



*Unofficial English translation – For convenience purposes only*

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**Biotalys NV**

**Buchtenstraat 11, 9051 Ghent**

RPR 0508.931.185 (Ghent)

(the “Company”)

**EXPLANATORY NOTE RELATED TO THE ANNUAL AND EXTRAORDINARY SHAREHOLDERS MEETINGS  
TO BE HELD ON TUESDAY 25 APRIL 2023 AT 10.00 (BELGIAN TIME)**

**Introduction**

This explanatory note has been prepared on behalf of the Board of Directors of Biotalys NV (the "Board") in connection with the various items on the agenda of the annual and extraordinary shareholders meetings of the Company, to be held on Tuesday 25 April 2023.

Pursuant to Article 7:129, §3, 4° of the Belgian Code of Companies and Associations, this note contains for each of the items on the agenda of the aforementioned annual and extraordinary shareholders meetings a proposed resolution or, if the item does not require a resolution, a commentary on behalf of the Board of Directors.

For further information on date, hour and venue of the annual and extraordinary shareholders meetings, the manner in which the holders of securities issued by the Company can participate in the meetings and background documentation regarding the meetings, reference can be made to the notice convening the annual and extraordinary shareholders meetings.

**ANNUAL SHAREHOLDERS MEETING**

Agenda and proposed resolutions: The agenda and proposed resolutions of the annual shareholders meeting of the Company are as follows:

**1. Communication of the consolidated financial statements and reports on the consolidated financial statements**

Agenda item: Communication of and discussion on (i) the consolidated financial statements, (ii) the annual report of the Board on the consolidated financial statements and (iii) the report

of the statutory auditor on the consolidated financial statements, for the financial year ended on December 31, 2022.

Proposed resolution: As this concerns only a communication, acknowledgement and discussion, there is no proposed resolution in respect of this agenda item.

Explanation: This agenda item relates to the communication of, and discussion on (i) the consolidated financial statements, (ii) the annual report of the Board on the consolidated financial statements and (iii) the report of the statutory auditor on the consolidated financial statements, for the financial year ended on December 31, 2022. A copy of these documents is available on the Company's website and at the Company's registered office, as indicated in the notice convening the annual and extraordinary shareholders meetings.

## **2. Communication of the reports on the statutory financial statements**

Agenda item: Communication of and discussion on the annual report of the Board and the report of the statutory auditor on the statutory financial statements, for the financial year ended on December 31, 2022.

Proposed resolution: As this concerns only a communication, acknowledgement and discussion, there is no proposed resolution in respect of this agenda item.

Explanation: This agenda item relates to the submission of, and discussion on the annual report of the Board and the report of the statutory auditor on the statutory financial statements, for the financial year ended on December 31, 2022. A copy of these documents is available on the Company's website and at the Company's registered office, as indicated in the notice convening the annual and extraordinary shareholders meetings.

## **3. Communication and approval of the statutory financial statements; Allocation of the result.**

Agenda item : Communication and approval of the statutory financial statements for the financial year ended on December 31, 2022 and approval of the proposed allocation of the result i.e. carry forward of a loss of € 21,570,789 for the financial year to the following financial year.

Proposed resolution: the shareholders meeting decides to approve the statutory financial statements for the financial year ended on December 31, 2022, and to approve the proposed allocation of the result i.e. carry forward of a loss of € 21,570,789 for the financial year to the following financial year.

Explanation: This agenda item relates to the approval of the statutory financial statements for the financial year ended on 31 December 2022, and of the proposed allocation of the result. Pursuant to the Belgian Code of Companies and Associations, the annual shareholders meeting must decide on the approval of the statutory financial statements and the proposed allocation of the Company's profit or loss. A copy of this document is available on the Company's website and at the Company's registered office, as indicated in the notice convening the annual and extraordinary shareholders meetings

## **4. Communication of and approval of the remuneration report**

Agenda item: Communication of and approval of the remuneration report, included in the annual reports of the Board, for the financial year ended on December 31, 2022.

Proposed resolution: the shareholder meeting decides to approve of the remuneration report, as included in the annual reports of the Board, for the financial year ended on December 31, 2022.

Explanation: This agenda item relates to the submission of, discussion on and approval of the remuneration report prepared by the nomination and remuneration committee and approved by the Board . Pursuant to the Belgian Code of Companies and Associations, the annual shareholders meeting must decide separately on the approval of the remuneration report. The remuneration report is included in the annual report of the Board that is referred to in item 1 and 2 of the agenda of the annual shareholders meeting.

## **5. Discharge from liability to the directors**

Agenda item: discharge from liability to the directors.

Proposed resolution: the shareholders meeting decides to grant discharge from liability to the directors who were in office during the financial year ended on December 31, 2022, for the exercise of their mandate during said financial year.

Explanation: This agenda item relates to the release from liability of the directors for the performance of their mandate during 2022. Pursuant to the Belgian Code of Companies and Associations, the annual shareholders meeting must each year, after the approval of the statutory financial statements, decide separately on the release from liability of the directors. For an overview of the directors who were in office in 2022, reference can be made to the corporate governance statement included in the annual report of the Board that is referred to in item 1 and 2 of the agenda of the annual shareholders meeting

## **6. Discharge from liability to the statutory auditor**

Agenda item: discharge from liability to the statutory auditor.

Proposed resolution: the shareholders meeting decides to grant discharge from liability to the statutory auditor i.e. Deloitte Bedrijfsrevisoren BV, with registered office Gateway Building, Luchthaven Brussel Nationaal 1 J, 1930 Zaventem represented by Mr. Pieter-Jan Van Durme, for the exercise of his mandate during the financial year ended on December 31, 2022.

Explanation: This agenda item relates to the release from liability of the statutory auditor for the performance of its mandate during 2022. Pursuant to the Belgian Code of Companies and Associations, the annual shareholders meeting must each year, after the approval of the statutory financial statements, decide on the release from liability of the statutory auditor

Proposed resolution: to grant discharge from liability to the statutory auditor for the exercise of his mandate during the financial year ended on December 31, 2022.

## AGENDA OF THE EXTRAORDINARY GENERAL SHAREHOLDERS MEETING

Agenda and proposed resolutions: The agenda and proposed resolution of the extraordinary shareholders meeting of the Company are as follows:

**1. Communication and discussion of the special report of the Board of Directors established in accordance with Article 7:199 of the Code on Companies and Associations on the proposal to renew the authorised capital**

Agenda item: Communication, acknowledgement and discussion of the special report of the Board of Directors established in accordance with Article 7:199 of the Code of Companies and Associations on the proposal to renew the powers granted to the Board of Directors under the authorised capital, as set out below in point 2) of the agenda of the extraordinary general meeting of shareholders, and setting out the special circumstances in which the Board of Directors will be able to use its powers under the authorised capital, as well as the purposes pursued thereby.

Proposed resolution: As this concerns only a communication, acknowledgement and discussion, there is no proposed resolution in respect of this agenda item.

Explanation: this agenda item concerns the special report of the Board regarding the proposal to renew the authorisation to the Board to increase the capital under the authorised capital by up to 100% of the capital as such proposal is contained in item 2 of the agenda of the extraordinary shareholders meeting. In accordance with article 7:199 of Code of Companies and Associations the Board needs to prepare in such a case a special report detailing the special circumstances in which the Board of Directors will be able to exercise its powers under the authorised capital, and the purposes for which it will do so. A copy of this special report is available on the Company's website and at the Company's registered office, as indicated in the notice convening the annual and extraordinary shareholders meetings.

**2. Renewal of the authorisation to the Board of Directors to increase the capital under the authorised capital by up to 100% of the capital<sup>1</sup>.**

Agenda item: Renewal of the authorisation to the Board of Directors to increase the capital under the authorised capital by up to 100% of the capital.

Proposed resolution: The extraordinary general shareholders meeting resolves to renew the authorisation to the Board of Directors to increase the capital in one or more times, during a

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<sup>1</sup> As of the moment that the renewed authorised capital under this proposal to the extraordinary shareholders meeting to renew the authorised capital can be used, the existing authorisation approved by the extraordinary general meeting dated 18 June 2021 shall be cancelled and the present proposal shall replace it. For the avoidance of doubt, to the extent the present proposal would not be approved, the existing authorisation as currently contained in article 6 of the articles of association will remain valid and in force, it being understood that the amount of the authorised capital will be limited to the level as provided for in article 7:198 of the Belgian Code on Companies and Associations.

period of five (5) years starting from the publication of this authorisation in the Annexes to the Belgian Official Gazette, by a total amount not exceeding 100% of the current amount of the Company's capital, and this in accordance with the terms and conditions as set out in the special report of the Board of Directors drawn up in accordance with Article 7:199 of the Belgian Code on Companies and Associations, as mentioned in agenda item 1 of this extraordinary general shareholders meeting. Consequently, the extraordinary general meeting of shareholders resolves to delete Article 6 "Authorised capital" of the Company's Articles of Association in its entirety and replace it with the following text (whereby the date in §1 and §4 of Article 6 of the Company's Articles of Association mentioned below that appears in square brackets shall be the date of the general meeting of shareholders approving the renewed authorised capital):

« Article 6. AUTHORISED CAPITAL.

*§1. The board of directors may increase the capital of the company in one or several times by a (cumulative) amount of maximum forty-four million five hundred and sixty-four thousand three hundred twenty euros and two cents (€ 44,564,320.02). This authorisation may be renewed in accordance with the applicable legal provisions. The board of directors can exercise this authorisation for a period of five (5) years, to be calculated as from the date of publication in the Annexes to the Belgian Official State Gazette of the authorisation approved by the extraordinary general meeting of [ date of the extraordinary general meeting approving the renewal of the authorised capital].*

*§2. The capital increases to which can be decided according to this authorisation, shall take place in accordance with the modalities to be determined by the board of directors and can be realised by way of contribution in cash or in kind or by way of conversion of reserves into capital, whether or not available for distribution and issue premiums, with or without the issue of new shares and with or without payment of an issue premium.*

*The board of directors may also use this authorisation to issue convertible bonds, warrants or bonds to which warrants or other movable values are attached, or other securities. When using its authorisation within the framework of the authorised capital, the board of directors may, in the interest of the company and within the limits and in accordance with the conditions prescribed by the Belgian Code of Companies and Associations, restrict or cancel the preferential subscription right of shareholders. Such restriction or cancellation may also be done in favour of employees of the company or its subsidiaries or in favour of one or more specified persons, even if they are not employees of the company or its subsidiaries.*

*§3. If, on the occasion of a capital increase decided upon within the framework of the authorised capital, an issue premium is paid, this shall be booked in the "Issue premiums" account, which shall constitute a guarantee for third parties to the same extent as the company's capital, and which, subject to the possibility of converting this reserve into capital, may only be disposed of in accordance with the conditions set by the Belgian Code of Companies and Associations for amendments to the articles of association.*

*§4. The board of directors is hereby expressly authorised to proceed with a capital increase in any form, including but not limited to a capital increase accompanied by a restriction or cancellation of the preferential subscription right, even after receipt by the company of the notification from the Belgian Financial Services and Markets Authority (FSMA) that it has been notified of a public takeover bid on the shares of the company. This authorisation is valid in*

*relation to public takeover bids of which the company receives the aforementioned notification no more than three years after [date of the extraordinary general meeting approving the renewal of the authorised capital]. This authorisation may be renewed for an additional period of three years by resolution of the general meeting, which shall deliberate and resolve in accordance with the applicable provisions. The capital increases decided upon within the framework of this authorisation shall be allocated to the remaining part of the authorised capital referred to in the first paragraph.*

*§5. The board of directors is authorised, with the possibility of substitution, to amend the articles of association after each capital increase which has been effected within the limits of the authorised capital, in order to bring them in line with the new status of the capital and the shares. «*

Explanation: This agenda item relates to the proposal that the extraordinary shareholders meeting resolves to renew the authorization to the Board to increase the share capital in one or several times, during a period of five (5) years as from the publication in the Annexes to the Belgian Official Gazette of this authorization, with an aggregate amount equal to up to 100% of the current amount of the share capital of the Company, and this in accordance with the terms and conditions set forth in the special report of the Board prepared in accordance with Article 7:199 of the Belgian Code of Companies and Associations, as referred to in agenda item 1 of the extraordinary shareholders meeting.

It should be noted that the aforementioned authorization also covers the hypotheses to use the authorised capital in any form, including but not limited to a capital increase accompanied by a restriction or cancellation of the preferential subscription right, even after receipt by the company of the notification from the Belgian Financial Services and Markets Authority (FSMA) that it has been notified of a public takeover bid on the shares of the Company. This specific authorisation in the framework of takeover bids is valid in relation to public takeover bids of which the Company receives the aforementioned notification no more than three years after the date of the extraordinary general meeting approving the renewal of the authorised capital and is subject to the conditions contained in article 7:202 of the Belgian Code on Companies and Associations.

Furthermore, it is specified that as of the moment that the renewed authorised capital (under this proposal to renew the authorised capital) can be used by the Board, the existing authorisation approved by the extraordinary general meeting dated 18 June 2021 shall be cancelled and the present proposal shall replace it. For the avoidance of doubt, to the extent the present proposal would not be approved, the existing authorisation as currently contained in article 6 of the articles of association will remain valid and in force, it being understood that the amount of the authorised capital will be limited to the level as provided for in article 7:198 of the Belgian Code on Companies and Associations.