidential and proprietary information is shared with third parties on which Biotalys relies for the manufacturing of its product candidates or for the conduct of its field trials and/or with which Biotalys may enter into strategic collaborations or partnerships or is developed by or shared with its personnel. While Biotalys generally enters into non-disclosure or confidentiality agreements with its personnel and third parties, such as the relevant persons within its CMO partner, to protect its intellectual property and confidential know-how, such agreements might be breached, or might not provide meaningful protection for Biotalys' confidential know-how and proprietary information or adequate remedies might not be available in the event of an unauthorized use or disclosure of such information. The magnitude of the adverse effect of a breach of or insufficient protection by such confidentiality agreements depends on the sensitivity of the information provided to the relevant third party, which could include third parties being able to copy elements of Biotalys' technology or Biotalys' ability to apply for patent protection on a certain technology being compromised. For more information on Biotalys' confidentiality policy.

2.8 Risks relating to Biotalys' financial situation

Biotalys has a limited operating history and has not yet generated any revenues. Biotalys 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. Biotalys is executing its strategy in accordance with its business model, the viability of which has not been demonstrated.

3. Information regarding branches of the Company

The Company has no branches. The Company has a permanent establishment under applicable tax law in France located at 1 Route du Pérollier; 69570 Dardilly.

4. Justification of the applied valuation rules under the assumption of going concern

Reference is made to note 3 under the Notes to the Consolidated Financial Statements in the Financial Statements section.

5. Use of financial instruments

Reference is made to notes 4 and 14.2 under the Notes to the Consolidated Financial Statements in the Financial Statements section.

6. Description of the major features of the internal control- and risk management system

6.1 General

The Company is exposed to various risks within the context of its normal business activities, which could have a material adverse impact on its business, prospects, results of operations and financial condition. The purpose of the risk management and internal control system is to enable the Company to:

- comply with all applicable laws and regulations;
- ensure correct and timely financial reporting;
- achieve the objectives of the Biotalys group; and
- achieve operational excellence.

6.2 Risk management

The Board has overall responsibility for the review of the risk management framework and the level of risk which is acceptable in order to achieve the strategic objectives. The Company has a specific program in place to identify, assess and monitor the key risks that are threatening its strategic and operational objectives. During 2021, the Executive Committee members, together with several members of the management team, performed a detailed bottom-up review to identify and assess the risks associated with the key business and external factors. Each of these risk areas is owned by a member Executive Committee or management team and the overall analysis was reviewed with the Audit Committee.

Once the relevant risks are identified, the Company strives to manage and reduce such risks to an acceptable level. All employees are accountable for the timely identification and qualitative assessment of the risks within their area of responsibility.

6.3 Control activities

Control measures are in place to minimize the effect of risks on the Company's ability to achieve its objectives. In order to properly manage identified risks, the Company has established the following measures:

- Access and security systems at the premises and assess rights to IT and information management systems;
- Development of electronic approval system in the existing ERP system;
- Implementation of extra controls and accounting for statutory and IFRS requirements in the existing ERP system;
- Development of a monthly financial reporting tool which allow a close monitoring of the financial information and KPI's;
- Periodic review of access to bank accounts and delegation of authority for approval and signature;
- Introduction of a new treasury policy to manage the Company's cash and cash equivalents and to establish guidelines on investments;
- Updated enterprise risk management matrix.

6.4 Monitoring of control mechanisms

Monitoring helps to ensure that internal control systems operate effectively. The Audit Committee, on behalf of the Board, monitors the risk management framework and system of internal controls. Managing the risks considered to be of the greatest significance to delivery of the Company's strategy is a core task of the Board of Directors, the Audit Committee, the Executive Committee and all other employees with managerial responsibilities.

6.5 Financial reporting risk management and internal control

On an annual basis, a bottom-up risk analysis is conducted to identify financial reporting risk factors and action plans are defined for all key risks. Specific internal control activities with respect to financial reporting are in place, including the use of a periodic closing and reporting checklist. This checklist assures clear communication of timelines, completeness of tasks, and clear assignment of responsibilities. Additionally, the controlling team reviews the reported amounts by comparison with historical and budget figures, as well as sample checks of transactions according to their materiality.

Table of contents

Financial Statements

Statement of the Board of Directors

On 10 March, 2022, the Directors of Biotalys NV certify in the name and on behalf of Biotalys NV, that to the best of their knowledge,

- the consolidated financial statements, established in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union, give a true and fair view of the equity, financial position and financial performance of Biotalys NV and of the entities included in the consolidation as a whole;
- the annual report on the consolidated financial statements includes a fair overview of the development and the performance of the business and the position of Biotalys NV and of the entities included in the consolidation, together with a description of the principal risks and uncertainties to which they are exposed.

Independent Auditor's Report

Statutory auditor's report to the shareholders' meeting for the year ended 31 December 2021 - Consolidated financial statements

In the context of the statutory audit of the consolidated financial statements of Biotalys NV ("the Company" and, together with its subsidiary, "the Group"), we hereby submit our statutory audit report. This report includes our report on the consolidated financial statements and the other legal and regulatory requirements. These parts should be considered as integral to the report.

We were appointed in our capacity as statutory auditor by the shareholders' meeting of 19 April 2019, in accordance with the proposal of the board of directors ("bestuursorgaan" / "organe d'administration"). Our mandate will expire on the date of the shareholders' meeting deliberating on the financial statements for the year ending 31 December 2021. We have audited the consolidated financial statements of Biotalys NV for the first time during the financial year referred to in this report.

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Unqualified opinion

We have audited the consolidated financial statements of the Company and the Group, which comprise the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit and loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flow for the year then ended, as well as the summary of significant accounting policies and other explanatory notes. The consolidated statement of financial position shows total assets of 70 274 (000) EUR and the consolidated statement of comprehensive income shows a loss for the year then ended of 16 929 (000) EUR.

In our opinion, the consolidated financial statements give a true and fair view of the Group's net equity and financial position as of 31 December 2021 and of its consolidated results and its consolidated cash flow for the year then ended, in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

Basis for the unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISA), as applicable in Belgium. In addition, we have applied the International Standards on Auditing approved by the IAASB applicable to the current financial year, but not yet approved at national level. Our responsibilities under those standards are further described in the "Responsibilities of the statutory auditor for the audit of the consolidated financial statements" section of our report. We have complied with all ethical requirements relevant to the statutory audit of consolidated financial statements in Belgium, including those regarding independence.

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

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We determined that there are no key audit matters to be communicated in our audit report.

Responsibilities of the board of directors for the preparation of the consolidated financial statements

The board of directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the board of directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters to be considered for going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Group or to cease operations, or has no other realistic alternative but to do so.

Responsibilities of the statutory auditor for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a statutory auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

During the performance of our audit, we comply with the legal, regulatory and normative framework as applicable to the audit of consolidated financial statements in Belgium. The scope of the audit does not comprise any assurance regarding the future viability of the company nor regarding the efficiency or effectiveness demonstrated by the board of directors in the way that the company's business has been conducted or will be conducted.

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

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from an error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control;

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors;

- conclude on the appropriateness of the use of the going concern basis of accounting by the board of directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our statutory auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our statutory auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern;

- evaluate the overall presentation, structure and content of the consolidated financial statements, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated to the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes any public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Responsibilities of the board of directors
The board of directors is responsible for the preparation and the content of the directors' report on the consolidated financial statements and other matters disclosed in the annual report on the consolidated financial statements.

Responsibilities of the statutory auditor
As part of our mandate and in accordance with the Belgian standard complementary to the International Standards on Auditing (ISA) as applicable in Belgium, our responsibility is to verify, in all material respects, the director's report on the consolidated financial statements and other matters disclosed in the annual report on the consolidated financial statements, as well as to report on these matters.

Aspects regarding the directors' report on the consolidated financial statements
In our opinion, after performing the specific procedures on the directors' report on the consolidated financial statements, this report is consistent with the consolidated financial statements for that same year and has been established in accordance with the requirements of article 3:32 of the Code of companies and associations.

In the context of our statutory audit of the consolidated financial statements we are also responsible to consider, in particular based on information that we became aware of during the audit, if the directors' report on the consolidated financial statements is free of material misstatement, either by information that is incorrectly stated or otherwise misleading. In the context of the procedures performed, we are not aware of such material misstatement.

Statements regarding independence

- Our audit firm and our network have not performed any prohibited services and our audit firm has remained independent from the Group during the performance of our mandate.
- The fees for the additional non-audit services compatible with the statutory audit, as defined in article 3:65 of the Code of companies and associations, have been properly disclosed and disaggregated in the notes to the consolidated financial statements.

Single European Electronic Format (ESEF)
In accordance with the draft standard on the audit of the compliance of the financial statements with the Single European Electronic Format ("ESEF"), we have also performed the audit of the compliance of the ESEF format and of the tagging with the technical regulatory standards as defined by the European Delegated Regulation No. 2019/815 of 17 December 2018 ("Delegated Regulation").

The board of directors is responsible for the preparation, in accordance with the ESEF requirements, of the consolidated financial statements in the form of an electronic file in ESEF format ("digital consolidated financial statements") included in the annual financial report.

Our responsibility is to obtain sufficient and appropriate evidence to conclude that the format and the tagging of the digital consolidated financial statements comply, in all material respects, with the ESEF requirements as stipulated by the Delegated Regulation.

Based on our work, in our opinion, the format and the tagging of information in the official Dutch version of the digital consolidated financial statements included in the annual financial report of Biotalys NV as of 31 December 2021 are, in all material respects, prepared in accordance with the ESEF requirements as stipulated by the Delegated Regulation.

Other statements
This report is consistent with our additional report to the audit committee referred to in article 11 of Regulation (EU) No 537/2014.

The statutory auditor
Deloitte Bedrijfsrevisoren/R viseurs d'Entreprises BV/SRL
Represented by Pieter-Jan Van Durme

Consolidated Statement of Financial Position

ASSETS (in thousands of euros)	Note	31 December 2021	31 December 2020
Non-current assets		**11,336**	**10,757**
Intangible assets	**7**	665	792
Property, plant and equipment	**8**	5,407	4,617
Right-of-use assets	**9**	3,885	4,344
Other non-current assets	**10**	1,380	1,004
Current assets		**58,938**	**25,505**
Receivables	**11**	451	226
Other financial assets	**12**	2,100	2,100
Other current assets		279	76
Cash and cash equivalents	**12**	56,107	23,103
TOTAL ASSETS		**70,274**	**36,262**

EQUITY AND LIABILITIES (in thousands of euros)	Note	December 31, 2021	December 31, 2020
Equity attributable to owners of the parent		**58,915**	**25,648**
Share capital	**13**	81,969	62,822
Share premium	**13**	31,303	675
Accumulated losses		(55,855)	(34,117)
Other reserves		1,498	(3,732)
Total equity		**58,915**	**25,648**
Non-current liabilities		**6,150**	**4,468**
Borrowings	**14**	6,037	4,332
Employee benefits obligations	**15**	26	50
Provisions	**8**	87	86
Current liabilities		**5,209**	**6,146**
Borrowings	**14**	1,186	888
Other financial liabilities	**14**	-	1,302
Trade and other liabilities	**16**	3,119	3,301
Other current liabilities	**17**	904	655
Total liabilities		**11,359**	**10,613**
TOTAL EQUITY AND LIABILITIES		**70,274**	**36,262**

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the years ended 31 December

in € thousands	Note	2021	2020
Other operating income	19	1,995	1,402
Research and development expenses	20	(13,880)	(11,488)
General and administrative expenses	20	(4,905)	(2,357)
Sales and marketing expenses	20	(1,289)	(834)
Operating loss		**(18,079)**	**(13,276)**
Financial income	22	1,510	2,710
Financial expenses	22	(343)	(171)
Loss before taxes		**(16,913)**	**(10,737)**
Income taxes	23	(16)	(13)
LOSS FOR THE PERIOD		**(16,929)**	**(10,750)**

in € thousands	Note	2021	2020
LOSS FOR THE PERIOD		**(16,929)**	**(10,750)**
Other comprehensive income (OCI)			
Items of OCI that will not be reclassified subsequently to profit or loss			
Remeasurement gains (losses) on defined benefit plans		5	(6)
Items of OCI that will be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations		5	20
TOTAL COMPREHENSIVE LOSS OF THE PERIOD		**(16,919)**	**(10,736)**
Basic and diluted loss per share (in €)[1]	24	(1.10)	(14.33)
Profit/(loss) for the period attributable to the owners of the Company		(16,929)	(10,750)
Total comprehensive income for the period attributable to the owners of the Company		(16,919)	(10,736)

1 The denominator for the purposes of calculating both basic and diluted earnings per share has been adjusted retrospectively to reflect the 2:1 reverse share split completed on 5 July 2021.

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the years ended 31 December

	Attributable to equity holders of the Company						
			Other reserves				
(in € thousands)	Share capital	Share premium	Share-based payment reserve	Anti-dilution warrants reserves	Cumulative translation reserves	Accumulated losses	Total Equity
Balance at 1 January 2020	**47,822**	**540**	**512**	**(4,439)**	**-**	**(23,362)**	**21,073**
Loss for the period	-	-	-	-	-	(10,750)	(10,750)
Other comprehensive income	-	-	-	-	20	(6)	14
Total comprehensive loss	**-**	**-**	**-**	**-**	**20**	**(10,756)**	**(10,736)**
Issuance of shares (note 13)	15,000	136	-	-	-	-	15,136
Issue of ant-dilution warrants (note 4)	-	-	-	(375)	-	-	(375)
Share-based payments (note 25)	-	-	550	-	-	-	550
Balance at 31 December 2020	**62,822**	**675**	**1,062**	**(4,813)**	**20**	**(34,117)**	**25,648**
Loss for the period	-	-	-	-	-	(16,929)	(16,929)
Other comprehensive income	-	-	-	-	5	5	10
Total comprehensive loss	**-**	**-**	**-**	**-**	**5**	**(16,924)**	**(16,919)**
Issuance of shares (note 13)	19,147	30,528	-	-	-	-	49,675
Cancellation of anti-dilution warrants (note 4)	-	-	-	4,813	-	(4,813)	-
Share-based payments (note 25)	-	99	412	-	-	-	511
Balance at 31 December 2021	**81,969**	**31,303**	**1,473**	**-**	**25**	**(55,855)**	**58,915**

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December

in € thousands	Note	2021	2020
CASH FLOW FROM OPERATING ACTIVITIES			
Operating result		(18,079)	(13,276)
Adjustments for:			
Depreciation, amortisation and impairments		1,470	1,037
Equity-settled share-based payment expense		511	550
Provisions		(20)	13
R&D tax credit		(405)	(444)
Other		7	20
Operating cash flows before movements in working capital		**(16,516)**	**(12,099)**
Changes in working capital:			
Receivables		(225)	262
Other current assets		(175)	(42)
Trade and other payables		(70)	1,692
Other current liabilities		256	655
Cash used in operations		**(16,731)**	**(9,533)**
Taxes paid		(23)	-
Net cash used in operating activities		**(16,754)**	**(9,533)**

in € thousands	Note	2021	2020
CASH FLOW FROM INVESTING ACTIVITIES			
Interests received		1	15
Purchases of property, plant and equipment		(1,324)	(3,817)
Purchases of Intangible assets		(8)	(114)
Proceeds from disposal of PPE		7	-
Investments in other financial assets		(0)	(2,100)
Net cash used in investing activities		**(1,324)**	**(6,016)**
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of borrowings and other financial liabilities	**14**	(1,127)	(1,022)
Proceeds from borrowings	**14**	2,780	1,220
Interests paid		(244)	(39)
Proceeds from issue of equity instruments of the Company (net of issue costs)	**13**	49,675	15,136
Net cash provided by financing activities		**51,083**	**15,295**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**33,005**	**(255)**
CASH AND CASH EQUIVALENTS at beginning of year		23,103	23,358
CASH AND CASH EQUIVALENTS at end of year		56,107	23,103

The accompanying notes are an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

1. General information

Biotalys NV (the “Company” or “Biotalys”) is a limited liability company governed by Belgian law. The address of its registered office is Buchtenstraat 11, 9051 Gent, Belgium. Since the successful IPO on 5 July 2021, the shares of Biotalys NV are listed on the regulated market of Euronext Brussels.

Biotalys and its subsidiary (together referred as the “Group”) is a development-stage, Agricultural Technology (AgTech) platform-based company focused on the discovery and development of novel biological products (protein-based biocontrols). The biocontrol products in the Group’s pipeline protect our food in a sustainable and safe manner and have the potential to address a broad range of food threats such as fungal diseases, insect pests and bacterial diseases with unique and novel modes of action. Biotalys filed with the Environmental Protection Agency (EPA) in the United States in December 2020, and with the European Food Safety Authority (EFSA) in March 2021, for the registration of Evoca™, its first protein based biofungicide. The Group does not yet have any commercialized products on the market.

The consolidated financial statements were authorized for issue by the Board of Directors on 10 March 2022.

Response to COVID-19
Since the outbreak of the COVID-19 pandemic in March 2020 in Europe, Biotalys has put in place all the internal measures to protect its employees according to the rules and regulations established by the Belgian and European authorities. Home working has been strongly encouraged and IT infrastructure and security has been upgraded to allow efficient remote working. Shifts have been established for essential laboratory personnel to maintain essential activities while optimizing the number of employees working on site.

The main impact has been on the ability of Biotalys to work with service partners where the partners have been more impacted than it and are required to delay certain services (e.g. immunization) or delivery of scientific studies which have impacted Biotalys’s delays and milestones. Biotalys expects to be able to continue its activities under the most restrictive lock-down conditions established so far.

Further proactive engagement with Biotalys’s business critical partners like CROs, CMOs and regulatory authorities is expected so as to limit the risk of the pandemic impacting the future key milestones of Biotalys.

2. Summary of significant accounting policies

2.1. BASIS OF PREPARATION

These consolidated financial statements of the Group for the year ended 31 December 2021 have been prepared in accordance with IFRS ("International Financial Reporting Standards") and interpretations issued by the IFRS Interpretations Committee (IFRS IC) as adopted by the European Union and effective as of 31 December 2021. No new standards, amendments to standards or interpretations were early adopted.

These consolidated financial statements are presented in euro, which is the Company's functional currency. All amounts in this document are represented in thousands of euros (€ thousands), unless noted otherwise.

The consolidated financial statements are prepared on an accrual basis and on the assumption that the entity is in going concern and will continue in operation in the foreseeable future (see also note 3 below).

The preparation of consolidated financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Group accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 3.

Comparative information in certain disclosures has been restated to be aligned with the presentation of the current period. Due to rounding, numbers presented throughout these consolidated financial statements may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

Relevant IFRS accounting pronouncements adopted as from 2021 onwards
The following relevant new standards and amendments to existing standards have been published and are mandatory for the first time for the financial periods beginning on or after 1 January 2021:

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – Interest Rate Benchmark Reform – Phase 2 (effective 1 January 2021). These amendments address issues that might affect financial reporting after the reform of an interest rate benchmark, including its replacement with alternative benchmark rates.
- Amendments to IFRS 16 – Covid 19-Related Rent Concessions (beyond 30 June 2021) (effective 1 June 2020 and 1 April 2021): If certain conditions are met, the amendments would permit lessees, as a practical expedient, not to assess whether particular Covid-19-related rent concessions are lease modifications. Instead, lessees that apply the practical expedient would account for those rent concessions as if they were not lease modifications.

The above-mentioned standards did not have an impact on the financial statements.

Relevant IFRS accounting pronouncements that have been issued but not yet applied by the Group
The following IFRS standards, interpretations and amendments that have been issued but that are not yet effective and have not been applied to the IFRS financial statements closed on 31 December 2021:

- Amendments to IAS 1 – Classification of Liabilities as Current or Non-current (effective 1 January 2023, but not yet endorsed in EU): The amendments provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date.
- Amendments to IAS 1 and Practice Statement 2 – Disclosure of Accounting Policies (effective 1 January 2023, but not yet endorsed in EU). The amendments provide more guidelines on which accounting policies to disclose in the financial statements.
- Amendments to IAS 8 – Definition of Accounting Estimates (effective 1 January 2023, but not yet endorsed in EU). The amendments clarify the distinction between accounting policies and accounting estimates.
- Amendments to IAS 12 – Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective 1 January 2023, but not yet endorsed in EU). The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations.
- Amendments to IAS 16 – Proceeds before Intended Use (effective 1 January 2022): The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- Amendments to IAS 37 – Onerous Contracts – Cost of Fulfilling a Contract (effective 1 January 2022): The amendments clarify the costs a company should include as the cost of fulfilling a contract when assessing whether a contract is onerous.
- Annual Improvements 2018-2020 (effective 1 January 2022): The annual improvements package includes the following minor amendments: Subsidiary as a First-time Adopter (Amendment to IFRS 1); Fees in the '10 per cent' Test for Derecognition of Financial Liabilities (Amendment to IFRS 9); Lease Incentives (Amendment to Illustrative Example 13 of IFRS 16); Taxation in Fair Value Measurements (Amendment to IAS 41).

The Group does not expect that the above mentioned IFRS pronouncements will have a significant impact on the consolidated financial statements.

2.2. CONSOLIDATION

Subsidiaries are all entities over which the Group has control. Control is established when the Group has the power over the subsidiary, is exposed, or has the rights, to variable returns from its involvement with the subsidiary and has the ability to use its power to affect those returns. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated but considered an impairment indicator of the asset transferred.

2.3. FOREIGN CURRENCIES

Items included in the financial statements of each of the Group's entities are presented using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in euro, which is the Group's presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement as financial income or financial expense.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in a foreign exchange translation reserve.

The principal exchange rate that has been used is the US dollar. The following table presents the exchange rates used for the USD/EUR.

1 EUR =	Closing rate	Average rate
31 December 2021	1.1326	1.1836
31 December 2020	1.2271	1.1421

2.4. INTANGIBLE ASSETS

Internally-generated intangible assets, research and development expenditures
All internal research costs are expensed as incurred. Due to long development periods and significant uncertainties related to the development of new products (such as the risks related to the outcome of field trials as well as the likelihood of regulatory approval), internal development costs generally do not qualify for capitalization as intangible assets. In general, development projects would meet the conditions for recognition as intangible assets when the Group can demonstrate the economic viability of the project and the technical feasibility by obtaining regulatory approval. As of 31 December 2021, no internal development expenditures have met the recognition criteria.

Separately acquired intangible assets
Intangible assets are shown at historical cost and those that are acquired in a business combination or via a contribution in kind are recognized at fair value at the acquisition date. Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software.

Intangible assets are amortized over their useful lives on a straight-line basis as from the moment they are available for use (i.e., in case of a license related to a compound or product, when the product (containing the compound) is launched for sale). Estimated useful life is based on the lower of the contract life or the economic useful life which range from 5 years for computer software to 20 years for the Agrobody research platform. Intangible assets are considered to have a finite economic useful life and no intangible assets with an indefinite life have been identified.

2.5. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment ("PPE") are carried at acquisition cost less accumulated depreciation and accumulated impairment losses except for PPE under construction which are carried at cost less accumulated impairment losses. Acquisition cost includes any directly attributable cost of bringing the asset to working condition for its intended use. Borrowing costs that are directly attributable to the acquisition, construction and/or production of a qualifying asset are capitalized as part of the cost of the asset. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are expensed as they are incurred.

The depreciable amount is allocated on a systematic basis over the useful life of the asset, using the straight-line method. The depreciable amount is the acquisition cost, less residual value, if any. The applicable useful lives are:

- Leasehold improvements — shorter of the useful lives and related lease term
- Lab equipment — 5-20 years
- Furniture and equipment — 5-10 years
- IT equipment — 3 years

The useful life of the PPE is reviewed at least at each financial year end. Each time a significant upgrade is performed, the useful life of the asset is reviewed to determine if the upgrade extends the useful life of the machine. The cost of the upgrade is added to the carrying amount of the machine and the new carrying amount is depreciated prospectively over the remaining estimated useful life of the machine.

2.6. LEASES

At inception of the contract, it is assessed whether the contract is or contains a lease. Leases are recognized as a right-of-use asset and corresponding liability at the date of which the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (less any lease incentives),
- variable lease payments that are based on an index or rate,
- the exercise price of a purchase option if the group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the Group's incremental borrowing rate, i.e., the rate of interest that a lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant periodic rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date less any lease incentives received,
- any initial direct costs, and
- an estimate of the costs related to the dismantling and removal of the underlying asset.

If it is reasonably certain that the Group will exercise a purchase option, the asset shall be depreciated on a straight-line basis over its useful life. In all other circumstances the asset is depreciated on a straight-line basis over the shorter of the useful life of the asset or the lease term.

For short-term leases (lease term of 12 months or less) or leases of low-value items (mainly IT equipment and small office furniture) to which the Group applies the recognition exemptions available in IFRS 16, lease payments are recognized on a straight-line basis as an expense over the lease term.

2.7. IMPAIRMENT OF NON-FINANCIAL ASSETS

Intangible assets not yet available for use are not subject to amortization, but are tested annually for impairment, and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Other assets which are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs. To determine the value in use, the forecasted future cash flows generated by the asset or the CGU are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the CGU.

Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

2.8. GRANTS

The Group recognizes grants at their fair value only when there is reasonable assurance that the Group will comply with the conditions attached to the grant and the grant will be received. As such, a receivable is recognized in the statement of financial position.

Cash payments received for grants
Grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs which the grants are intended to compensate. As a result, grants relating to costs that are recognized as intangible assets or property, plant and equipment (grants related to assets or investment grants) are deducted from the carrying amount of the related assets and recognized in the profit or loss statement consistently with the amortization or depreciation expense of the related assets.

Grants received to partially finance certain research and development projects are released as income when the subsidized costs are incurred. The portion of grants not yet released as income is presented as deferred income in the statement of financial position, within other current liabilities. In the statement of comprehensive income, grants are presented as other operating income.

Grants that become receivable as compensation for expenses or losses already incurred are recognized in profit or loss of the period in which they become receivable.

R&D tax credit
The R&D tax credit is considered as a grant related to assets if additional relevant requirements are to be met that are directly related to the asset. The tax credit is taken in profit and loss in line with the costs it is intended to compensate. If the tax credit is received to compensate research and development expenses that are not capitalized, the R&D tax credit is recognized in P&L at the same moment as the research and development expenses as other operating income.

The part of the R&D tax credit that cannot be offset against current taxes payable is accounted for as other non-current assets.

2.9. INCOME TAXES

Income tax expense represents the sum of the current income tax and deferred tax. Tax expense is recognized in the income statement except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In the case of items recognized in other comprehensive income or in equity, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Current tax
The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognized for those matters for which the tax determination is uncertain, but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of management supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax
Deferred income tax is recognized, using the liability method, on temporary differences arising between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred income tax liabilities are generally recognized for all taxable temporary differences and deferred income tax assets are recognized to the extent that it is probable that future taxable profits will be available against which deductible temporary differences, carried forward tax credits or carried forward losses can be utilized. Deferred income tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction (other than in a business combination) that at the time of the transaction affects neither accounting nor taxable profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred tax assets and liabilities are not discounted. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are not recognized for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred taxes are calculated at the level of each fiscal entity in the Group. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

2.10. FINANCIAL ASSETS

Classification

The Group classifies its financial assets in the following categories: financial assets at fair value through profit or loss and financial assets at amortized cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. Management determines the classification of its financial assets at initial recognition. Currently, the Group holds only financial assets at amortized cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. A trade receivable without a significant financing component is initially measured at the transaction price.

Financial assets (such as loans, trade and other receivables, cash and cash equivalents) are subsequently measured at amortized cost using the effective interest method, less any impairment if they are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. The Group assesses on a forward-looking basis the expected credit losses associated with its financial assets carried at amortized cost.

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

2.11. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

Cash which is not available for use by the Group, is presented in the consolidated statement of financial statements as other financial assets.

2.12. SHARE CAPITAL

Common and preferred shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.13. FINANCIAL LIABILITIES

Financial liabilities (including borrowings and trade and other payables) are classified at amortized cost.

Financial liabilities are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

The Group derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

When a financial liability measured at amortized cost is modified without this resulting in derecognition, a gain or loss is recognized in profit or loss. The gain or loss is calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate.

Anti-dilution warrants
During several financing rounds, the Company granted shareholders anti-dilutive warrants. The warrants are instruments which give the holder the right, but not an obligation, to purchase the Company's shares at a specified price and date. The warrants include anti-dilution features to protect the right of the holder of the instrument from the possible impact of dilution caused due to issue of shares. The warrants give right to a variable number of shares based on the number of shares issues and the issue price of the relevant shares.

Considering that the holders will receive a variable number of shares based on the issue price indicates that the warrants are not "equity" but financial liabilities. The "fixed-for-fixed" requirement is not met.

At initial recognition, the anti-dilution warrants are recognized as derivative financial liabilities at fair value against equity, as it is considered as a transaction with shareholders. After initial recognition, the warrants are recognized at fair value through profit or loss.

2.14. EMPLOYEE BENEFITS

The Group makes the accounting policy choice that employee benefit expense includes consultant fees. Therefore, employee benefits are all forms of consideration given in exchange for services provided by employees including directors and other management personnel.

Short-term employee benefits
Short-term employee benefits are recorded as an expense in the income statement in the period in which the services have been rendered. Any unpaid compensation is included in trade and other liabilities in the statement of financial position.

Post-employment benefits
With respect to defined contribution plans, the contributions payable are recognized when employees have rendered the related services.

According to legal requirements applicable in Belgium, defined contribution pension plans are subject to minimum guaranteed rates of return. As such, these plans meet the conditions for classification as defined benefit plan in accordance with IAS 19 and they are accounted for as such.

The obligations under defined-benefit plans are calculated by the projected unit credit method, which determines the present value of entitlements earned by employees at year-end under all types of plan, taking into consideration estimated future salary increases. All valuations measure liabilities at the applicable balance sheet date and the market value of retirement plan assets are also reported at this date regardless of whether a full or a "roll-forward" valuation is performed.

Such post-employment benefit obligations are measured using the following methods and main assumptions:

- retirement age, determined on the basis of the applicable rules for the plan;
- forecast number of pensioners, determined based on employee turnover rates and applicable mortality tables;
- a discount rate that depends on the duration of the obligations, determined at the year-end date by reference to the market yield on high-quality corporate bonds or the rate on government bonds whose duration is coherent with the Group's commitments to employees.

The amount of the provision corresponds to the present value of the defined benefit obligation less the fair value of the plan assets that cover those obligations.

Share-based payments
A share-based payment is a transaction in which the Group receives goods or services either as consideration for its equity instruments or by incurring liabilities for amounts based on the price of the Company's shares or other equity instruments of the Company. The accounting for share-based payment transactions depends on how the transaction will be settled, that is, by the issuance of equity, cash, or either equity or cash.

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date, using the Black-Scholes pricing model. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, if any, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled share-based payment reserve.

2.15. PROVISIONS

Provisions are recognized in the balance sheet when:

- there is a present legal or constructive obligation as a result of a past event;
- it is probable that an outflow of resources will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

The only provision currently recognized relates to the dismantling obligation of the leasehold improvements carried out in our headquarters. Whenever the Group incurs an obligation for costs to dismantle and remove an asset, restore the site on which it is located or restore the asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under IAS 37. The provision is measured at the present value of the expenditures expected and initially recognized against the cost of the asset. The increase in the provision due to passage of time is recognized as finance cost.

3. Critical accounting estimates and judgments

In the application of the Group's accounting policies, which are described above, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Going concern
The accompanying consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities during the normal course of business. The 2021 consolidated results of the Group present a negative result, and the consolidated statement of financial position includes a loss carried forward.

Management has prepared detailed budgets and cash flow forecasts for the years 2022 and 2023. These forecasts reflect the strategy of the Group and include significant expenses and cash outflows in relation to the development of the ongoing product candidates and the platform. Management acknowledges that uncertainty remains in these cash flow forecasts (such as delays in development or regulatory approval) but believes that the cash position of the Group at year end 2021 (i.e. €56 million) is sufficient to cover the cash needs of the Company for at least the 12-month period following the approval of this report.

After due consideration of the above, the Board of Directors is of the opinion that it has an appropriate basis to conclude on the business continuity over the 12-month period following the approval of this report, and hence it is appropriate to prepare the financial statements on a going concern basis.

4. Financial instruments and financial risk management

4.1. OVERVIEW OF FINANCIAL INSTRUMENTS

All financial assets and liabilities presented in the consolidated statement of financial position are classified according to IFRS 9 – Financial Instruments as financial instruments at amortized cost, except for the anti-dilution warrants (presented under "Other current financial liabilities") which were classified as at fair value through profit or loss.

The Group considers that the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements approximate their fair values.

The fair values of the derivative financial liabilities above are classified as level 3 fair value measurements and have been measured using a discounted cash flow methodology where different scenarios have been probability weighted.

The following table includes a reconciliation of the level 3 fair value measurements:

in € thousands	Anti-dilution warrants
As at 1 January 2020	**3,623**
Issues	375
Fair value changes	(2,696)
As at 31 December 2020	**1,302**
Fair value changes	(1,302)
As at 31 December 2021	**-**

During the period, the only financial liability subsequently measured at fair value on Level 3 fair value measurement is the anti-dilution warrants ("AD Warrants"). The most significant inputs in measuring the fair value of the instruments are the discount rate, the probability of a down round and the probability of an IPO.

Up to the Board approval of the IPO on 30 June 2021, the AD Warrants were measured using a probability weighted valuation model based on significant unobservable inputs, such as the probability that a down-round financing would occur, an IPO would occur based on facts and circumstances at issue date (ranging from 20% to 75%), volatility of the shares (ranging between 64.1% and 80.1%), and discount rate (15%). Considering that on 30 June 2021 the Board approved the IPO, the AD Warrants were considered to have no value and were cancelled in July 2021 as part of the IPO (note 14.2) and the cumulative reserve of €4,813 thousand was reclassified to accumulated losses.

4.2. FINANCIAL RISK FACTORS

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

4.2.1. FOREIGN EXCHANGE RISK

The Group is currently exposed to foreign currency risk, mainly relating to positions held in USD.

The exposure to exchange differences of the monetary assets and monetary liabilities of the Group at the end of the reporting period are as follows:

in € thousands	31 December 2021	31 December 2020
Assets	2,880	112
Liabilities	691	443

At 31 December 2021, if the EUR had strengthened/weakened 5% against the USD with all other variables held constant, the impact on the consolidated statement of comprehensive income would have been +/- €109 thousand (2020: +/- €17 thousand). In 2021 and 2020, no hedge accounting has been applied.

4.2.2. INTEREST RATE RISK

The Group is currently not exposed to significant interest rate risk as the interest-bearing financial liabilities bear a fixed interest rate, which are not subject to revision.

4.2.3. CREDIT RISK

Credit risk is the risk that one party to an agreement will cause a financial loss to another party by failing to discharge its obligation. Credit risk covers trade receivables, cash and cash equivalents and short-term deposits.

The Group believes that the credit risk is limited as it currently has limited receivables considering that it does not yet generate revenue. Furthermore, the Group is not exposed to any material credit risk with regard to any individual counterparty. As such, no impairment is recognized for these receivables.

Cash and cash equivalent and short-term deposits are invested with highly reputable banks and financial institutions.

The maximum credit risk to which the Group is theoretically exposed as at the balance sheet date is the carrying amount of the financial assets.

Based on the ongoing credit evaluation performed, no financial assets were subject to impairment.

4.2.4. LIQUIDITY RISK

The Group's main sources of cash inflows are currently obtained through capital increases and external financing through leases and bank loans, some of which contain restrictive covenants based on the level of cash (note 14). The Group does not have any credit line agreements. As the 2021 consolidated results of the Group present a negative result, and the consolidated statement of financial position includes a loss carried forward, liquidity is a risk as the Group needs additional funds to further develop its assets and grow its operations. Management believes that the cash position of the Group at year end 2021 (i.e. €56 million) is sufficient to cover the cash needs of the Company for at least the 12-month period following the approval of this report.

The following tables detail the Group's remaining contractual maturity of its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows.

31 December 2021 In € thousands	Within one year	>1 and <5 years	>5 and <10 years	>10 years	Total
Bank borrowings	486	1,942	1,618	-	4,046
Lease liabilities	846	2,048	610	-	3,504
Total	**1,331**	**3,990**	**2,229**	**-**	**7,550**

31 December 2020 In € thousands	Within one year	>1 and <5 years	>5 and <10 years	>10 years	Total
Bank borrowings	107	592	642	-	1,341
Lease liabilities	899	2,463	910	-	4,272
Derivative financial liabilities					
Anti-dilution warrants	1,302	-	-	-	1,302
Total	**2,308**	**3,055**	**1,552**	**-**	**6,915**

5. Operating segments

According to IFRS 8, reportable operating segments are identified based on the "management approach". This approach stipulates external segment reporting based on the Group's internal organizational and management structure and on internal financial reporting to the Chief Operating Decision Maker(s).

The Group's activities are managed and operated in one segment. There is no other significant class of business, either individual or in aggregate. As such, the Chief Operating Decision Makers, being the Chief Executive Officer, review the operating results and operating plans and makes resource allocation decisions on a company wide basis.

Currently, no revenue is generated. With the exception of the lease of the building for the US location, all non-current assets recorded in the consolidated statement of financial position are located in Belgium, country of domicile of the Company.

6. List of consolidated companies as at 31 december 2021

Company name	Company number	Location	% financial interest
Biotalys NV	BE 508.931.185	Buchtenstraat 11, 9051 Gent Belgium	Parent
Biotalys Inc.		2520 Meridian Parkway, Suite 480 Durham, NC 27713 United States	100.00%

The voting rights equal the percentage of financial interest held.

7. Intangible assets

in € thousands	Platform Technology	Software	Total
Year ended 31 December 2021			
Cost	1,138	119	1,258
Accumulated amortization	(455)	(11)	(466)
Opening carrying amount	**683**	**109**	**792**
Additions	-	8	8
Amortization expense	(57)	(78)	(135)
Closing carrying amount	**626**	**39**	**665**
Cost	1,138	128	1,266
Accumulated amortization	(512)	(89)	(601)

in € thousands	Platform Technology	Software	Total
Year ended 31 December 2020			
Cost	1,138	6	1,144
Accumulated amortization	(398)	(4)	(402)
Opening carrying amount	**740**	**2**	**742**
Additions	-	114	114
Amortization expense	(57)	(7)	(64)
Closing carrying amount	**683**	**109**	**792**
Cost	1,138	119	1,258
Accumulated amortization	(455)	(11)	(466)

The platform technology was contributed to the Company as part of its foundation in 2013. It represents the core of the research platform that the Company is using for candidate identification and selection process and is being amortized over its expected useful life of 20 years since its contribution in 2013.

No intangible assets have been pledged in the context of financial liabilities.

8. Property, plant and equipment

in € thousands	Leasehold improvements	Lab Equipment	Other	Constuction in Progress	Total
Year ended 31 December 2021					
Cost	-	1,827	569	2,810	5,205
Accumulated depreciation	-	(454)	(134)	-	(588)
Opening carrying amount	**-**	**1,373**	**435**	**2,810**	**4,617**
Additions	498	502	324	-	1,324
Transfers	2,810	412	(184)	(2,810)	227
Disposals	-	(5)	(4)	-	(9)
Depreciation expense	(367)	(254)	(132)	-	(754)
Closing carrying amount	**2,940**	**2,029**	**438**	**-**	**5,407**
Cost	3,307	2,897	698	-	6,902
Accumulated depreciation	(367)	(869)	(260)	-	(1,496)

in € thousands	Leasehold improvements	Lab Equipment	Other	Constuction in Progress	Total
Year ended 31 December 2020					
Cost	-	991	220	104	1,315
Accumulated depreciation	-	(307)	(81)	-	(388)
Opening carrying amount	**-**	**684**	**139**	**104**	**927**
Additions	-	836	361	2,705	3,903
Depreciation expense	-	(147)	(65)	-	(212)
Closing carrying amount	**-**	**1,373**	**435**	**2,810**	**4,617**
Cost	-	1,827	569	2,810	5,205
Accumulated depreciation	-	(454)	(134)	-	(588)

The construction in progress in 2020 relates to the leasehold improvements of the new headquarters in Sint-Denijs-Westrem which the Company moved into in January 2021. Leasehold improvements includes the cost of removal of these improvements at the end of the lease of the building, which was recognized against a provision (€ 86 thousand).

Certain assets that have been financed by the Bank Loan described in note 14.1 have been pledged as collateral. No other items of property, plant and equipment have been pledged in the context of financial liabilities.

9. Right-of-use assets

in € thousands	Buildings	Lab equipment	Vehicles	Total
Year ended 31 December 2021				
Cost	2,990	2,353	240	5,583
Accumulated depreciation	(798)	(366)	(74)	(1,239)
Opening carrying amount	**2,192**	**1,987**	**166**	**4,344**
Additions	73	-	277	350
Transfers	-	(227)	-	(227)
Depreciation expense	(301)	(226)	(55)	(582)
Closing carrying amount	**1,963**	**1,534**	**388**	**3,885**
Cost or valuation	3,063	1,959	517	5,539
Accumulated depreciation	(1,099)	(426)	(129)	(1,654)

in € thousands	Buildings	Lab equipment	Vehicles	Total
Year ended 31 December 2020				
Cost	573	1,192	120	1,885
Accumulated depreciation	(266)	(184)	(29)	(478)
Opening carrying amount	**308**	**1,007**	**91**	**1,406**
Additions	2,417	1,162	120	3,699
Depreciation expense	(533)	(182)	(46)	(760)
Closing carrying amount	**2,192**	**1,987**	**166**	**4,344**
Cost or valuation	2,990	2,353	240	5,583
Accumulated depreciation	(798)	(366)	(74)	(1,239)

The Group leases buildings for its headquarters in Belgium and the US, lab equipment and some company cars. The contracts do not include any purchase options, except for the lab equipment. The purchase option relating to the lab equipment is included in the measurement as the Group considers it reasonably certain to exercise it. The lease term considered for the buildings ranges between 3 and 9 years, for the company cars the lease term ranges between 4 and 5 years and for the lab equipment, this is 4 years.

The amounts recognized in profit or loss can be summarized as follows:

In € thousands	2021	2020
Depreciation expense of right-of-use assets	(582)	(760)
Interest expense on lease liabilities	(136)	(78)
Total amount recognised in profit or loss	**(718)**	**(839)**
of which as:		
Research and development expense	(483)	(709)
Sales and marketing expenses	(20)	-
General and administrative expenses	(79)	(52)
Financial expenses	(136)	(78)

The Group has lease contracts that include termination options. These options are negotiated by management to provide flexibility in managing the leased assets and align with the Group's business needs.

The undiscounted potential future rental payments relating to periods following the exercise date of termination options that are not included in the lease term amount to €2,745 thousands.

There are no significant leases of which the lease term is not exceeding 12 months or relating to assets with a low value.

10. Other non-current assets

in € thousands	31 December 2021	31 December 2020
R&D tax credit receivable (note 19)	1,380	973
Other	-	31
Other non-current assets	**1,380**	**1,004**

11. Receivables

in € thousands	31 December 2021	31 December 2020
VAT receivable	235	217
Grants receivable	39	-
Other amounts receivable	178	9
Receivables - Current	**451**	**226**

An impairment analysis of receivables is done on an individual level, and there are no individual significant impairments.

Grants receivable relates to projects where the costs have been incurred and submitted to VLAIO, a Flemish governmental agency, for payment under the approved grant. These grants require the Group to maintain a presence in the Flemish region for a number of years and invest in the project according to pre-agreed budgets.

12. Other financial assets and cash and cash equivalents

12.1. OTHER FINANCIAL ASSETS

At the end of 2021, an amount of €2,100 thousands (2020: €2,100 thousands) was held as a pledge for the bank loan and was not available for use by the Group. If the overall cash balance at the bank falls below €10,000 thousands, the Group is required to increase the amount of cash held as a pledge to an amount at least equal to the outstanding balance of the loan. On 31 December 2021, the balance of loan outstanding at that bank was €3,727 thousands. The pledged cash is recognized under other financial assets in the consolidated statement of financial position.

12.2. CASH AND CASH EQUIVALENTS

The net cash position as presented in the consolidated statement of cash flows is as follows:

in € thousands	31 December 2021	31 December 2020
Cash at bank and in hand	48,207	5,903
Short-term bank deposits	7,900	17,200
Total cash and cash equivalents	**56,107**	**23,103**

The carrying amount of the cash and cash equivalents is a reasonable approximation of their fair value.

13. Share capital

13.1. CAPITAL MANAGEMENT

Capital comprises equity attributable to shareholders, borrowings and cash and cash equivalents. The Company manages its capital to maintain a strong capital base in order to maintain investor and creditor confidence and to sustain the future development of its business. The Group's management reviews the capital structure of the Group on a regular basis with the objective to maintain sufficient liquidity to meet its working capital requirements, fund capital investment and purchases and to safeguard its ability to continue operating as a going concern.

13.2. SHARE CAPITAL

The Company successfully completed its IPO on Euronext Brussels on 5 July 2021, issuing 6,333,333 new Ordinary Shares and raising gross proceeds of €47,500 thousands. Based on resolutions approved at the an extraordinary shareholders' meeting held on 18 June 2021, the completion of the IPO triggered the following events ("IPO events"):

- the conversion of all existing Preferred A Shares, Preferred B Shares and Preferred C Shares into Ordinary Shares (the "Share Consolidation");
- the reverse split of all so resulting Ordinary Shares into Ordinary Shares at a 2:1 ratio (the "Reverse Share Split");
- the conversion of the 294,514 existing profit certificates into Shares and the profit certificates to be issued upon the exercise of the existing ESOP Warrants into Shares at a 2:1 ratio upon the issue thereof (the "Profit Certificate Conversion");
- the cancellation of Preferred A AD Warrants, the Preferred B AD Warrants and the Preferred C AD Warrants;
- the cancellation of the ESOP III Warrants that have been issued but not yet granted resulting in no ESOP II Warrants or ESOP III Warrants being available for grant as from the closing of the IPO; and
- the approval of the ESOP IV Warrants in a number equal to 10% of the Ordinary Shares that will be outstanding after the exercise of the Over-allotment Option minus the maximum number of Shares that may be issued pursuant to the outstanding ESOP II Warrants and ESOP III Warrants. Upon the exercise of one ESOP IV Warrant, the holder will receive one Ordinary Share.

During July 2021, 144,444 ESOP II Warrants were exercised. This resulted in an additional 72,222 new Ordinary Shares being issued on 3 August 2021 when applying the 2:1 ratio.

The over-allotment option in connection with the IPO was exercised and closed on 3 August 2021, resulting in an additional 712,942 new Ordinary Shares being issued which raised additional gross proceeds of €5,347 thousands. Upon the exercise of the Over-allotment Option, the total number of ESOP 2021 Warrants available for grant was calculated to be 1,759,241.

Capitalized issuance costs for the new shares issued upon the IPO and the exercise of the Over-allotment Option totaled €3,306 thousands.

The following table provides an overview of the transactions of share capital that have taken place since 1 January 2020. The impact of the Share Consolidation after the Reverse Share Split, the Profit Certificate Conversion and the issuance of the new Ordinary Shares will be included in the earnings per share calculation on a prospective basis.

		Share Capital							Share Premium Change in €	Share Premium Total in €
		Ordinary Shares	Preferred A Shares	Preferred B Shares	Preferred C Shares	Total Shares	Change in Value in €	Total Value in €		
1/jan/20		**1,500,000**	**5,272,301**	**12,428,762**	**21,894,099**	**41,095,162**	**52,821,991**	**52,821,991**	**539,508**	**539,508**
28/Feb/20	Capital increase Series C2	-	-	-	5,984,440	47,079,602	9,999,999	62,821,991	(64,237)	475,271
28/Feb/20	Profit Certificates issued upon exercise of ESOP I Warrants	-	-	-	-	47,079,602	-	-	200,000	675,271
1/Dec/20	Called capital Series C1 tranche 3 and C2 tranche 2	-	-	-	-	47,079,602	-	62,821,991	-	675,271
31/Dec/20		**1,500,000**	**5,272,301**	**12,428,762**	**27,878,539**	**47,079,602**	**62,821,991**	**62,821,991**	**675,271**	**675,271**
22/Feb/21	Profit Certificates issued upon exercise of ESOP II Warrants	-	-	-	-	47,079,602	-	62,821,991	14,865	690,136
5/Jul/21	Share Consolidation	45,579,602	(5,272,301)	(12,428,762)	(27,878,539)	47,079,602	-	62,821,991	-	690,136
5/Jul/21	Reverse Share Split[2]	(23,539,804)	-	-	-	23,539,798	-	62,821,991	-	690,136
5/Jul/21	Profit Certificate Conversion	147,256	-	-	-	23,687,054	263,615	63,085,606	(263,615)	426,521
5/Jul/21	Issuance of new Ordinary Shares upon IPO	6,333,333	-	-	-	30,020,387	16,867,532	79,953,138	30,632,465	31,058,986
5/Jul/21	Issuance costs for IPO	-	-	-	-	30,020,387	-	79,953,138	(3,145,355)	27,913,631
3/Aug/21	Shares issued upon exercise of ESOP II Warrants	72,222	-	-	-	30,092,609	118,463	80,071,601	99,466	28,013,097
3/Aug/21	Issuance of new Ordinary shares upon exercise of the Over-allotment Option	712,942	-	-	-	30,805,551	1,897,024	81,968,625	3,450,041	31,463,138
3/Aug/21	Issuance costs for Over-allotment Option	-	-	-	-	30,805,551	-	81,968,625	(160,412)	31,302,726
31/Dec/21		**30,805,551**	**-**	**-**	**-**	**30,805,551**	**81,968,625**	**81,968,625**	**31,302,726**	**31,302,726**

2 The number of shares cancelled upon the 2:1 Reverse Share Split is higher than the number of Ordinary Shares remaining after the Reverse Share Split as the number of shares was rounded down on a shareholder by shareholder basis when the calculation resulted in a half a share.

The following table provides an overview of the movements of uncalled Preferred C Shares since 1 January 2020:

In €		Total Value	Uncalled Preferred C Shares	Subscribed and Paid Capital
1/Jan/20		**52,821,991**	**(5,000,000)**	**47,821,991**
28/Feb/20	Capital increase Series C2	62,821,991	(2,000,000)	55,821,991
1/Dec/20	Called capital Series C1 tranche 3 and C2 tranche 2	62,821,991	7,000,000	62,821,991
31/Dec/20		**62,821,991**	**-**	**62,821,991**

14. Borrowings and other financial liabilities

14.1. BORROWINGS

In € thousands	31 December 2021	31 December 2020
Lease liabilities	3,495	4,000
Bank borrowings	3,727	1,220
Total borrowings	**7,223**	**5,220**
of which as:		
Non-current borrowings	6,037	4,332
Current borrowings	1,186	888

Lease liabilities
The weighted average incremental borrowing rate used for the measurement of the lease liabilities is 2.00% at closing 2021 (2020: 1.99%). The underlying leased assets act as pledge in the context of the lease liabilities. For more details on the leases, we refer to note 9 on right-of-use assets. Certain restrictive convents are contained in the lease liabilities and the Group was in compliance with such covenants (level of cash position in excess of €1,500 thousands) as of 31 December 2021.

Bank loan
On 20 May 2020, the Group entered into a bank loan for a maximum committed amount of €4,000 thousands for leasehold improvements of its new facilities in Belgium (the "Bank Loan"). In May 2021, the Bank Loan was completely drawn down a subsequently turned into an amortizing loan over a period of 9 years with a fixed interest rate of 1.95% per annum. Certain restrictive convents are contained in the Bank Loan and the Group was in compliance with such covenants (level of cash position in excess of €10,000 thousands) as of 31 December 2021 (note 12.1). The Bank Loan is secured by a pledge of the related financed assets and certain restrictions on cash (currently presented as other financial assets).

14.2. OTHER FINANCIAL LIABILITIES

The AD Warrants are subscription rights granted to preference shareholders during several past financing rounds, giving the holder the right, but not an obligation, to purchase the Company's shares in certain limited circumstances at a specified price and date. The number of new Preferred Shares to be issued pursuant to the exercise of the Preferred AD Warrants is dependent on the transaction triggering their exercisability. The Preferred AD Warrants automatically lapse five years after the issuance of the Preferred AD Warrants. The AD Warrants were measured at fair value (note 4.1) until they were cancelled in July 2021 upon the IPO.

The following table provides an overview of the movements of AD Warrants that have taken place since 1 January 2020:

Date	Transaction	Expiration	Preferred A AD Warrants	Preferred B AD Warrants	Preferred C AD Warrants	Total Warrants
1 January 2020			**-**	**48**	**85**	**133**
28 February 2020	Warrant issuance	28 February 2025	-	-	65	198
28 February 2020	Warrant issuance	28 February 2025	24	-	-	222
31 December 2020			**24**	**48**	**150**	**222**
5 July 2021	Cancellation upon IPO (note 13.2)		(24)	(48)	(150)	(222)
31 December 2021			**-**	**-**	**-**	**-**

14.3. LIQUIDITY AND CASH FLOW RECONCILIATION

The maturity table of the borrowings and the other financial liabilities is presented in note 4 on the liquidity risk.

The following tables reconcile the movements of the financial liabilities to the cash flows arising from financing activities:

31 December 2021 In € thousands	Opening carrying amount	Cash flows	Non-cash movements			Closing carrying amount
			New Leases	Reclasses	Other	
Non-current borrowings						
Bank borrowings	1,137	2,780	-	(605)	-	3,312
Lease liabilities	3,195	-	350	(820)	-	2,725
Current borrowings						
Bank borrowings	83	(273)	-	605	-	416
Lease liabilities	805	(855)	-	820	-	770
Total liabilities from financing activities	**5,220**	**1,653**	**350**	**-**	**-**	**7,223**
Presented in the statement of cash flows (financing activities) as follows:						
Proceeds from borrowings		2,780				
Repayments of borrowings		(1,127)				

31 December 2021 In € thousands	Opening carrying amount	Cash flows	Non-cash movements			Closing carrying amount
			New Leases	Reclasses	Other	
Non-current borrowings						
Bank borrowings		1,137	-	-	-	1,137
Lease liabilities	568	**-**	3,699	(1,071)	**-**	3,195
Current borrowings						
Bank borrowings		83	-	-	-	83
Lease liabilities	625	(1,022)	-	1,071	131	805
Total liabilities from financing activities	**1,192**	**198**	**3,699**	**-**	**131**	**5,220**
Presented in the statement of cash flows (financing activities) as follows:						
Proceeds from borrowings		1,220				
Repayments of borrowings		(1,022)				

15. Post-employment employee benefit liabilities

Post-employment benefit plans are classified as “defined contribution” plans if the Group pays fixed contributions into a separate fund or to a third-party financial institution and has no further legal or constructive obligation to pay further contributions. Therefore, no assets or liabilities are recognized in the Group balance sheet in respect of such plans, apart from regular prepayments and accruals of contributions. The plans offered by the Group are summarized below.

Belgian Defined Contribution Plan
For the Belgian defined contribution plan, the Group is required by law to guarantee a minimum return on employee and employer contributions. As a consequence, this plan is considered to be a defined benefit plan which is valued using the projected unit credit method under IAS 19.

The amount recognized as a non-current liability in the consolidated statement of financial position arising from the Group’s obligation in respect of its defined benefit plan is as follows:

in € thousands	31 December 2021	31 December 2020
Defined benefit obligation	572	528
Plan assets	(546)	(478)
Net non-current employee benefit obligation	**26**	**50**

The total service cost of €176 thousand (2020: €156 thousand) is included as employee benefit expenses and the net interest expense of €1 thousand (2020: €1 thousand) as financial expenses in the consolidated income statement. The net effects of remeasurement on the net defined benefit liability of €5 thousand (2020: €6 thousand) is included in the statement of comprehensive income as part of other comprehensive income.

401(k) Plan

Biotalys Inc. sponsors a 401(k) defined contribution plan (the "401(k) Plan"), which covers all employees who meet certain eligibility requirements as defined in the 401(k) Plan and allows participants to defer a portion of their annual compensation on a pre-tax basis. Contributions to the 401(k) Plan may be made at the discretion of management. For the year ended 31 December 2021, the Group contributed €31 thousand (2020: €11 thousand) to the 401(k) Plan.

16. Trade and other liabilities

in € thousands	31 December 2021	31 December 2020
Trade payables	1,930	2,484
Employee benefit liabilities	1,184	809
Other	4	8
Trade and other liabilities - Current	**3,119**	**3,301**

The fair value of trade payables approximates their carrying amount.

Employee benefit liabilities also include the management fees to key management (note 27).

Liquidity and currency risk are detailed in note 4 above.

17. Other current liabilities

Certain grants totaling €904 thousand as of 31 December 2021 (31 December 2020: €655 thousand) have been deferred as the Bill and Melinda Gates Foundation and VLAIO (a Flemish governmental agency) advanced funds for new projects before the related costs have been incurred. The grant is amortized to other operating income as the related project expenses are incurred.

18. Deferred taxes

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset and when the deferred taxes relate to the same fiscal authority. The deferred tax assets and liabilities are attributable to the following items:

	31 December 2021		31 December 2020	
in € thousands	Deferred tax asset	Deferred tax liability	Deferred tax asset	Deferred tax liability
Intangible assets	-	(156)	-	(171)
Property, plant and equipment	-	(159)	-	(40)
Leases	-	(133)	-	(95)
Employee benefit liabilities	6	-	13	-
Tax losses	13,320	-	8,462	-
Total deferred tax assets & liabilities	**13,327**	**(448)**	**8,475**	**(306)**
Net deferred tax assets not recognized	(12,878)	-	(8,169)	-
Offsetting	(448)	448	(306)	306
Total deferred tax assets & liabilities	**-**	**-**	**-**	**-**

Deferred tax assets have not been recognized in respect of the following items, because it is not probable that future taxable profits are available within a foreseeable future against which the Group can use the benefits of therefrom:

in € thousands	31 December 2021	31 December 2020
Deductible temporary differences	(1,768)	(1,173)
Tax losses	53,282	33,849
Total	**51,514**	**32,676**

The tax losses carried forward are available indefinitely.

19. Other operating income

In € thousands	2021	2020
R&D tax incentives	981	930
Grant income	1,000	447
Other income	14	26
Total other operating income	**1,995**	**1,402**

Other operating income mainly consists out of the R&D tax credits received and grants that were awarded to support R&D activities (VLAIO).

The R&D tax incentives correspond to certain rebates on payroll withholding taxes for scientific personnel and Belgian research and development tax credit with regard to incurred research and development expenses. The R&D tax credit will be paid to the Group in cash after a five-year period, if not offset against the taxable basis over the respective period. The increase is due to an overall increase in the research and development expenses.

20. Operating expenses by nature

The table below illustrates certain items of expense recognized in the income statement using a classification based on their nature within the Group.

In € thousands	2021	2020
Employee benefit expense	8,746	6,550
R&D materials and external services	5,730	5,213
External consultant services	1,132	411
Depreciation expense of property, plant and equipment	754	212
Depreciation expense of right-of-use assets	582	760
Amortization expense of intangible assets	135	64
Facilities and IT related costs	739	370
Patents and IP	568	388
Other	1,690	710
Total operating expenses	**20,074**	**14,678**
of which as:		
Research and development expense	13,880	11,488
General and administrative expenses	4,905	2,357
Sales and marketing expenses	1,289	834

The other expenses relate to facility management, recruitment, legal and expert fees and other miscellaneous expenses.

Sales and marketing expenses relate to expenses incurred in the context of business development projects to promote the Group's activities to different stakeholders.

21. Employee benefit expenses

In € thousands	2021	2020
Wages and salaries	4,652	3,203
Management and consultant fees	2,096	1,693
Social security costs	955	712
Equity-settled share-based payment expenses	511	550
Defined benefit costs	216	176
Defined contribution costs	31	11
Other employee benefit expenses	284	203
Total employee benefit expense	**8,746**	**6,550**

The total employee benefit expense has been allocated along functional lines within the income statement and includes both employees and contractors.

Headcount in full-time equivalents	2021	2020
Average number of total employees	69	56

22. Financial result

The various items comprising the net finance cost are as follows:

In € thousands	2021	2020
Change in fair value of anti-dilution warrants (note 14.2)	1,302	2,696
Exchange differences	203	14
Other	5	1
Total financial income	**1,510**	**2,710**

In € thousands	2021	2020
Interest expense on lease liabilities	136	78
Interest expense on bank borowings	67	8
Other interest expense	43	-
Interest expense	**246**	**86**
Bank fees	33	19
Exchange differences	62	64
Other	2	2
Total financial expenses	**343**	**171**

23. Income tax expense

23.1. AMOUNTS RECOGNIZED TO PROFIT AND LOSS

The income tax (charged)/credited to the income statement during the year is as follows:

In € thousands	2021	2020
Current tax (expense)/income	(16)	(13)
Deferred tax (expense)/income	-	-
Total income taxes	**(16)**	**(13)**

23.2. RECONCILIATION OF EFFECTIVE TAX

The income tax expense can be reconciled as follows:

In € thousands	2021	2020
Loss before income tax	(16,913)	(10,737)
Income tax expense calculated at domestic tax rates	4,228	2,684
Disallowed expenses	(731)	(905)
Tax-exempt income	1,253	927
Effect of unused tax losses not recognized as deferred tax assets	(4,778)	(2,737)
Other	11	18
Total income taxes	**(16)**	**(13)**

24. Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year. The completion of the IPO has the following impact on the determination of the weighted average number of ordinary shares outstanding during the year (note 13):

- The 2:1 Reverse Share Split completed on 5 July 2021 is applied retrospectively for all periods presented.
- The Share Consolidation, the Profit Certificate Conversion and the issuance of the new Ordinary Shares is applied on a prospective basis after the IPO on 5 July 2021.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent (after adjusting for the effects of all dilutive potential ordinary shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

In case of the Group, no effects of dilution affect the net profit attributable to ordinary equity holders. The table below reflects the income and share data used in the basic and diluted earnings per share computations:

In € thousands	2021	2020
Basic earnings		
Loss from continuing operations attributable to owners of the parent	(16,929)	(10,750)
Diluted earnings		
Dilution effect of share-based payments	-	-
Loss from continuing operations attributable to owners of the parent, after dilution effect	**(16,929)**	**(10,750)**

Number of shares	2021	2020
Weighted average number of ordinary shares outstanding during the period[3]	15,427,189	750,000

In €	2021	2020
Ordinary shares		
Basic earnings per share[3]	(1.10)	(14.33)
Diluted earnings per share[3]	(1.10)	(14.33)

3 The denominator for the purposes of calculating both basic and diluted earnings per share has been adjusted retrospectively to reflect the 2:1 reverse share split completed on 5 July 2021.

As the Group is reporting operating losses, the stock options and AD Warrants have an anti-dilutive effect. As such, there is no difference between basic and diluted earnings per ordinary share. There are no other instruments that could potentially dilute earnings per share in the future.

25. Share-based payments

The Group currently has outstanding ESOP warrants pursuant to three outstanding incentive plans, namely (i) ESOP warrants that were granted to employees, consultants or directors of the Group pursuant to the 2017 ESOP II plan (the “ESOP II Warrants”), (ii) ESOP warrants that were granted to employees, consultants and directors of the Group or an affiliated company pursuant to the 2020 ESOP III Plan (the “ESOP III Warrants”), and (iii) ESOP warrants that were granted to employees, consultants and directors of the Group or an affiliated company pursuant to the 2021 ESOP IV Plan (the “ESOP IV Warrants”) (together, the “ESOP Warrants”).

Both the ESOP II Warrants and the ESOP III Warrants were originally subscription rights to profit certificates. Upon the completion of the IPO in July 2021, the then existing profit certificates and warrants to profit certificates were automatically converted into respectively Ordinary Shares and subscription rights to Ordinary Shares on a 2:1 basis. Profit certificates issued as a result of the exercise of warrants to profit certificates following the IPO will automatically be converted into Ordinary Shares on a 2:1 basis each time they are issued. Upon the exercise of one ESOP IV Warrant, the holder will receive one Ordinary Share.

In accordance with the terms of the plans, as approved by shareholders, employees may be granted options to purchase ordinary shares at an exercise price as mentioned below per ordinary share. No amounts are paid or payable by the recipient on receipt of the option. ESOP Warrants are subject to services conditions and vest over a period of four years:

- 25% of the accepted ESOP Warrants vest one year after the date of the offer,
- the balance vest in equal monthly instalments from the end of the first month following the first anniversary of the offer.

The options carry neither rights to dividends nor voting rights. ESOP Warrants can be exercised during the first fifteen days of each quarter and this at the earliest as from the beginning of the fourth calendar year following the calendar year in which the offer of the ESOP Warrants has taken place until the last quarter within the term of the ESOP Warrants.

The following share-based payment arrangements were in existence during the current and prior years:

	Expiry Date	Exercise Price per stock option (€)	Fair value (€)	Options per 31 December 2021	Options per 31 December 2020
PLAN ESOP II					
Options	10/05/2027	0.82	0.61	987,628	1,174,364
PLAN ESOP III					
Options	31/12/2027	1.29	0.89	1,500,417	1,890,000
PLAN ESOP IV					
Options	4/07/2031	6.62	5.00	242,500	-

The following reconciles the options outstanding at the beginning and end of the year:

	Average exercise price (€)	Number of options	Number of options exercisable
Closing balance at 1 January 2020	**0.84**	**1,605,538**	**344,999**
Granted	1.29	1,935,000	
Forfeited	0.94	(253,952)	
Exercised	0.90	(222,222)	
Closing balance at 31 December 2020	**1.11**	**3,064,364**	**-**
Granted	6.62	242,500	
Forfeited	1.26	(413,750)	
Exercised	0.82	(162,569)	
Closing balance at 31 December 2021	**1.59**	**2,730,545**	**523,333**

The fair value of the stock options has been determined based on the Black-Scholes model. Expected volatility is based on the historical share price volatility over the past 5 years of listed peer companies.

Below is an overview of all the parameters used in this model:

	PLAN ESOP II	PLAN ESOP III	PLAN ESOP IV
Share Price (€)	0.82	1.29	6.62
Exercise Price (€)	0.82	1.29	6.62
Expected volatility of the shares (%)	72%	74%	75%
Expected dividends yield (%)	0%	0%	0%
Risk free interest rate (%)	0.60%	(0.18%)	0.00%
Expected life (in years)	10	7	10

26. Commitments and contingencies

26.1. CAPITAL EXPENDITURES

At 31 December 2021, the Group has committed to spend €229 thousand (2020: €450 thousand) for lab equipment. All amounts are expected to be paid within one year.

26.2. CONTRACTUAL AGREEMENTS

The Group has concluded various agreements with Contract Manufacturing Organizations ("CMOs") to provide manufacturing services related to the production of Biotalys' developmental products, including costs to be incurred by the CMOs for modifications of their production facilities. Total outstanding non-cancelable purchase commitments under these agreements amount to €733 thousand as per the end of 2021 (2020: €440 thousand).

The Group has also entered into development agreements with various Contract Research Organizations ("CROs") and field trial operators. These arrangements are service agreements which only require payment dependent on the completion of the service and delivery of the final reports. Total outstanding non-cancelable purchase commitments under these agreements, excluding amounts accrued for services already performed, amount to €286 thousand as per the end of 2021 (2020: €385 thousands).

All amounts under these service agreements are expected to be paid within one year. The amounts are not risk-adjusted or discounted, and the timing of the payments is based on the Group's current best estimate of delivery of the related services.

The Group also has a non-exclusive license agreement with VTU Technology GmbH in relation to a number of AGROGROBODY™ bioactive-expressing Pichia pastoris strains. This license encompasses the Pichia pastoris strain that the Group uses to produce EVOCA™. The license fees comprise success fees and royalty fees, both of which are based on the titre at which the licensed strains produce AGROGROBODY™ bioactives.

26.3. LEGAL PROCEEDINGS

The Group is currently involved in small number of legal actions that arise in the ordinary course of business, but it is not currently party to any material legal proceedings. At each reporting date, the Group evaluates whether or not a potential loss amount or a potential range of loss is probable and reasonably estimable under the provisions of the authoritative guidance that addresses accounting for contingencies. The Group does not believe that there are any claims that would have a material adverse effect of the Group's business, financial condition or results of operations. All costs related to such legal proceedings are expensed as incurred.

27. Related party transactions

27.1. TRANSACTIONS WITH RELATED PARTIES

Currently, there are no transactions with related parties.

27.2. KEY MANAGEMENT REMUNERATION

Key management compensation as disclosed below comprises compensation recognized in the income statement for members of the Board of Directors and the Executive Committee, for the portion of the year where they exercised their mandate.

in € thousands	2021	2020
Short-term benefits	1,539	1,171
Post-employment benefits	55	56
Share-based payments	486	558
Total	**2,079**	**1,785**

Members of the Board of Directors and the Executive Committee as of 31 December 2021 held 1,760,000 options in the context of the share-based payment plans further explained in note 25. These options grant the right to convert into 950,000 Ordinary Shares after the impact of the 2:1 reverse share split.

There have been no loans granted by the Company or its subsidiary to any Director or officer of the Group, nor any guarantees given with respect hereto.

28. Events after the end of the reporting period

During January 2022, 92,808 ESOP II Warrants were exercised. This resulted in an additional 46,404 new Ordinary Shares being issued on 21 January 2022 when applying the 2:1 ratio.

As of the date when these financial statements have been approved, there have been no other events after the balance sheet date.

29. Audit fees

The Company's statutory auditor is Deloitte Bedrijfsrevisoren BV, with statutory seat at Gateway building, Luchthaven Brussel Nationaal 1 J, B-1930 Zaventem, Belgium, represented by Pieter-Jan Van Durme, auditor. The Company's statutory auditor has been reappointed effective as from 19 April 2019 for the statutory term of three years by the Company's extraordinary general shareholders' meeting held on 19 April 2019.

The Company expensed fees to the auditor of €445 thousand in 2021 and €24 thousand in 2020. The fees are broken down as follows:

- Audit fee for statutory and consolidated financials: €65 thousand in 2021 and €9 thousand in 2020.
- Fees within the framework of the Initial Public Offering of Biotalys: €347 thousand of which:
  - €162 thousand audit fees for the audit of the IFRS annual accounts in 2019 and 2020
  - €185 thousand audit related fees for issuance of comfort letters
- Legal mission: €33 thousand in 2021 and €11 thousand in 2020.

Statutory Report of Biotalys NV in respect of the accounting year ended on 31 December 2022 in accordance with article 3:6 of the Belgian Code on Companies and Associations (the "Statutory Report")

This Statutory Report has been approved by the Board of Directors of Biotalys NV in its meeting of 10 March 2022.

1. Business Overview

OPERATION

The Company did not generate revenue during the financial year 2021. The main focus of the financial year was to further develop the AGROBODY™ technology platform and to continue the product development of AGROBODY™ biocontrols. Reference is made to the chapter "Products and Pipeline" of the part "Company Highlights and Activities" of the Consolidated Report that is included in this Statutory Report in its entirety by reference.

In 2021, the company relocated to new leased premises. For this purpose, considerable refurbishment of the premises have been carried out. The renovations are mainly being financed by means of a bank loan, which was fully taken out in 2021, and which results in an outstanding bank debt of €4,046 thousands of which €486 thousands short term debt.

In 2021, the Company capitalized internal R&D costs amounting to €10,843 thousands (€8,880 thousands in 2020). Other operating income amounted to €1,590 thousands (€958 thousands in 2020), which comprised the exemption from the payment of payroll tax for scientific research amounting to €573 thousands, as well as VLAIO subsidies of €983 thousands.

The operating costs amounted to €34,184 thousands (€23,422 thousands in 2020). These costs include staff costs of €5,228 thousands (€3,725 thousands in 2020) as well as costs for external scientific

research and various services. The amortization in 2020 amounted to €12,284 thousands (€9,537 thousands in 2020) including €10,843 thousands for internal R&D.

As a result, the Company closed the financial year with an operating loss of €-21,747 thousands (€-13,584 thousands in 2020).

FINANCIAL RESULT

The financial result amounts to €-96 thousands and contains, next to €127 thousands foreign exchange differences, mainly interest paid in the scope of the leasing and loan obligations entered into and negative interest fees on outstanding bank deposits.

As a result, the loss resulting from normal business operations in 2020 amounted to €-21,843 thousands (€-13,682 thousands in 2020).

NET RESULT

An amount of €405 thousands (€483 thousands in 2020) tax credit has been posted, which leads to a total loss for the period of €-21,439 thousands (€-13,200 thousands in 2020).

APPROPRIATION OF THE NET RESULT

The Company ended the financial year 2021 with a loss to be appropriated for an amount of €-21,439 thousands. We therefore propose to the General Meeting to carry this loss forward.

VALUATION RULES

The loss to be carried forward per 31/12/2021 amounts to €-21,439 thousands.

As the Company incurred a net loss during (at least) two consecutive financial years, the Board of Directors applies article 3:6,6° of the Belgian Code of Companies and Associations.

Article 7:228 of the Belgian Code of Companies and Associations is also applicable and the relevant procedures referred to in article 7:228 of the Belgian Code of Companies and Associations (former article 633 of the Belgian Companies Code) were applied at 4 April 2017.

The Board of Directors justifies the application of the valuation rules on a going concern basis as follows:

The loss carried forward is caused by the fact that the Company is still in its stage of development whereby through research a technology platform and new products are being developed for future commercialization. As such, the Company is investing and the costs are being made, whereas on the other hand, no commercial revenues have yet been realized. Both the financial plan and investment budgets take into account these investments and costs.

In 2021, the Company has secured equity financing, providing additional funds that are expected to secure the Company's financial future and operations at least till the annual general meeting of shareholders to be held in April 2023. On this basis, the Board of Directors is confident in the Company's ability to continue as a going concern.

In view of the above, the Board of Directors is of the opinion that the losses incurred do not endanger the going concern of the Company and that the application of the valuation rules on a going concern basis is therefore justified.

2. Description of the principal risks and uncertainties associated with the activities of the Company

Reference is made to the chapter "Description of the principal risks and uncertainties associated with the activities of the Company" in the part "Legal and Financial Information" of the Consolidated Report that is included in this Statutory Report in its entirety by reference.

3. Information regarding important events that occurred after the end of the accounting year 2021

Reference is made to item "11.11 Information regarding important events that occurred after the end of the accounting year 2021" of the chapter "Legal Information" of the part "Corporate Governance" of the Consolidated Report that is included in this Statutory Report in its entirety by reference.

4. Information regarding circumstances that could have a material impact on the development of the Company.

Reference is made to:

(i) the chapter "Description of the principal risks and uncertainties associated with the activities of the Company" in the part "Legal and Financial Information" of the Consolidated Report that is included in this Statutory Report in its entirety by reference; and

(ii) item "11.12 Information regarding circumstances that could have a material impact on the development of the Company" of the chapter "Legal Information" of the part "Corporate Governance" of the Consolidated Report that is included in this Statutory Report in its entirety by reference.

5. Information regarding research and development activities

Reference is made to the chapter "Products and Pipeline" of the part "Company Highlights and Activities" of the Consolidated Report that is included in this Statutory Report in its entirety by reference.

6. Information regarding the existences of branches of the Company.

The Company has no branches. The Company has a permanent establishment under applicable tax law in France located at 1 Route du Pérollier; 69570 Dardilly.

7. Legal information required under article 3:6, 7° of the Belgian Code on Companies and Associations

Reference is made to:

(i) the chapters "Conflicts of interest" and "Related party transactions" in the part "Corporate Governance" of the Consolidated Report that are included in this Statutory Report in their entirety by reference; and

(ii) the item "11.8 Authority of the Board regarding the issue of shares or the buy-in of own shares" in the chapter "Legal information" of the part "Corporate Governance" of the Consolidated Report that are included in this Statutory Report in its entirety by reference.

8. Use of financial instruments

Reference is made to notes 4 and 14.2 under the Notes to the Consolidated Financial Statements in the Financial Statements part of the Consolidated Report that are included in this Statutory Report in its entirety by reference.

9. Independence and expertise of a member of the audit committee

Reference is made to the bios of the members of the audit committee in the item "2.1 Composition" of the chapter "Board of Directors" in the part "Corporate Governance" of the Consolidated Report that are included in this Statutory Report in their entirety by reference. Moreover, two of the members, including the chairperson, of the audit committee meet the requirement for independent director as contained in the Belgian Code on Corporate Governance.

10. Corporate Governance statement including remuneration report and remuneration policy

Reference is made to the part "Corporate Governance" of the Consolidated Report that are included in this Statutory Report in its entirety by reference.

11. Going concern

Reference is made to note 3 under the Notes to the Consolidated Financial Statements in the Financial Statements part of the Consolidated Report that is included in this Statutory Report in its entirety by reference.

12. Extraordinary activities and special assignment carried out by the auditor

Reference is made to note 29 under the Notes to the Consolidated Financial Statements in the Financial Statements part of the Consolidated Report that is included in this Statutory Report in its entirety by reference.

13. Discharge to the directors and the auditor

In accordance with the law and articles of association, the shareholders will be requested at the annual shareholders' meeting of 15 April 2022 to grant discharge to the directors and the statutory auditor of their responsibilities assumed in the financial year 2021.

Condensed statutory financial statements

Statutory Income Statement

in € thousands	2021	2020
Operating Income	12,438	9,838
Operating Loss	**(21,747)**	**(13,584)**
Financial Result	(96)	(98)
Loss for the period before taxes	**(21,843)**	**(13,682)**
Income taxes	404	482
Loss for the period	**(21,439)**	**(13,200)**

The full version of the accounts (including the auditor's report) is available on the company's website.

Statutory Balance Sheet

in € thousands	2021	2020
Assets	**66,482**	**32,434**
Fixed Assets	**5,791**	**5,924**
Intangible assets	39	109
Tangible assets	5,752	5,784
Financial fixed assets	0	31
Current assets	**60,690**	**26,510**
Receivables over 1 year	1,377	973(*)
Receivables within 1 year	1,196	421(*)
Cash and cash equivalents	58,117	25,117
Equity	**57,084**	**25,543**
Capital	81,969	62,822
Share Premium	34,083	249
Accumulated Losses	(58,967)	(37,528)
Liabilities	**9,397**	**6,892**
Provisions	100	100
Long-term financial debt	4,158	2,245
Short-term financial debt	**4,153**	**3,844**
Trade Debts	2,136	2,507
Taxes, remuneration and social security	1,118	733
Other short term financial debt	899	604
Accruals and deferred income	987	702

(*) 2020 restated to align to 2021 categories

The full version of the accounts (including the auditor's report) is available on the company's website.

Sources for Company Highlights and Activities

1 UN Climate Change Conference of the Parties (COP26), 2021: COP26 Goals. https://ukcop26.org/cop26-goals/.

2 Poore, J., & Nemecek, T. (2018). Science, 360(6392), 987-992.

3 World Resources Institute, Tim Searchinger, Richard Waite, Craig Hanson, Janet Ranganathan, Patrice Dumas and Emily Matthews – Creating a sustainable food future, July 2019 - https://research.wri.org/wrr-food.

4 UN Sustainable Development Goals, Goal 12: Ensure sustainable consumption and production patterns - https://www.un.org/sustainabledevelopment/sustainable-consumption-production/.

5 Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions A Farm to Fork Strategy for a fair, healthy and environmentally friendly food system, COM/2020/381 final, Document 52020DC0381 - https://ec.europa.eu/food/sites/food/files/safety/docs/f2f_action-plan_2020_strategy-info_en.pdf.

6 The Boston Consulting Group, “Tackling the 1.6b ton food loss and waste crisis”, 2018 - https://www.bcg.com/publications/2018/tackling-1.6-billion-ton-food-loss-and-waste-crisis.

7 Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions A Farm to Fork Strategy for a fair, healthy and environmentally-friendly food system, COM/2020/381 final, Document 52020DC0381 - https://ec.europa.eu/food/sites/food/files/safety/docs/f2f_action-plan_2020_strategy-info_en.pdf.

8 Phillips McDougall, AgriService Industry Overview: 2019 Market (April 2020).

9 IHS Markit, Global Biocontrol Market Overview, prepared for Biotalys, March 2020.

10 Soberón, Mario & Bravo, Alejandra & Blanco, Carlos. (2016). Strategies to Reduce Insecticide Use in Agricultural Production. 10.1016/B978-0-08-100596-5.03063-8 - https://www.researchgate.net/publication/313845110_Strategies_to_Reduce_Insecticide_Use_in_Agricultural_Production.

11 FAO. 2019. The State of Food and Agriculture 2019. Moving forward on food loss and waste reduction. Rome. Licence: CC BY-NC-SA 3.0 IGO - http://www.fao.org/3/ca6030en/ca6030en.pdf.

12 Peek, How The World Wastes Food [Infographic] From the farm to the dinner plate, here’s where food gets lost, 27 August 2014 - https://www.popsci.com/article/science/how-world-wastes-food-infographic/.

13 Mordor Intelligence -F&V crop protection market (2020) - https://www.mordorintelligence.com/industry-reports/global-crop-protection-chemicals-pesticides-market-industry.

14 Lukmanul Hakim Samada and Usman Sumo Friend Tambunan / OnLine Journal of Biological Sciences 2020, 20 (2): 66.76 DOI: 10.3844/ojbsci.2020.66.76 - https://thescipub.com/pdf/ojbsci.2020.66.76.pdf.

15 UN Sustainable Development Goals: the Sustainable Development Agenda https://www.un.org/sustainabledevelopment/development-agenda/.

16 UN Sustainable Development Goals: the Sustainable Development Agenda https://www.un.org/sustainabledevelopment/development-agenda/.

17 https://www.un.org/sustainabledevelopment/hunger/.

18 https://www.un.org/sustainabledevelopment/sustainable-consumption-production/.

19 https://www.un.org/sustainabledevelopment/biodiversity/.

20 Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions A Farm to Fork Strategy for a fair, healthy and environmentally-friendly food system, COM/2020/381 final, Document 52020DC0381 - https://ec.europa.eu/food/sites/food/files/safety/docs/f2f_action-plan_2020_strategy-info_en.pdf.

21 Kebede & Bekeko, (Cogent Food & Agriculture (2020), 6) and Food and Agriculture Organisation (http://www.fao.org/3/au994e/au994e.pdf).

22 Kebede & Bekeko, (Cogent Food & Agriculture (2020), 6) and Food and Agriculture Organisation (http://www.fao.org/3/au994e/au994e.pdf).

Investor Relations

Toon Musschoot
Phone: +32 (0)9 274 54 00
IR@biotalys.com

Biotalys NV
Buchtenstraat 11
9051 Ghent
Belgium

Biotalys, Inc.
2520 Meridian Parkway, Suite 480
Durham, NC 27713,
United States

Colophon

This is a publication of Biotalys
Copywriting Company Highlights: Cantilis and Biotalys
Concept and lay-out: Cantilis


biotalys
reinventing food protection