



*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 ANNUAL AND EXTRAORDINARY SHAREHOLDERS’ MEETINGS to be held on  
Friday 15 April 2022 at 10.00 CET**

## **Introduction**

This explanatory note has been prepared on behalf of the Board of Directors of Biotalys NV in connection with the various items on the agenda of the annual and extraordinary shareholders' meetings of the Company, to be held on Friday 15 April 2022.

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, which, as the case may be, can be amended at the meeting on behalf of the Board of Directors, are as follows:

### **1. Consolidated financial statements and reports on the consolidated financial statements**

**Explanation:** *This agenda item relates to the submission 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, 2021. A copy of these documents*

*are 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.*

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, 2021.

## **2. Reports on the statutory financial statements**

**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, 2021. A copy of these documents are 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.*

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, 2021.

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

**Explanation:** *This agenda item relates to the approval of the statutory financial statements for the financial year ended on 31 December 2021, 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*

Communication and approval of the statutory financial statements for the financial year ended on December 31, 2021 and approval of the proposed allocation of the result i.e. carry forward of a loss of €21,438,674 for the financial year to the following financial year. Together with the losses of previous years, in aggregate €58,966,826 of losses are carried forward.

**Proposed resolution:** approval of the statutory financial statements for the financial year ended on December 31, 2021, and of the proposed allocation of the result i.e. carry forward of a loss of €21,438,674 for the financial year to the following financial year. Together with the losses of previous years, in aggregate €58,966,826 of losses are carried forward.

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

**Explanation:** *This agenda item relates to the submission of, discussion on and approval of the remuneration report prepared by the nomination and remuneration committee. 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 of Directors that is referred to in item 1 of the agenda of the annual shareholders' meeting.*

Communication of and approval of the remuneration report, included in the annual reports of the Board, for the financial year ended on December 31, 2021.

Proposed resolution: approval of the remuneration report, as included in the annual reports of the Board, for the financial year ended on December 31, 2021.

**5. Communication of and approval of the remuneration policy In accordance with Article 7:89/1 of the Belgian Code of Companies and Associations**

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

The Company is required to establish a remuneration policy and to submit such policy to the approval of the general shareholders' meeting. The remuneration policy is included in the annual reports of the Board.

Proposed resolution: approval of the remuneration policy.

**6. Approval of a remuneration of 26,909 EUR for Mr. Johan Cardoen as independent director for the year 2021**

***Explanation:*** *Mr. Johan Cardoen acts as independent director of the Company since 5 July 2021 i.e. the closing of the initial public offering and listing of the Company's shares on Euronext Brussels. The purpose of this proposal is to bring the remuneration of Mr. Johan Cardoen in line with the remuneration of the other independent directors pro rata temporis i.e. 26,909 EUR (based on an annual remuneration of 55,000 EUR). Mr. Johan Cardoen will for future years receive a remuneration in line with the remuneration policy. Previously there was no decision of the shareholders meeting to award a remuneration to Mr. Johan Cardoen.*

Proposed resolution: approval of a remuneration of 26,909 EUR for Mr. Johan Cardoen as independent director for the year 2021.

**7. Approval of the share-based remuneration for independent directors as contained in the remuneration policy**

***Explanation:*** *The remuneration policy contains a yearly share-based remuneration in the form of share-units for independent directors. The features of the share-units are described in the remuneration policy contained in the annual reports. This share-based remuneration will be awarded for the first time in 2022.*

Proposed decision: approval of the share-based remuneration of the independent directors as described in the remuneration policy.

## 8. Discharge from liability to the directors

**Explanation:** *This agenda item relates to the release from liability of the directors for the performance of their mandate during 2021. 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 2021, reference can be made to the corporate governance statement included in the annual report of the Board of Directors that is referred to in item 1 of the agenda of the annual shareholders' meeting*

**Proposed resolution:** to grant discharge from liability to the directors (including each of the former directors and each permanent representative) who were in office during the financial year ended on December 31, 2021, for the exercise of their mandate during said financial year.

## 9. Discharge from liability to the statutory auditor

**Explanation:** *This agenda item relates to the release from liability of the statutory auditor for the performance of its mandate during 2021. 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, 2021.

## 10. Acknowledgment and approval of the replacement of the representative of the statutory auditor during 2021

**Explanation :** *This agenda item relates to the acknowledgement and approval of the change from Mr. Gert Vanhees to Pieter-Jan Van Durme as the permanent representative of Deloitte Bedrijfsrevisoren CVBA, Gateway Building, Luchthaven Nationaal, 1J, 1930 Zaventem, Belgium, statutory auditor of the Company with effect on 1 August 2021 till the annual shareholders meeting deciding on the accounts of the Company for the financial year ending on 31 December 2021. This change occurs in the framework of an internal audit partner rotation of the statutory auditor of the Company.*

**Proposed resolution:** acknowledgement and approval of the replacement of Mr. Gert Vanhees by Mr. Pieter-Jan Van Durme as representative of Deloitte Bedrijfsrevisoren BV, with registered office Gateway Building, Luchthaven Brussel Nationaal 1 J, 1930 Zaventem with effect as of 1 August 2021.

## 11. Approval of the remuneration of the statutory auditor for the services for the financial year ended 2021.

**Explanation:** *This agenda item relates to the proposed increase of the annual remuneration of the statutory auditor for the audit of the statutory annual accounts and the consolidated annual accounts of the the Company and its subsidiary for the financial year ended 31 December 2021. This increase results from the fact that the scope of the audit activities performed by the statutory auditor was broadened as a result of the initial public offering of the Company.*

Proposed decision: approval of the remuneration of the statutory auditor for the financial year ended on 31 December 2021 as follows: EUR 65,000 (excl. VAT and expenses) for the audit of the statutory annual accounts and the consolidated financial statements for the financial year ended on 31 December 2021

**12. Appointment of the statutory auditor for the financial years 2022,2023 and 2024 and remuneration.**

**Explanation:** *the mandate of the current auditor of Deloitte Bedrijfsrevisoren BV, with registered office Gateway Building, Luchthaven Brussel Nationaal 1 J, 1930 Zaventem, ends immediately after the annual general meeting deciding on the accounts of the Company for the financial year ended 31 December 2021. The mandate will thus terminate on 15 April 2022 immediately after the annual shareholders meeting.*

*The Board, upon proposal of the audit committee, after comparison of several proposals, recommends the nomination of Deloitte Bedrijfsrevisoren BV, with registered office Gateway Building, Luchthaven Brussel Nationaal 1 J, 1930 Zaventem represented by Mr. Pieter-Jan Van Durme as statutory auditor of the Company for a period of three financial years of which the first will end on 31 December 2022 and approval of the remuneration which is 65,000 EUR (excl. (i) out-of-pocket expenses, (ii) contribution to the IBR, (iii) technology usage fee and (iv) VAT) on a yearly basis and subject to indexation.*

*In its proposal, the Board and the audit committee took into account various criteria including experience, knowledge of the sector of the Company, proposed team and pricing.*

Proposed decision: approval of the appointment of Deloitte Bedrijfsrevisoren BV, with registered office Gateway Building, Luchthaven Brussel Nationaal 1 J, 1930 Zaventem represented by Mr. Pieter-Jan Van Durme as statutory auditor of the Company for a period of three financial years of which the first will end on 31 December 2022 and approval of the remuneration which is 65,000 EUR (excl. (i) out-of-pocket expenses, (ii) contribution to the IBR, (iii) technology usage fee and (iv) VAT) on a yearly basis and subject to indexation.

**13. Appointment of Mr. Michiel M. van Lookeren Campagne as independent director of the Company with effect on 1 June 2022 for a period ending immediately after the ordinary general meeting in 2026 deciding on the annual accounts for the financial year 2025.**

**Explanation:** *since the retirement of Mr. Luc Basstanie on 30 September 2021, there has been a vacant position at the Board. In order to reinforce the board of the directors, taking into account the advice of the remuneration and nomination committee of the Board, the Board recommends nominating Mr. Michiel M. van Lookeren Campagne as independent director of the Company with effect on 1 June 2022 for a period ending immediately after the ordinary general meeting in 2026.*

Taking into account the advice of the remuneration and nomination committee of the Board, the Board recommends nominating Mr. Michiel M. van Lookeren Campagne as independent director of the Company with effect on 1 June 2022 for a period ending immediately after the ordinary general meeting in 2026 deciding on the annual accounts for the financial year 2025.

If appointed, Mr. Michiel M. van Lookeren Campagne shall receive the remuneration as contained in the remuneration policy (including the share-based remuneration).

Mr. Michiel M. van Lookeren Campagne meets the criteria contained in item 3.5 the Belgian Code on Corporate Governance 2020 and article 7:87 of the Belgian Code on Companies and Associations.

Mr. Michiel van Lookeren Campagne (° 1959) is currently the Director Agriculture & Food at the Commonwealth Scientific & Industrial Research Organisation (CSIRO), based in Canberra, Australia, and previously had an international career as a scientific executive and thought leader at multiple major agrochemical companies.

Proposed resolutions: appointment of Mr. Michiel M. van Lookeren Campagne as independent director of the Company, with effect on 1 June 2022 for a period ending immediately after the closing of the general shareholders' meeting of 2026 which will be held to deliberate on the financial statements of the financial year ended on December 31 2025 and approval of the remuneration for the independent director as contained in the remuneration policy (including share-based remuneration).

#### **14. Ratification and approval in accordance with Article 7:151 of the Belgian Code of Companies and Associations**

***Explanation:*** article 7:151 of the Belgian Code of Companies provides that only the general meeting can grant to third parties rights that have a significant influence on the assets of the company or that create a significant debt or obligation for the company, if the exercise of such rights are conditional on the launch of a take-over bid on the company or a change of control of the company. The Board is of the opinion that no such agreements are currently in place but wishes to avoid any doubt in that respect submit to the approval of the shareholders, as far as necessary or applicable, the following agreements and obligations:

- (i) *The share-based remuneration for independent directors contain an accelerated vesting of the share-based units in case of a change of control over the Company (as a result of a take-over bid, a merger or otherwise);*
- (ii) *The various ESOP Warrant Plans (as described in the annual report referred to in item 1 of the agenda of the general meeting) contain the possibility of an early vesting of warrants in case of an exit which contains a change of control (as a result of a take-over bid, a merger or otherwise);*

Proposed resolution: Ratification and approval, in as far as needed and applicable, in accordance with Article 7:151 of the Belgian Code of Companies and Associations, of the terms and conditions of (i) the share based remuneration and (ii) the ESOP Warrant plans (as referred to in the annual reports which may grant rights that either could have a substantial impact on the Company's assets or could give rise to substantial liability or which may grant rights that either could have a substantial impact on the Company's assets or could give rise to substantial liability or obligation of the Company in case of a change of control over the Company or a public takeover bid on the shares of the Company.

#### **AGENDA OF THE EXTRA-ORDINARY GENERAL MEETING**

**1. Replacement in article 15 § 2 of the articles of association**

***Explanation*** : proposal to change the reference in article 15§2 of the articles of association of the Company to “this article 20, §2,1°” to “this article 15 § 2”. This is the correction of a incorrect cross reference in the articles.

Proposed resolution : replace reference to “this article 20, §2,1°” by “this article 15 § 2 in article 15 § 2 of the articles of association.

**2. Replacement in article 17 of the articles of association**

***Explanation***: proposal to change the reference in article 17 of the articles of association to “required by article 20” to “required by article 15”. This is the correction of a incorrect cross reference in the articles.

Proposed resolution : replace reference to “required by article 20” by “required by article 15” in article 17 of the articles of association

**3. Changes in article 28 of the articles of association**

***Explanation*** : proposal to replace in article 28 of the articles of association the first line by “The ordinary general meeting shall be held on the fourth Tuesday of April at 10 a.m.”. The purpose is to avoid in the future Good Friday as date of the annual shareholders meeting as this date is in some countries a public holiday and thus less evident for shareholders to participate in the annual shareholders meeting.

Proposed resolution: replace the first line by “The ordinary general meeting shall be held on the fourth Tuesday of April at 10 a.m.” in article 28 of the articles of association.