biotalys

Annual report 2024

biotalys

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

Introduction

Dear security holders,

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 2024. 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 2024 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 18 March 2025.

According to the European Single Electronic Format issuers on EU regulated markets are required to prepare their annual financial reports in an electronic reporting format with the intention to make reporting easier for issuers and to facilitate accessibility, analysis, and comparability of annual financial reports. This annual report was prepared both in XHTML format (using the Inline XBRL technology, which allows XBRL tagged data) as well as an easily downloadable or printable PDF format. In case of difference in interpretation, the formal XBRL version shall prevail.

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, regulatory approval processes, prospects, growth, strategies and dividend policy and the industry in which it operates.

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, facts, regulatory outcomes or circumstances 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, facts, regulatory outcomes or circumstances.

Table of contents

Transforming crop protection

We are applying our innovative, proprietary technology platform to develop novel biocontrol solutions.

Our protein-based biocontrols are designed to effectively protect crops against plant pests and diseases, without adverse impact on the environment, farmer and consumer. **Ultimately, we want to provide protection from farm to fork.**

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).

SAFER FOOD, BETTER PLANET.

Key facts

Based in the Ghent biotech cluster

Company established in 2013 as a spin-off from the Flanders Institute for Biotechnology (VIB). HQ and laboratories in Ghent, Belgium.

Targeted approach

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

Highly qualified team

Around 65 highly skilled team members from 12 nationalities. Synergies created amongst the multiple disciplines and expertises required to generate effective biocontrols.

Broad scientific network

Collaborations with academic leaders throughout the world.

Versatile product pipeline

Diversified pipeline in biofungicides and bioinsecticides.

Strong patent portfolio

Strong IP position with over 20 patent families and many patent applications related to the AGROBODY™ platform and pipeline.

First product EVOCA™

Biotalys' first biofungicide candidate, submitted for registration to regulatory authorities in both the US and EU.

Significant market potential

Significant market potential through various product programs.

Letter to the Shareholders from Chairman Simon Moroney

Dear shareholders,

In 2024, we had a solid year and made meaningful progress in several important areas. While not all of our goals were fully realised within the timeframe we initially envisaged, we remain steadfast in our commitment to achieving them. Most importantly, the fundamental need for new crop protection products is greater than ever, and our technology continues to show promise in delivering new solutions.

Securing U.S. regulatory approval for EVOCA, our lead product candidate, is our top priority. The process has taken longer than anticipated, as we address questions that are linked to the fact that EVOCA belongs to a completely new substance class in the crop protection market. We may have underestimated the time this would take, yet we are confident we will ultimately gain approval. Meanwhile, our parallel interactions with European regulators have gone smoothly and in the New Year we announced that the Dutch regulatory authority had reported favourably on our application, an important step towards full European approval.

Encouraging European support

Over the past year, our field trials in Europe progressed at a promising pace. In the Netherlands, the regulator approved large scale demonstration trials and allowed the harvested fruits and vegetables to be sold for human consumption. We see this as an encouraging sign of European support for innovation in sustainable agriculture. In tandem, we initiated field trials for BioFun-6, a next-generation product in our pipeline, and launched our BioFun-8 programme targeting a different fungal pathogen. These steps underscore our commitment to broadening Biotalys's product portfolio, ensuring we address multiple segments of the crop protection market.

A highlight of the past year has been the continued evolution of our leadership and governance structures. We were delighted to welcome Laura Meyer, both as a member of the Board and as chair of the board's Audit Committee. Laura brings invaluable experience from her previous role at Bayer in the United States. Her American perspective, familiarity with Big Ag and her deep experience in investor relations are important for Biotalys, especially given our growing interactions with U.S. investors and regulators.

Diverse, forward-looking team

We also strengthened our executive leadership team by adding Kamal El Mernissi as our Chief Business Development Officer. As Biotalys continues to attract growing interest from major agricultural players, it became clear that we needed a dedicated executive to cultivate these relationships.

> “We can help growers reduce their reliance on traditional products by introducing safer, more environmentally friendly products without compromising efficacy or yield.”
>
> — Simon Moroney, Chairman

His addition to the Executive Committee aligns with our broader aspiration to build a diverse and forward-looking team, equipped with a wide range of experiences and backgrounds.

Partnerships remain crucial for innovation in agriculture, and we were pleased to expand industry collaborations as well as partnerships with key scientific leaders in Europe, the U.S., and Africa. The scientific collaborations support our BioFun-4 and BioFun-7 programs, and contribute to the strong foundation of our programs and technology. We also received two notable commendations this year—My Green Lab certification and the 'Sustainable Crop Protection Company of the Year' distinction—further testimony that our commitment to environmentally friendly solutions resonates across the industry.

New investments

One of our most significant achievements in 2024 was raising €15 million in a private placement, which included a new external investor alongside increased commitments from existing shareholders. As a pre-revenue company navigating a challenging economic climate, we do not take these investments lightly. The support of our shareholders underpins our R&D, our regulatory processes, and our market growth. Indeed, securing the necessary capital remains a top priority for Biotalys, and we are grateful for the confidence investors continue to place in us.

Compelling market opportunity

Above all, I want to emphasise the broader mission driving our efforts: the world needs new crop protection solutions. Stringent regulations, increasing environmental awareness, and growing resistance to conventional chemicals underscore the urgency to deliver new products. Governments and major institutions, particularly across the EU, have set ambitious sustainability targets that call for substantial reductions in chemical pesticide use. Consumers are also more conscious than ever about the sources of their food and the impact of agriculture on our planet. These factors create a compelling market opportunity for Biotalys. We believe we can help growers reduce their reliance on traditional products by introducing safer, more environmentally friendly products without compromising efficacy or yield.

Next-generation crop protection products

We have come a long way in validating our approach and our pipeline. Overcoming the remaining regulatory hurdles to approval of our first product is the next major milestone for the Company and one we hope to clear this year. Our trajectory remains positive, and we are confident we can fulfil the needs of our markets with compelling, science-driven solutions. With the ongoing support of our investors, partners, and dedicated employees, Biotalys is well-positioned to meet the demand for next-generation crop protection products.

I would like to thank you for your continued trust and support. We look forward to further collaboration in 2025 as we advance our mission to deliver sustainable, effective solutions for the food market worldwide.

Simon Moroney

Chairman of the Board of Directors

Highlights of 2024

FEB

Academic collaborations with Key Scientific Leaders in Europe and the US

Biotalys enters into academic collaborations with the University of Aberdeen, sponsoring a PhD project in Prof. Pieter van West's Oomycete Laboratory, and with the University of California-Davis, partnering with Prof. Ioannis Stergiopoulos' lab in Plant Pathology. These cooperations will support Biotalys' targeted approach and help to advance earlier-stage programs.

MAR

Top 100 status in FoodTech 500

Biotalys again earns Top 100 status in Forward Fooding's FoodTech 500 list, climbing to #62. FoodTech 500 ranks global entrepreneurial talent at the intersection of food, technology and sustainability.

Manufacturing and commercialisation partnership with Novonesis for EVOCA NG

Biotalys and Novonesis enter into an agreement to further develop EVOCA NG. The partnership also covers certain manufacturing and distribution arrangements for EVOCA NG.

APR

New Board member Laura J. Meyer

Biotalys appoints Laura J. Meyer to its Board of Directors, effective 25 September 2024. Her career in agriculture spans more than 28 years in various financial roles. Until recently, she was Vice President, Investor Relations at Bayer, responsible for the Crop Science division.

MAY

Start field trials for BioFun-6

Biotalys initiates field trials for BioFun-6, its second bio-fungicide targeting key fungal diseases botrytis (grey mould) and powdery mildew in high-value fruits and vegetables. The first round of field trials focuses on grapes, cucumbers, and tomatoes.

JUN

Collaboration with Google DeepMind and Devoteam on AI platform AlphaFold2

Biotalys starts a collaboration with Google DeepMind and Devoteam on AlphaFold2, an AI platform, to predict the precise 3D shapes of proteins. With its technology platform, Biotalys applies a targeted approach requiring the detailed characterisation of target proteins of the fungal diseases or pests. Alphafold2 predicts the 3D shapes of these proteins, enabling Biotalys to better validate these and improve the speed and quality of its R&D workflow.

AUG

Sustainable Crop Protection Company of the Year

Biotalys is named "Sustainable Crop Protection Company of the Year" by AgTech Breakthrough, a leading market intelligence organisation that recognises the top companies,technologies and products in the global agricultural and food technology markets.

Collaboration with IITA in Nigeria

Biotalys announces a new collaboration with the International Institute of Tropical Agriculture (IITA) in Nigeria. The institute will work with Biotalys on BioFun-7, its R&D program to develop a protein-based biofungicide against leaf spot in cowpeas.

Highlights of 2024

SEP

Approval for large-scale demonstration trials of EVOCA in the Netherlands

Biotalys receives approval by the Dutch regulator CTGB for large-scale demonstration trials in greenhouses of its first biofungicide candidate, EVOCA. Importantly, the harvested fruits and vegetables can be sold for human consumption, an exemption to standard practices requiring crop destruction when a crop protection product is used that has not yet received regulatory approval.

Patents for EVOCA in both Europe and the US

Biotalys obtains patents for its first biofungicide, EVOCA, from both the European Patent Office (EPO) and the United States Patent and Trademark Office (USPTO). In addition, the Company applied for patent protection for the product's active ingredient in countries around the globe, such as Argentina, Brazil, and South Africa, which are compelling markets for crop protection.

OCT

New biofungicide program BioFun-8 in R&D pipeline

Biotalys adds a new biofungicide program, BioFun-8, to its pipeline. This program will focus on developing a biofungicide to control *Alternaria*, a major fungal disease in fruits, vegetables and specialty crops. The global market size for a novel crop protection solution against this leaf spot fungal disease is estimated to be in the range of $1.1 billion at grower level.

Bronze for EVOCA at Bernard Blum Awards

EVOCA wins bronze at the 2024 Bernard Blum Awards granted by the International Biocontrol Manufacturers Association (IBMA) at the Annual Biocontrol Industry Meeting in Basel, Switzerland. The awards are given to the most innovative biocontrol products of the year.

Capital raise of EUR 15 million through new and current investors

Biotalys closes a private placement of 5,300,352 new shares for an amount of EUR 15 million. Current shareholders Ackermans & van Haaren NV and Agri Investment Fund BV participate in the private placement, as well as a new investor, the Dutch asset management firm ASR Vermogensbeheer NV.

New CBDO Kamal El Mernissi

Biotalys appoints Kamal El Mernissi as Chief Business Development Officer (CBDO). Formerly VP of Sales and Marketing at Marrone Bio Innovations, he brings expertise in the latest technological developments and trends in the industry and partnerships. He will lead Biotalys' efforts to secure partnerships with major agricultural players leveraging the Company's innovative technology platform.

DEC

My Green Lab certification

Biotalys receives a My Green Lab certificate, recognising the efforts of its people to make a positive change to their work and create a culture of sustainability in the lab. The Company obtains the green score, the highest score available.

Company Highlights and Activities

01

Transforming crop protection to meet growers' and societal needs

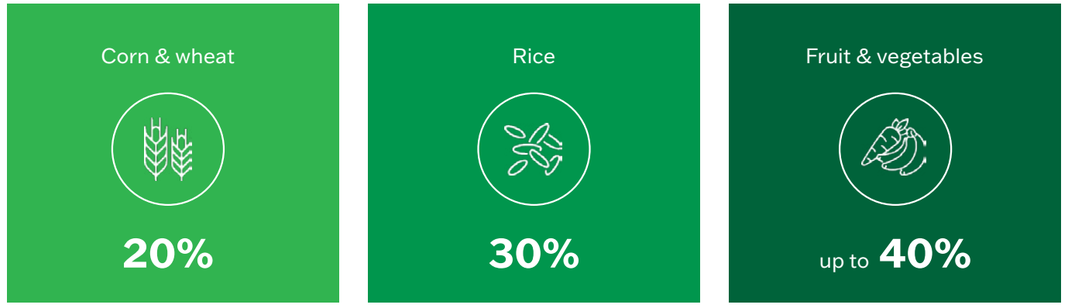
Critical need for new methods of crop protection

Crop losses by fungi and insects

The need to transform crop protection is urgent, given the staggering losses caused by pests and fungi in many crops. Around 20% of corn and wheat yields and 30% of rice are lost annually due to these threats, significantly impacting global food security. In the case of fresh produce, such as fruits and vegetables, losses can be as high as 40%[1]. These losses not only reduce the availability of essential nutrients but also contribute to the rising prices of food, making it increasingly difficult for vulnerable populations to access healthy, affordable meals.

It is clear that traditional methods of crop protection—such as chemical pesticides—are no longer sufficient to safeguard crops from these growing challenges. Chemical products can be ineffective against evolving pest resistance and pose a risk to the environment and human health. As pests and fungal strains adapt, farmers face diminishing returns on their investments in conventional solutions, and food systems become more vulnerable. This scenario demands a transformation in crop protection strategies, emphasizing innovative, sustainable, and precise solutions that minimize harm while maximizing yield protection.

Loss due to fungi and pests



Opportunities in crop protection

At Biotalys, we believe it is vital to identify and develop novel and safe crop protection technologies that can be applied in innovative and differentiated ways to boost the global food system's efficiency and sustainability.

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 working 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.

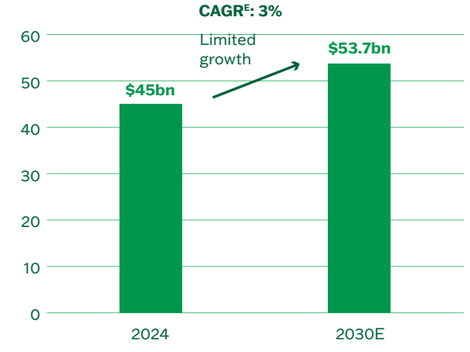
In the United States, the 1996 Food Quality Protection Act mandated the Environmental Protection Agency (EPA) to retrospectively review all insecticides, applying more stringent safety criteria. The EPA's specific fast-track regulations created for biocontrol products promote the development of sustainable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

The biological crop protection market is growing

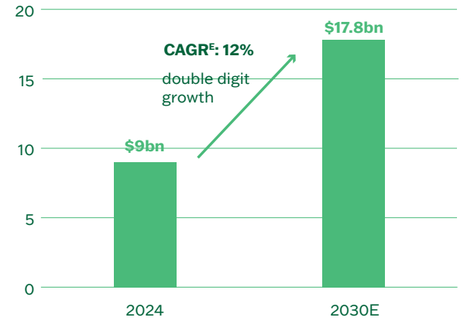
Over the last decade, consumers' demand for healthy and safe food, stricter regulations, and growers' need for flexibility have driven growth in the biological crop protection market to over 11% annually, significantly outpacing conventional chemical crop protection[2].

The global market for synthetic fungicides and insecticides currently stands at approximately $45 billion, projected to grow at a 3% CAGR to reach $53.7 billion by 2030. Meanwhile, the biofungicide and bioinsecticide market is rapidly expanding. Currently valued at $9 billion, it's expected to grow at a 12% CAGR to surpass $17.8 billion by 2030[3]. The increasing focus on biologicals is also reflected in the merger and acquisition activity seen in recent years.

Global synthetic fungicide & insecticide market



Biological segment



Fruits and vegetables as main target market with the ambition to expand into row crops

Fruits and vegetables, currently our main target market, account for a quarter of the total crop protection market, and represent around a third of the global market for fungicides and insecticides[4].

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

However, with our next generation AGROBODY™ technology platform, we aim to develop more efficient and potent biological controls, lowering costs per hectare and hereby opening broader market penetration into other crops. As we continue to refine and scale our platform and offer new modes of action, this could allow us over time to compete in the highly price-sensitive market for row crops such as corn, wheat, potatoes and rice.

Compared to conventional chemical crop protection products, the key advantages of biocontrols for the industry, growers and consumers are that they

- limit the 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 the use of conventional products by avoiding rapid resistance build-up and allowing longer life cycle management for these products; and
- shrink agriculture inputs' carbon footprint through straightforward production of biocontrols compared to the multistep synthesis of chemical crop protection products.

Our goal: to offer growers unique and differentiating solutions that work

Using our proprietary technology platform, we aim to develop products that help reduce agriculture's environmental footprint, allow growers to produce more sustainably, 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 a spray rotation program.

We also believe that 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. Our goal is to create products that can be seamlessly integrated into a farmer's spray program with beneficial impact on their return of investment.

Finally, we expect to have our product candidates produced at scale through fermentation with industry standard quality control while reaching manufacturing efficiency to compete in most crop protection markets in the long term.

This technological approach has already led to the successful introduction of novel biologicals in the pharma sector. Biotalys is applying this approach to develop a whole new offer of unique bio-based crop protection solutions for growers. The Company hereby addresses farmers' need for new modes of action to combat resistance issues, with a much softer environmental footprint, both in terms of impact of the product and of production. Our technology platform is set up to be an engine that delivers a disruptive suite of protein-based biofungicides and bio-insecticides, that we aim to introduce in various core markets with support of key production and distribution partners, generating profitable returns on investment for all stakeholders.

“With growing farmer and consumer demands driving biological solutions, we are in the right sector of agriculture, at the right time, backed by a winning platform.”

After more than a year at the helm of Biotalys, CEO Kevin Helash believes more than ever that the Company is ideally positioned to become a key player in crop protection, not only in the biological segment, but across the entire industry.

Strengthening the foundation and driving forward

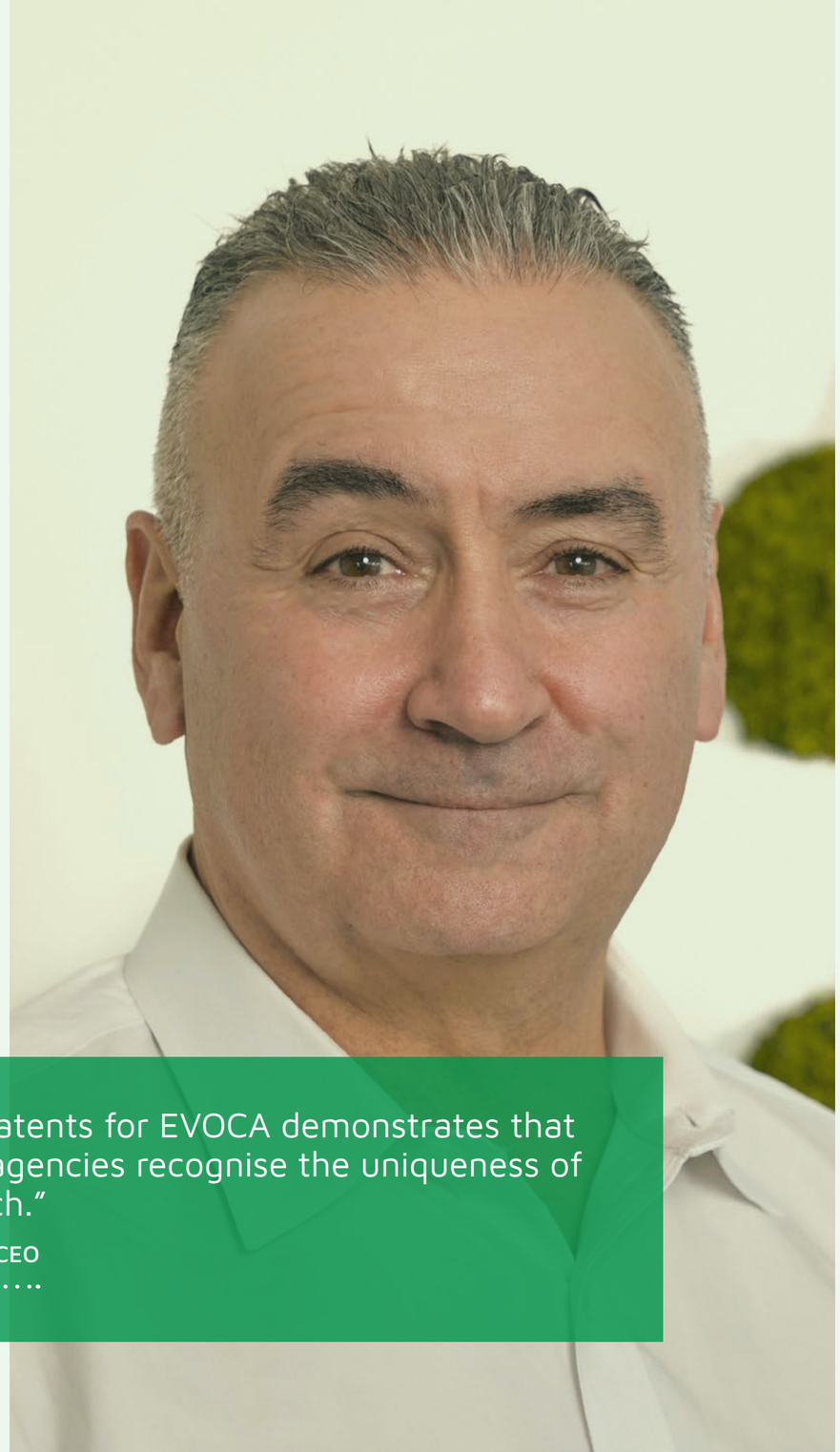
2024 marked a pivotal year for Biotalys, Helash notes, one which transformed the organisation from its one-product focus to a broader strategy that creates a multi-faceted portfolio and a path forward for future commercialisation. “We began the year with a restructured leadership team, aligned on our key priorities,” he says. “We focused on advancing our pipeline and managing our resources carefully, all while maintaining the ability to grow. Additionally, we made significant progress in our regulatory dossiers, especially in Europe, and achieved important milestones in the commercial sphere.”

Supporting this strategic shift was a 15 million euros capital raise that ensures an operational runway into 2026 and will be used to advance the pipeline, support ongoing field trials, and continue the registration process for EVOCA in both Europe and the United States.

Increased focus on pipeline development

The increased focus on pipeline development immediately delivered strong results. “We launched our first field trials for BioFun-6 in both Europe and the United States, and the initial results look promising. We’ll continue these trials in 2025 to validate what we saw last year.”

“Additionally, we received approval from Dutch authorities to conduct 70-hectare demonstration trials with EVOCA on cucumbers, tomatoes, and strawberries, with the unique permission for the produce to be consumed. This is a remarkable accomplishment for a product that is not yet fully registered and gives us confidence that our product is on the right path toward registration in Europe,” says Helash.



> “Securing patents for EVOCA demonstrates that regulatory agencies recognise the uniqueness of our approach.”
>
> — Kevin Helash, CEO

The Company’s objective is to introduce at least one new R&D program each year, either by targeting new pathogens or by enhancing the efficacy of existing products. For example, BioFun-6 is expected to be a significant improvement over EVOCA. “Ultimately, once we have several active ingredients on the market, we can explore combining different modes of action into a super molecule, which will allow us to develop a wider range of products,” Helash added.

The Company also expanded its pipeline with the launch of BioFun-8, targeting *Alternaria*, one of the largest pathogen problems around the world with a market potential of a billion dollars at the grower level.

Strategic partnerships and patents

Discovering a new technology is one challenge, producing it at scale and cost-effectively is yet another. To this end, Biotalys entered into a collaboration agreement with Novonesis to advance EVOCA NG to the final stage of development. “This collaboration laid the groundwork for future production of our pipeline products. We’re always open to exploring partnerships that can help advance our pipeline and platform, as long as they make commercial sense and allow us to protect our intellectual property,” Helash says.

With potential commercialisation on the horizon, Kamal El Mernissi was named Chief Business Development Officer. “Kamal’s extensive expertise in ag-biologicals and commercialisation will be critical as we advance partnerships and expand our market presence,” Helash says.

Protecting the Company’s significant intellectual property is a critical part of both the R&D platform and future commercialisation. In 2024, Biotalys obtained patent grants for EVOCA in Europe and the United States. Securing these patents reinforces the innovative nature of the technology. Helash noted, “It demonstrates that both regulatory agencies recognise the uniqueness of our approach, strengthening our position in the biological crop protection market.”

A must-have in modern agriculture

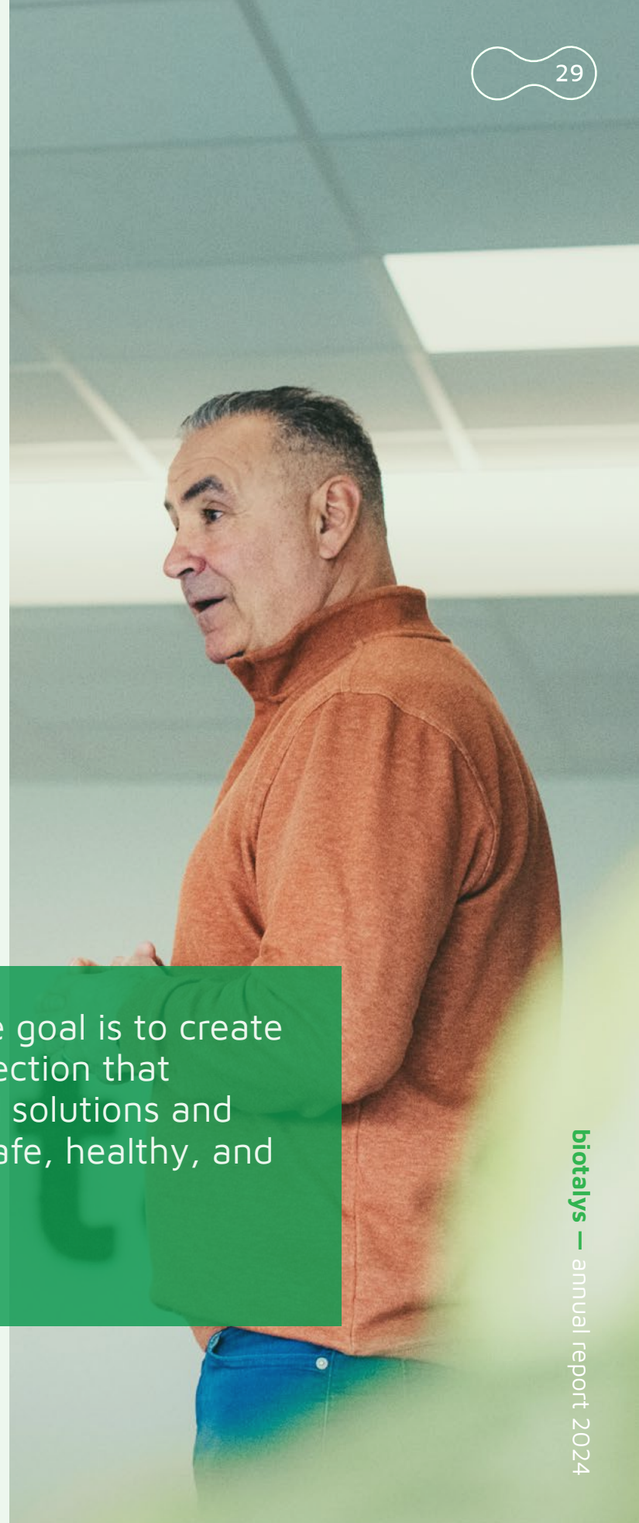
By building a strong portfolio on multiple fronts, Biotalys aims to succeed in its ultimate mission: to develop innovative and effective crop protection solutions that help farmers worldwide produce safe, healthy, and affordable food, while also providing a strong return on investment. “This mission is increasingly urgent due to the rise of resistance to traditional pesticides, stricter regulations, and the growing consumer demand for food produced with fewer chemicals and a smaller environmental footprint,” emphasises Helash.

“Products like ours are in constant demand by growers around the world. We are in a must-have category, exactly where we want to be, rather than in a nice-to-have category. Moreover, the biological market is growing rapidly, with a strong CAGR, and we see biologicals continuing to gain market share. We are confident that we are in the right sector of agriculture at the right time, backed by a winning platform.”

Helash also cites the strong support of the Company’s board of directors in advancing the Company’s mission. Most recently, Laura Meyer joined the board and audit committee, bringing deep industry knowledge from her leadership roles at Monsanto and Bayer. “Our team’s collective goal is to create sustainable crop protection that replaces conventional solutions and helps farmers grow safe, healthy, and affordable food.”

Finally, Helash is optimistic about the upcoming year. “We’ll continue using our resources wisely, maximizing the value of our time, equipment, investments, and cash. Obtaining EVOCA’s regulatory approval in Europe and the United States remains a priority, and we’ll simultaneously advance our portfolio, especially with BioFun-6. Finally, we’ll continue to collaborate with external partners to commercialise our pipeline and look for opportunities to improve the platform and the performance of our products,” he concludes.

> “Our team’s collective goal is to create sustainable crop protection that replaces conventional solutions and helps farmers grow safe, healthy, and affordable food.”
>
> — Kevin Helash, CEO



02

Our AGROBODY™ technology platform and product pipeline

Our strengths

- Antibody-based technology, already applied in human therapeutics and animal health, developed by Biotalys for sustainable agriculture.
- Protein-based biocontrols that offer alternatives to chemical pesticides with a much softer environmental footprint.
- Distinct advantages over existing biologicals, combining chemical-like performance in a spray rotation program with the safety profile of biologicals, leaving no chemical residues and protecting biodiversity.
- From idea to market at significantly lower development cost than chemicals.
- First product registration dossier submitted to EU and US authorities, with a recommendation for approval by the Dutch regulator, while the regulator in California finalised its own review.
- Addressing the growing challenges faced by farmers, as well as the changing needs of retail, consumers and regulatory authorities.
- Diversified pipeline with a significant market potential, focusing on major diseases and pests in high-value crops.
- Exploring selective strategic collaborations and partnerships to leverage the technology platform and product candidates.
- Clear and flexible commercialisation strategy, working with distributors to bring our products to the growers.
- Strong IP position with over 20 published patent families and many patent applications related to the AGROBODY™ platform and pipeline.
- Experienced leadership and science team with a strong track record in AgTech & biotech.

Protein-based biocontrols

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

Next-generation products for crop protection

Proteins are the most common and diverse group of biological substances and are 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 for developing the next generation of innovative 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

SPECIFIC TO THE TARGET DISEASES OR PESTS

The mode of action and spectrum of activity can be tuned during the R&D process to target the specific disease or pest, hereby contributing to resistance management while avoiding undesired impacts on beneficial organisms and the ecosystem.

PRODUCED BY FERMENTATION

Our AGROBODY proteins are produced in microorganisms such as yeast, followed by simple filtration steps, thus limiting energy use and waste from their production. In addition, we can identify the content and purity of the product candidate at any point in time.

DESIGNED FOR APPLICATION LIKE A CONVENTIONAL CHEMICAL CROP PROTECTION PRODUCT

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

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

Our protein-based biocontrols are developed to be as effective as conventional products when used in a spray rotation program, but as harmless as microbial crop protection products.

SAFER 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 US/EU regulatory approval).

NATURALLY BIODEGRADABLE IN THE ENVIRONMENT

The stability of our AGROBODY proteins is finetuned during our R&D process to assure their maximum efficacy before they naturally degrade into their amino acid building blocks while remaining stable in their formulated state.

Our targeted approach

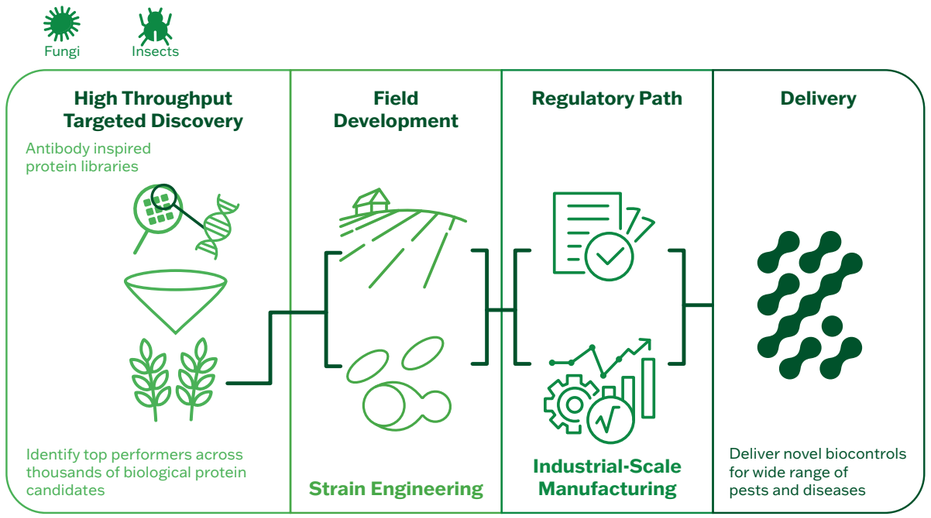
Our unique, groundbreaking proprietary technology platform has been developed to generate innovative protein-based crop protection products that are highly effective and that safeguard the health of both our food and our environment.

The AGROBODY Foundry™ platform

The AGROBODY Foundry platform is unique and scalable, allowing the development of protein-based biocontrols to target multiple indications. It builds on a well-validated R&D framework that has already shown its effectiveness in drug development.

The platform is optimised, enabling the development of biofungicides and bio-insecticides with novel modes of action. These unique mechanisms lower the likelihood of a target organism developing resistance compared to widely used conventional chemical crop protection products.

Current key crop pest and disease targets:



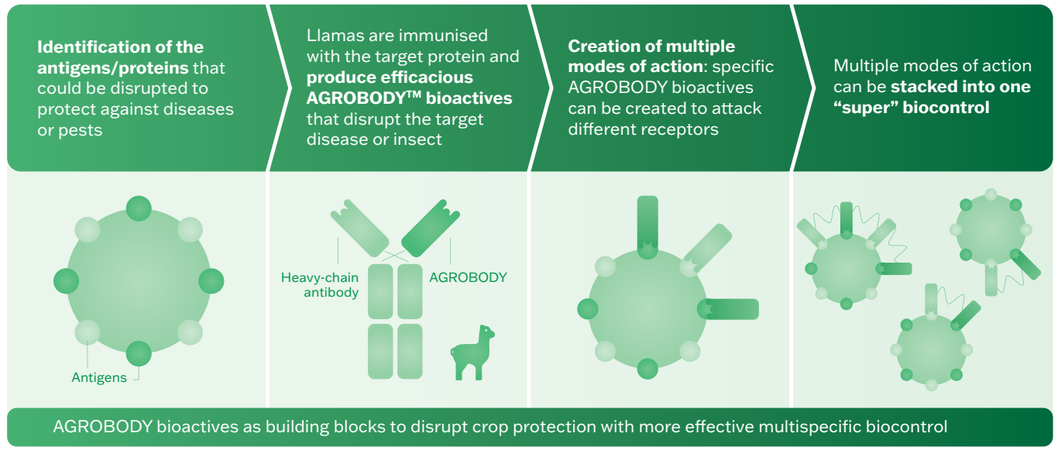
Our AGROBODY biocontrols are manufactured through a proprietary industrial-scale bioprocess that is optimised for high production yields.

A targeted discovery approach...

Biotalys shifted to a next generation of the AGROBODY Foundry platform, marking a significant upgrade in the R&D process. We transitioned from the broader "shotgun method" to a molecular target focus in discovering new biocontrols. This shift in approach fundamentally alters our ability to pinpoint new product candidates with greater precision and speed, with the potential to significantly reduce the time it takes to introduce them to the market.

This targeted approach is expected to deliver on several fronts. Firstly, by increasing the potency and efficacy of our bioactive agents. Secondly, by developing various modes of action, which increase efficacy and reduce the likelihood of resistance development in diseases or harmful insects. And lastly, by decreasing the cost per hectare, paving the way for a wider and faster market penetration of our products.

The focus on target identification is expected to result in multiple AGROBODY bioactives per pathogen with distinct modes of action. These bioactives can be combined in a multispecific AGROBODY with enhanced potency. This will create the opportunity to build expertise leading to a significant competitive advantage.



ADVANTAGES:

- Greater efficacy, which correlates with reduced dosage rates, lowering the cost per hectare
- Better defined modes of action, because of molecular targets
- Higher specificity of our products, reducing non-target effects and improving safety profiles

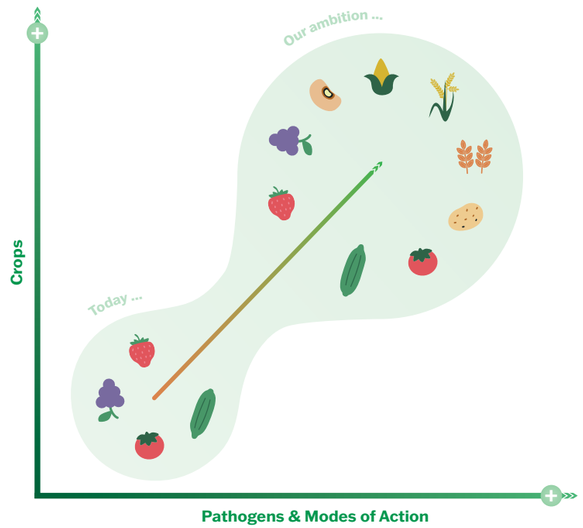
OPPORTUNITIES:

- Ability to extrapolate validated modes of action across multiple pathogens
- Create synergies among different modes of action, which further decreases application rates
- Potential to combine multiple modes of action into one single biocontrol, creating Integrated Pest Management (IPM) strategies within the biologicals market
- Broad intellectual property (IP) filing strategy

… allowing the expansion of pathogens, modes of actions and crops

While expanding the product portfolio traditionally involved adding new pathogens, our next-generation platform allows us to deepen our pathogen expertise and focus on incorporating additional modes of action or molecular targets for existing pathogens.

As we continue to refine and scale our platform and offer new modes of action, this could allow us over time to compete in the highly price-sensitive market for row crops such as corn, wheat, potatoes and rice.



Accelerated development timeline

Conventional chemical 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 or fungi. Our AGROBODY Foundry platform, in contrast, offers the advantage of generating AGROBODY proteins tuned directly towards the selected target insect or fungus. AGROBODY proteins are designed to act against a given target through the immunisation of llamas, offering the potential of one-step provision of a broad range of active proteins with different modes of action.

Compared to the multistep chemical synthesis for conventional chemical pesticides, fermentation is a biological process, partially based on natural ingredients such as sugars, salts, and vitamins.

Our R&D process

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

In 2024, we began the phased implementation of a next-generation technology platform, centered around 2 key pillars:

1. We are placing an increased emphasis on developing deeper expertise in pathogens and gaining a better understanding of how pests and pathogens function. Our focus is on studying the life cycle of pathogens and identifying molecular factors that play a crucial role at each stage in the biological processes of fungi and pests. This effort is driven through both internal research and collaboration with academic partners, creating win-wins between industry and fundamental research.

2. We commit to further enhancing process excellence by optimising both throughput and quality within the AGROBODY Foundry platform. This involves refining our workflows and leveraging advanced technologies to increase our capacity for innovation and deliver even more reliable and effective solutions to meet the growing demands of the industry.

Targeted discovery

Each new project starts with an assessment of the target of interest. This is a multidisciplinary exercise that goes beyond the research teams and also includes portfolio management and business development. Based on that assessment, a target product profile (TPP) is defined.

In a next step, the pest or pathogen is analysed in detail. An internal team, supplemented by pathogen experts, is critically assessing the pathogen using a combination of bioinformatics and AI techniques, and wet-lab studies. This assessment results in a scientific project plan with a defined research target profile (RTP) that matches the TPP.

In the next stage, the teams prepare the necessary tools and reagents for the selected target to initiate immunisation as identified in the project plan. This is followed by the generation of AGROBODY immune libraries, along with the selection and screening of a panel of AGROBODY proteins. The most promising candidates are further characterised in the Lead Characterisation phase, where we assess their in vitro functionality. We are progressively incorporating AI tools to evaluate hits upon their developability profile. This allows us to identify the manufacturability profile at an earlier stage, streamlining the lead identification process.

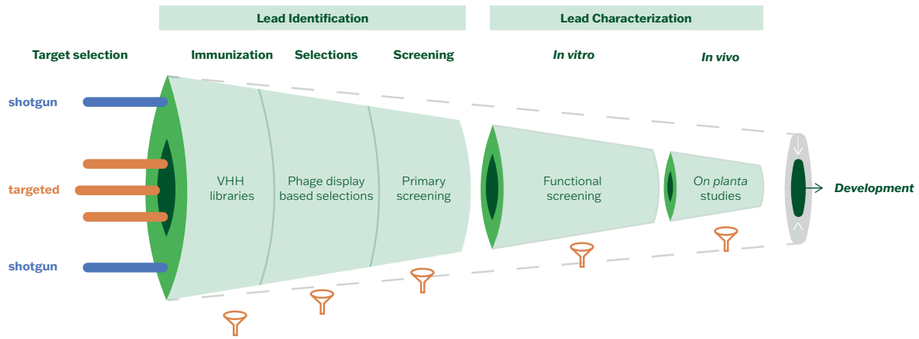
The last phase in research is testing the top performers in on planta bioactivity experiments. In that phase, we also start strain engineering activities and apply a multi-expression system approach to develop the most robust and efficient microorganisms for the expression of our current and future product candidates.

Development

During the second phase of our R&D process, the biocontrol product candidates are developed into market-tuned products. The activity of the AGROBODY candidates is validated in field trials which are set up in different environments and on a variety of crops. The results of these field trials, which typically span multiple years, are crucial for the 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 the timing of market introduction

Seperate the wheat from the chaff early in the AGROBODY™ discovery process: less but high performing molecules to flow into development



Manufacturing, fermentation and formulation

Our product candidates are manufactured by microbial fermentation and formulation at an industrial scale, by leading contract development and manufacturing organisations which we are partnering with.

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.

Field trials

All product development and product positioning trials are outsourced to third-party contract research organisations (CROs) accredited and authorised to conduct trials with products under development. They apply standard farming practices recognised 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 products, without compromising the environment and the overall biodiversity. This includes working with crop advisors, university extension specialists, crop reference institutes, and candidate commercial partners.

In later development stages, trials are equally set up to meet regulatory data requirements.

Automation, data processing & AI

Our technology platform is highly automated, significantly reducing the time required to identify potential candidates compared to manual methods. This automation enhances both the reliability and efficiency of the platform. Additionally, it increases our operational capacity, enabling us to run multiple projects in parallel.

In 2024, Biotalys embarked on a project together with Google DeepMind and Devoteam to set up AlphaFold2, a generative AI platform. AlphaFold2 predicts the 3D shapes of proteins, enabling us to better validate these and improve the speed and quality of our R&D workflow.

Our three state-of-the-art, customised robotic systems generate vast amounts of data, which are meticulously processed and securely stored in specialised expert databases. These structured data serve as a robust source for the deployment of artificial intelligence technologies.

Academic partnerships

In early 2024, Biotalys entered into various academic collaborations with leading researchers in plant pathology in both Europe and the US.

Our Company's BioFun-4 program aims to develop a biofungicide against *Phytophthora infestans*, an oomycete (water mould) that causes late blight/potato blight, a serious disease that particularly affects fruit and vegetable crops and potatoes. We entered into a research collaboration agreement with the University of Aberdeen (United Kingdom), sponsoring a three-year PhD project in the Oomycete Laboratory of Prof. Pieter van West, Chair in Mycology, a leader in the field of plant and animal pathogenic oomycetes. This project will deepen the expertise in oomycetes at the molecular level and fits well with our highly targeted strategy of applying a discovery method based on defined molecular targets, as core of our AGROBODY technology platform.

For our BioFun-7 program, our ongoing R&D program in partnership with the Bill & Melinda Gates Foundation, focused on developing biocontrols against leafspot disease for cowpeas and other legumes, we entered into an academic collaboration with the University of California-Davis (US) and the lab of Prof. Ioannis Stergiopoulos at the department of Plant Pathology. Prof. Stergiopoulos dedicates his research to the understanding of fungal plant pathogens and to translating this knowledge into effective intervention strategies for disease control. In this collaboration, Prof. Stergiopoulos's lab will perform a functional analysis of antifungal targets in select plant pathogens, pertinent to the BioFun-7 program.

Prof. Pieter van West, University of Aberdeen

"Sustainable production and protection of crops requires innovative solutions to reduce risks from pesticide use. Biotalys' approach of employing antibodies to develop proteins to control pathogens is exciting and at the leading edge of sustainable crop protection. We are delighted to help Biotalys in developing this pioneering technology platform and we look forward to continuing our collaboration."

Prof. Ioannis Stergiopoulos, University of California-Davis

"Biotalys is addressing scientific challenges with steadfast determination, open-mindedness, and innovative approaches, making the experience of collaborating with their research team both inspiring and transformative. Being part of Biotalys' journey means actively contributing to shaping the future of biologicals in disease control and staying at the forefront of technological advancements in this field."

Product pipeline

Biotalys' product candidates are a new generation of protein-based biocontrols, designed to effectively and selectively target pests and pathogens with new modes of action. These can address critical market segments in the crop protection market, where existing products are scarce or threatened by an evolving regulatory landscape and increasing resistance. The main focus of the Company is currently on biofungicides, while also exploring opportunities in bioinsecticides.

Biofungicides

Our R&D is currently mainly focused on fungicides, especially on providing innovative solutions for the high-value fruits and vegetables market. This is one of the most valuable segments, representing around $2.5 billion in Europe and $1 billion in the US. It is also the most affected by crop loss and waste and involves serious consumer and regulatory concerns about the presence of chemical residues.

Our first programs are designed to offer novel biocontrol tools to address Botrytis bunch rot and powdery mildew, devastating fungal diseases that affect high-value crops like grapes, strawberries, tomatoes, and cucurbits. These two key pathogens account for around 1/3d of the fungicide market in fruits and vegetables, equivalent to approximately $800 million in Europe and $350 million in the U.S.

EVOCA™

EVOCA is our first biofungicide candidate aimed at targeting Botrytis (grey mold) and powdery mildew in fruits and vegetables and has been submitted for regulatory approval in the US and the EU. In January 2025, the Dutch regulator CTGB recommended approval at EU level of EVOCA's active ingredient. If approved, the registration will be a key milestone for the Company, as it validates the technology from a regulatory point of view while also representing the first critical step in obtaining follow-on registration for the next generation of EVOCA.

EVOCA NG

EVOCA NG contains the same bioactive ingredient as EVOCA, but has an optimised production process and formulation. This is expected to be our first commercial, margin-generating product, opening the path for further profitable products developed on our technology platform.

Innovative pipeline focusing on biofungicides and bioinsecticides

Program	Target	Market	Discovery / Early development / Late development / Registration	Partnership Agreement
EVOCA™ 1st generation	Botrytis, powdery mildew	High-value fruits & vegetables	Pilot product	bioXact
EVOCA™ Next generation	Botrytis, powdery mildew	High-value fruits & vegetables		novonesis, bioXact
BIOFUN-6	Botrytis, powdery mildew, Anthracnosis	High-value fruits & vegetables		Discussions ongoing
BIOFUN-7	Cercospora spp. (leafspot disease)	Cowpeas and other legumes		Bill & Melinda Gates foundation
BIOFUN-4	Oomycetes (water mold)	Potatoes/High-value fruits & vegetables		Discussions ongoing
BIOFUN-8	Alternaria spp.	Fruits & vegetables and specialty crops		
BIOINS-2	Key insect pests	Non-disclosed		syngenta

1 new program per year resulting in +10 AGROBODY biocontrols to be launched on the market between 2025 and 2040

Distribution agreement · Manufacturing agreement · Research agreement

BIOFUN-6

BioFun-6, targeting Botrytis, powdery mildew, and potential other fungi in fruits and vegetables, is expected to expand the market size of EVOCA by covering a broader range of crops and diseases. The Company initiated the first field trials with this product candidate in 2024. The first round of field trials focuses on grapes, cucumbers, and tomatoes.

BIOFUN-7

The BioFun-7 program in our pipeline is aimed at providing a novel biofungicide to control *Cercospora canescens*, the causative agent of leaf spot disease. This is a devastating disease for cowpea and other legumes and can slash small-holder growers' output by up to 40%. Our Company received a grant of $5.98 million (€5.14 million) in total from the Bill & Melinda Gates Foundation to sponsor this research.

The BioFun-7 program is supported by an academic collaboration with the lab of Prof. Ioannis Stergiopoulos at the University of California-Davis. In 2024, we also started a collaboration with the International Institute of Tropical Agriculture (IITA) in Nigeria for the collection, isolation and characterisation of leaf spot disease causal agents in cowpea in Nigeria, the largest producer and consumer worldwide, focusing on the isolation of *Cercospora* isolates. Together, we are committed to making a positive impact on agriculture and food security in Africa.

BIOFUN-4

Our BioFun-4 program aims at developing a biofungicide against Phytophthora infestans, an oomycete (water mould) that causes late blight/potato blight, a serious disease that particularly affects fruit and vegetable crops and potatoes. The market for Oomycetes (including *Phytophtora* and *Plasmopara*) is valued at around $2 billion, half of which relates to Europe. The Company entered into a research collaboration with the University of Aberdeen, sponsoring a three-year PhD project in the Oomycete Laboratory of Prof. Pieter van West.

BIOFUN-8

In 2024, we added a new biofungicide program, BioFun-8, to our pipeline. This program focuses on developing a biofungicide to control *Alternaria*, a major fungal disease in fruits, vegetables and specialty crops. As existing products for *Alternaria* treatments face rising chemical resistance and regional regulatory roadblocks, the global market size for a novel crop protection solution against this fungal disease is estimated to be in the range of $1.1 billion at grower level[5]. In addition, as *Alternaria* causes significant contamination and rotting of food products in the storage period, applications of a new and effective product have potential in the post-harvest segment as well.

Bio-insecticides

Our R&D team is also continuing its work on the discovery of novel insecticides. Biotalys has a strategic partnership with Syngenta Crop Protection, renowned for its breakthrough technologies and solutions that enable farmers to grow productively and sustainably, to collaborate on the research and development of a new bio-insecticide aimed at targeting a key pest. This program aims to leverage our technology platform for Syngenta's specific insect target and is labeled BioIns-2 in our pipeline.

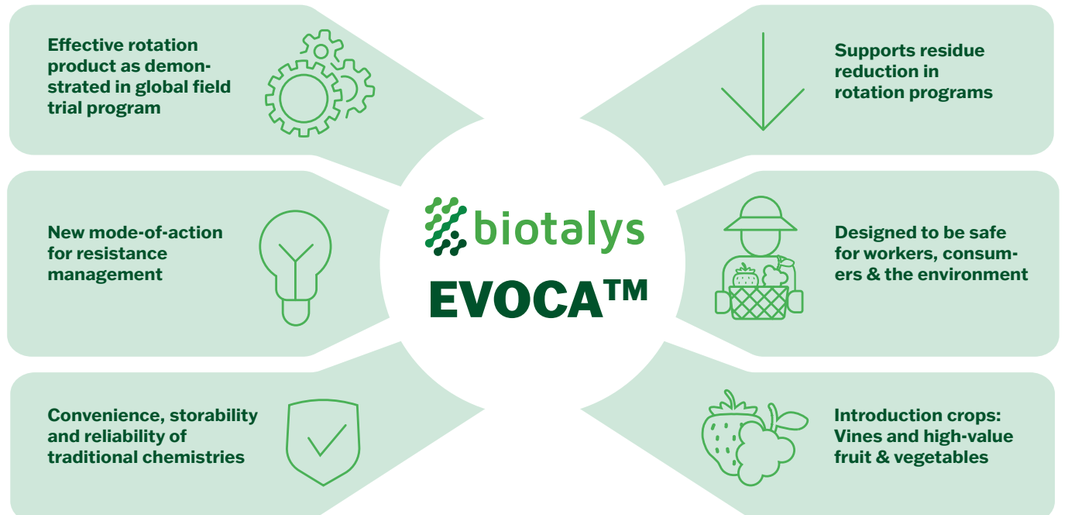
EVOCA, our first biofungicide

New tool to fight Botrytis bunch rot and powdery mildew

The first protein-based biocontrol developed on our platform, EVOCA, is a biofungicide designed to give fruit and vegetable growers a new rotation partner in spray programs. It helps control diseases such as Botrytis (grey mold) and powdery mildew, thereby offering a distinctive new tool to manage pathogen resistance development.

Resistance management against Botrytis and powdery mildew is growing more complex as certain chemical classes are banned and resistant strains emerge, especially in the case of Botrytis on strawberries and grapes[6]. 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.

The Fungicide Resistance Action Committee (FRAC) already granted an entirely new class for the active ingredient of EVOCA. This classification, granted by a highly reputed international panel of renowned technical experts, demonstrates to growers that EVOCA will be a new tool that complements existing biological and conventional crop protection solutions to fight the fungal diseases of Botrytis and powdery mildew.



Our comprehensive trial program and independent field trials confirm that EVOCA performs as well as established chemical products when used in spray rotation programs. It is comparable to conventional controls in convenience, storability, and reliability.

In view of its characteristics, the product is expected to contribute to safety for workers, consumers, and the environment. Applying EVOCA instead of conventional chemical fungicides in IPMs can also reduce chemical residue in the harvested fruit, while yield and fruit quality are maintained.

Large-scale demonstration field trials in the Netherlands

In September 2024, Biotalys received approval by the Dutch regulator CTGB (College voor de Toelating van Gewasbeschermingsmiddelen en Biociden) for large-scale demonstration trials in greenhouses of EVOCA. Based on its preliminary safety assessment, the CTGB granted Biotalys the approval to test EVOCA against powdery mildew in 40 hectares of tomatoes, 20 hectares of cucumbers and 10 hectares of strawberries. These trials are planned to take place in spring 2025. Importantly, the harvested fruits and vegetables can be sold for human consumption, an exemption to standard practices requiring crop destruction when a crop protection product is used that has not yet received regulatory approval.

The ability to test EVOCA in large-scale demonstration trials while allowing the sale of the harvested produce for consumption reinforces our confidence that the product is safe to use. This decision by the Dutch authority is particularly relevant as the Netherlands is both the rapporteur Member State for our regulatory dossier at the European level and one of the largest exporters of fruits and vegetables worldwide.

Category	Biocontrol Fungicide
Diseases	Botrytis cinerea and Powdery mildew
Crops	Grapes, Strawberry, Tomato, Cucurbit (greenhouse)
Mode of Action	New mode of action for use in spray rotation programs to replace traditional chemistries
Activity	Contact activity for preventive control
Formulation	Water Soluble Granules
Regulatory dossiers submitted for registration: US (EPA) and EU (CTGB)	

Field trial program since 2017

EVOCA has been tested since 2017 in over 700 field trials in ten countries over multiple seasons under different environmental conditions. It has been tested on grape, tomato, strawberry, and cucurbit crops against Botrytis and powdery mildew, to compare its performance to conventional chemical and biological crop protection products. The results from these trials confirm that EVOCA is an excellent new tool for growers and an ideal partner in spray rotation programs.

Crops:
- Grapes
- Tomato
- Strawberries
- Cucurbits

Diseases:
- Botrytis
- Powdery mildew

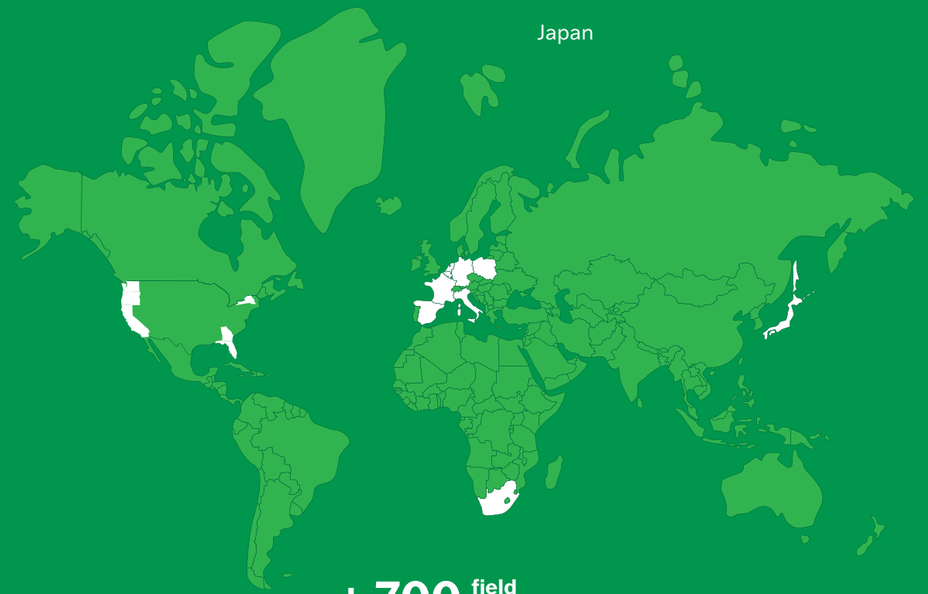
Countries:

US
California, Florida, Georgia, New York, Oregon, Washington

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

South Africa

Japan



+ 700 field trials

Filing and registration process

In December 2020, we submitted EVOCA to the Environmental Protection Agency (EPA) in the US for approval. Our regulatory experts are working closely with the EPA to advance the dossier to a successful outcome. In April 2021, the Company also submitted a regulatory dossier for EVOCA to the Californian Department of Pesticide Regulation (CDPR) as California performs its own in-depth review. The Company understands that the CDPR has finalised its review, opening a path to a swift approval at state level if the US Environmental Protection Agency (EPA) approves the product at federal level.

In the EU, the registration dossier for the active substance of EVOCA was submitted for approval in March 2021. In January 2025, the Dutch regulatory authority, CTGB (College voor de Toelating van Gewasbeschermingsmiddelen en Biociden), provided Biotalys with its initial Draft Assessment Report, recommending the approval of EVOCA's active ingredient throughout the European Union. The CTGB has sent its draft report to the Dutch Institute for Health and Environment (RIVM) for potential input regarding classification, labelling and packaging requirements, resulting in the closure of the first phase of the regulatory review of EVOCA in Europe.

In the next phase, the European Food Safety Authority (EFSA) and EU member states perform in-depth reviews of the dossier and provide feedback to the CTGB, while allowing Biotalys to deliver certain data requested by CTGB. This next phase is expected to take in total between 12 and 18 months and also includes a public consultation, ending with a vote by the European member states on the approval of the active ingredient at EU level.

The expected registration of the first generation of EVOCA will be a key milestone for the Company. Not only will it be our first approved product from our platform, but it is also the first critical step in obtaining follow-on registration for EVOCA NG, which is expected to be our first commercial, margin-generating product.

EVOCA NG

EVOCA NG is a biofungicide candidate with the same active ingredient as Biotalys' first-generation EVOCA, but with an optimised production process and formulation to allow commercialisation of the product at competitive levels.

As EVOCA NG has the same active ingredient, Biotalys intends to submit its regulatory dossier in the EU and US under the equivalence or amendment procedure, which is expected to be significantly shorter than a standard procedure.

03

Sustainability

Shaping the future of sustainable and safe food supply

Farmers need safe and efficacious products to protect their crops against pests and fungi which lead to considerable crop losses. At the same time, consumers are demanding safer, healthier, and more nutritious food with far fewer chemical residues. Transformative technologies must help the agricultural industry satisfy future food demand. Our unique AGROBODY Foundry™ technology is designed to meet these needs.

Climate change is here

Climate change is undeniable and is already affecting our planet in profound ways. Since the late 19th century, the global temperature has risen by about 1.2°C, with the past decade being the warmest on record. This warming has led to serious consequences, including extreme droughts, severe storms, rising sea levels, melting polar ice, and loss of biodiversity[7].

To prevent the worst impacts, global warming must be limited to 1.5°C. Achieving this requires urgent action to reduce greenhouse gas emissions, and a transition to sustainable practices, protecting the environment and ensuring a better future for all. To address these challenges, the United Nations introduced the Sustainable Development Goals (SDGs).

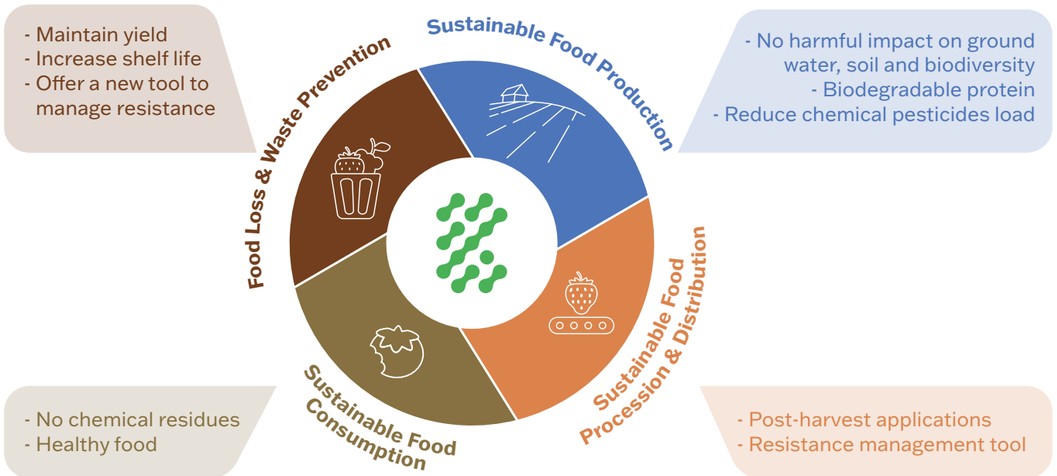
Agriculture and sustainable food systems are central in achieving the Sustainable Development Goals, which will also support the ability of countries to achieve the objectives of the Paris Agreement. Climate change can affect people's livelihood and food security, which includes availability, accessibility, stability, and utilisation of adequate and nutritious crops[8].

Our sustainable solutions for crop protection

Biotalys' activities fit well into the sustainability agenda of governments worldwide. Regulatory developments in Europe, the United States, and other jurisdictions, are aimed at restricting the use of chemical pesticides while promoting environmentally friendly solutions.

Our biocontrols are protein-based and by nature biodegradable. They are developed to avoid a harmful impact on groundwater, soil and biodiversity, and are designed to be applied as a conventional product.

We seek to offer growers a new tool to manage resistance, maintain yield, and increase their crops' shelf life, without needing to change farm equipment or adapt distribution channels for specific temperature conditions. Our AGROBODY™ biocontrols can be easily introduced in farmers' spray rotation programs, and leave no chemical residues on crops and thus on the food we consume every day.



Eco-friendly production by fermentation, supported by reliable partners

Our protein-based AGROBODY biocontrols are produced by fermentation in microbial production hosts such as bacteria and yeast, followed by filtration steps. Fermentation is a biological process, partially based on natural ingredients such as sugars, salts, and vitamins.

The manufacturing process is continuously optimised to further limit the eco-footprint and waste. We work with partners who are renowned for validated achievements concerning sustainability and continuous investments to achieve ambitious ESG goals.

Our ESG strategy

Focus on 4 key areas linked to the UN Sustainable Development Goals

At Biotalys, sustainability is at the heart of our commitment to a safer and healthier food supply and a better planet. To further develop and implement our ESG strategy, the Company defined four key areas to focus on, now and in the future: Food Loss, Environmental Product Impact, Human Capital, and Innovation Management.

We linked our four ESG priorities to the UN Sustainable Development Goals (SDGs). These SDGs were adopted by the United Nations as a universal call to action to end poverty, protect the planet, and improve the lives and prospects of all people globally[9].

In 2024, we began measuring Biotalys' performance within the specific metrics defined for each of the four themes of our ESG strategy. This allows us to assess progress and identify areas for improvement across the Company.

Environmental, social, and governance (ESG) criteria are a set of standards for a company's behaviour, used by investors to screen potential investments and by other organisms to rate performance on these criteria.

- **E.** Environmental criteria consider how a company safeguards the environment, including policies addressing climate change.
- **S.** Social criteria examine how it manages relationships with employees, suppliers, customers, and the communities where it operates.
- **G.** Governance deals with a company's leadership, remuneration, audits, internal controls, and shareholder rights.

FOOD LOSS: OFFER NEW TOOLS TO PROTECT OUR FOOD

Each year, an estimated one-third of all food produced ends up spoiling due to poor harvesting, transportation or rotting in the bins of consumers and retailers. 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 therefore 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[10]. The UN Food and Agriculture Organization also urges countries to help smallholder farmers increase crop output.

Each of our pipeline products contributes to protecting crops, thereby aiming to reduce food loss and hunger while ensuring healthy lives. 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%.

Key metrics

Biotalys demonstrates a focused commitment to addressing Food Waste and Loss by employing specific metrics. We measure our impact through the introduction of novel modes of action (MoA) to protect crops. Additionally, we evaluate our contributions by tracking the number of expansions of the application window of our products.

2024

In 2024, Biotalys took significant steps to combat food loss by initiating and expanding novel biocontrol projects. We launched a new project, BioFun-8, to develop AGROBODY biocontrols targeting the fungal pathogen *Alternaria*, and continued exploring multiple modes of action for our oomycete (BioFun-4) and *Cercospora* spp. projects (BioFun-7). Additionally, we assessed the synergy between different modes of action to enhance biocontrol efficacy and began exploring the potential of AGROBODY biocontrols in applications beyond preharvest stages.

ENVIRONMENTAL PRODUCT IMPACT: REDUCE AGRICULTURAL IMPACT OVERALL

The UN is advocating for the environmentally sound management of chemicals and all wastes throughout their life cycle, consistent with agreed international frameworks, and a significant reduction of their release into the air, water, and soil to minimise their harmful impacts on human health and the environment. The protein-based biocontrols we are developing are produced via fermentation - in essence a biological process - and are designed to be a safer and more healthy alternative to conventional chemical crop protection products. This should also help to reduce chemical residues in our soils and on our food.

Another UN priority is an urgent and significant action to stem the degradation of natural habitats, halt the loss of biodiversity, and, by 2030, protect and prevent the extinction of threatened species[11]. Our company can contribute to these goals, as our AGROBODY biocontrols are based on proteins. These are biodegradable by nature and are fine-tuned in our R&D process for maximum efficacy before they naturally degrade into their amino acid building blocks.

Key metrics

At Biotalys, we assess the Company's impact on the environment by tracking the volumes of production of substances of concern and substances of very high concern, with a preference for keeping these volumes at zero. We prioritise transparency and accountability in our operations by measuring and reporting on Scope 1, 2, and 3 emissions, setting mitigation targets for emissions, and regularly evaluating performance against these targets. Additionally, we measure the Company's positive environmental contribution by quantifying the amount of chemical products replaced.

2024

In 2024, we kept our production of harmful substances at zero. We have established a Climate Action Plan, which includes specific goals to reduce our emissions, and we are continuously working to meet these targets. We are also working towards the replacement of chemical products with safer alternatives once we get our products approved, which will allow growers to start using these alternatives in the field. In the Netherlands, the regulator already approved large-scale demonstration trials with our first product EVOCA™, allowing the sale of the harvested fruits and vegetables for human consumption.

HUMAN CAPITAL: OFFER EQUAL CHANCES AND GROWTH

At Biotalys, we want to attract and retain talent. We believe it is important to invest in our people. We want our people to thrive and receive training and support as needed. Furthermore, we also make efforts to protect the work-life balance of our employees.

Human capital is also about diversity, equity, and inclusion. One of the UN goals is to end all forms of discrimination against women and girls and to ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making[12]. Biotalys is building a diverse team in all senses of the word at all levels, including at the decision-making level.

Key metrics

Biotalys demonstrates a strong commitment to Human Capital by implementing KPIs in various dimensions. Attrition rates are monitored to assess workforce retention. Additionally, we measure employee engagement through a comprehensive general well-being and engagement survey. In terms of learning and development, we track the number of training hours or days per employee, reflecting our dedication to continuous skill enhancement. Moreover, we assess diversity within our workforce in terms of gender, age, degree, and nationalities across different function levels.

2024

In 2024, our company experienced a turnover rate of 15.7%, aligning with industry standards in the life sciences sector. The results from our employee engagement survey tell a compelling story: with an overall engagement score of 77.5%, based on feedback from 90% of our workforce, our employees demonstrated remarkable resilience and a strong connection to our mission and values. This high engagement confirms that the measures we have taken - refocusing our strategy, securing additional funding, and investing in our team's well-being - are yielding positive results. Additionally, we provided an average of 5.27 learning days per employee per year, meeting the regulatory requirement of 5 training days, through a mix of formal and informal training opportunities.

INNOVATION MANAGEMENT: LEAD BY SCIENTIFIC RIGOUR

Innovation is at the core of what we do as a company. By bringing innovative biological solutions to the growers, we contribute to the UN goal of making industries more innovative and sustainable, thereby increasing the adoption of clean and environmentally sound technologies in agriculture[13]. Innovation requires appropriate management and structure to ensure maximum value return for the resources being used. We regularly review our working methods to make improvements where necessary.

In this respect, the UN emphasises that multi-stakeholder partnerships that mobilise and share knowledge, expertise, technology and financial resources, will be crucial to accelerate progress in achieving the Sustainable Development Goals[14]. At Biotalys, we collaborate with other institutions and companies for the further development of the technology platform and the various programs in our pipeline.

Key metrics

At Biotalys, we assess our Innovation Management through several key metrics. We actively track submitted patents and Invention Disclosure Forms, demonstrating our commitment to fostering novel ideas and intellectual property development. Transparency in innovation management is ensured by defining the roles of internal bodies in driving innovative initiatives. We also focus on building and managing a robust network of key opinion leaders, with established reporting mechanisms to evaluate the effectiveness of these connections. Our impact on the scientific community is measured by the number of published articles and presentations at conferences. Additionally, success in obtaining grants from sources like the Flemish Agency for Innovation & Entrepreneurship VLAIO, the Bill & Melinda Gates Foundation, and EU funding is quantified.

2024

In 2024, we published five new patent families and secured two patents in Europe and the US, while filing three new patent applications for new inventions. Our structured approach to innovation is supported by specialised committees such as the IP Committee, the Research management team, and the Scientific review committee.

We also strengthened our research partnerships, sponsoring a post-doc at UC Davis and a PhD project at the University of Aberdeen, alongside collaborations with UGent, VIB, and IITA Nigeria. We remained active in the scientific community, publishing one article and delivering ten presentations at various scientific conferences.

ESG Key Performance Indicators

Food Loss

E

- **Number of novel modes of action**
  - One new project is started to generate AGROBODY biocontrols against *Alternaria* (BioFun-8)
  - Several different modes of action are being explored for the oomycete project (BioFun-4)
  - Several novel modes of actions are being explored for the Cercospora spp. project (BioFun-7)
  - Activities are ongoing to assess the synergy between different modes of action
- **Number of expansions of application window**
  - Activities are ongoing to assess the potential of AGROBODY biocontrols in other areas beside preharvest application

Environmental Product Impact

E

- **Volumes of production of substances of concern and substances of very high concern**
  - /
- **Carbon footprint**

  Reporting of Scope 1, 2 and 3 emissions
  - /

  Mitigation targets for emissions
  - Climate Action Plan developed

  Performance against these targets
  - Continuous exploration is ongoing to reduce carbon emission of production
- **Amount of chemical products we replace**
  - Large scale demonstration trials in the Netherlands approved to allow replacement of existing crop protection products by EVOCA. Once product registrations are granted, applications in the field will start.

Human Capital

G

- **Attrition**
  - 15.7%
- **Engagement percentage** (via general well-being/engagement survey)
  - 77.5%
- **Training hours/days per employee**
  - 42.16 hours / 5.27 days per employee
- **Numbers on gender, age, degree, nationalities** (and this across the different function levels)

Employees	Male	Female	Average age
63	36	27	39
	57%	43%	

Sec	Bs	Ms	PhD
4	16	28	15
6%	25%	44%	24%

BE nationality	Other nationality
51	12
81%	19%

- **Questionnaires DEI and talent development + lab committee**

Innovation Management

S

- **Number of published and granted patents**
  - 5 new patent families published (PCT publications)
  - 2 granted patents (EP and US patent)
- **Number of submitted Patents and Invention Disclosure Forms**
  - 3 new patent applications on new inventions (Priority applications)
- **Description of the role of the administrative, supervisory and management bodies related to innovation management**
  - Existence of different bodies: IP committee, Research management team, Scientific review committee, Development review committee, Portfolio reviews, Scientific advisory committee
- **Reporting on the building and managing of the network of key opinion leaders**
  - Collaborations with UC Davis, University of Aberdeen, UGent, VIB
  - IITA Nigeria
- **Number of scientific articles and presentations at scientific conferences**
  - Articles: 1
  - Presentations: 10
- **Number of grants obtained from innovation offices (VLAIO, Bill & Melinda Gates Foundation, EU-funding, etc…)**
  - 1 VLAIO project

Sustainability initiatives

Our mission for sustainability is reflected not only in our ESG strategy, but also in various initiatives we have launched over the past year.

My Green Lab Certification

WHAT IS THE MY GREEN LAB CERTIFICATION?

Laboratories are among the most resource-intensive environments, generating significantly more waste and consuming more resources than service-oriented businesses. To tackle this environmental footprint, the My Green Lab Certification program has been developed. This program allows labs to be part of a network where they monitor and adopt the best sustainability practices from other laboratories. The goal is to not only help labs reduce their environmental impact, but also to recognise the efforts already being made.

Recognised by the United Nations Race to Zero campaign as a vital benchmark for progress toward a zero-carbon future, My Green Lab Certification is considered the gold standard for laboratory sustainability practices worldwide. To date, My Green Lab has assisted over 3,400 labs across various sectors in reducing costs and conserving resources.

GREEN CERTIFICATE FOR BIOTALYS

Biotalys pursued a My Green Lab Certification in 2024. In June, we started with an online self-assessment survey that was completed by all members of our lab, covering energy, water, waste, cold storage, travel policies, and engagement. The answers allowed us to identify our existing best practices and determine further steps we could take to improve our sustainability.

The results of the initial survey suggested we could achieve a silver label. As the biggest area for improvement, My Green Lab highlighted the need for better communication and sharing information within our teams. Although many of our teams were already doing good work in sustainability, not everyone was aware of these efforts, such as properly adjusting our ventilation systems or checking for gas leaks annually. To improve this, we have focused on informing our staff about good lab practices in sustainability through updates in our company communications.

Source: https://www.mygreenlab.org/green-lab-certification.html

In November, our team retook the online self-assessment to measure our improvements, hereby aiming for gold. We were therefore very proud that My Green Lab awarded us a green certificate, which is the highest score achievable.

Lunch & Learn session on sustainable food choices

In May, we hosted a Lunch & Learn keynote session for our employees with Frank Holleman, founder of the Fork Ranger, focusing on more sustainable eating habits. The Fork Ranger aims to inspire new cooking habits centered around easy, plant-rich meals. The session highlighted the significant impact of personal food choices on sustainability. We also invited investors and board members to attend the session.

Following the presentation, participants were encouraged to either cook a sustainable meal or choose a sustainable option at a restaurant, and to share photos of their meals. The Lunch & Learn session demonstrated our company's commitment to playing a significant role in promoting sustainable practices, not just within our operations, but also in the personal choices of our employees. These initiatives fitted well in the first of our four ESG pillars ('Reduce Food Waste').

Bike for Life

In October, we launched a call to our employees to come to work by bike. For each ride cycled, Biotalys sponsored an amount to Bike for Life. This year, our employees cycled no less than 701 rides, compared to 484 rides in 2023.

With the money that was collected, Bike for Life supports "a bike for everyone", so people who can't afford a bicycle, receive or can use a shared bike. Bike for Life" is an initiative of the local Cyclist Federation ("Fietsersbond") which supports companies in their bicycle-friendly personnel policy, checks the quality of cycling routes, and helps governments to make the right investments.

PVC strip curtains
in cold-room environments

701 bike rides
in one month for Bike for Life

freezer temperatures adjusted from **-80 to -70 °C**

5,000 lab consumables
replaced with **glassware**

04

People

Our skilled and dedicated people

Our industry experts, renowned scientists, and passionate professionals work each day towards a common goal: to deliver transformative solutions for sustainable crop protection.

A talented team

The science and lab teams are the beating heart of our Company and are driving the progress in our discovery & 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, under the guidance of the leadership team, supported by the various staff functions.

Modern office and state-of-the-art sustainable laboratories

Our team is working in modern headquarters in Ghent with state-of-the-art laboratories. The 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 management and staff functions. The office conforms to our environmental values, allowing us to deliver operational and energy efficiencies through modern sustainable applications and technologies.

In 2024, we refurbished some of our laboratory space and installed various new instruments to assist us in the discovery of protein-based biocontrols.

63 team members

39 average age

12 nationalities

♂ 57%
♀ 43%
men/ women

HQ and laboratories in Ghent, Belgium

CEO, CBDO and data scientist in the US

Company culture and values

We strive to provide safe and sustainable alternatives to protect crops, and ensure productivity and quality while preserving our environment, our soils, and our health. Through excellence in execution, we forge our growth and deliver value for our Company, our employees, our shareholders, and our partners.

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

TEAMWORK

We seek strong collective outcomes by leveraging our talents and expertise. We work together to understand and integrate different points of view to achieve superior results. We respect each other and create an atmosphere of trust and urgency. We ensure each person feels safe to express their opinion. We learn from each other, challenge and support colleagues, and deal with any difference respectfully.

ACCOUNTABILITY

We take action to reach the goals and objectives set ahead of time, asking for help when needed and escalating any difficulties. We show commitment to the agreed vision, strategy, and goals and embrace decisions made. We frequently monitor the progress of the achievement of our objectives and what we've learned along the way.

WELL-BEING

We participate in creating a supportive work environment that fosters trust and healthy interpersonal boundaries. We act with authenticity and consistency, looking out for each other. We provide opportunities for connection and actively contribute to building an inclusive workplace.

INNOVATION WITH IMPACT

We cultivate curiosity and explore new ideas before deciding the course of action. We question, challenge, and manage ambiguity and certainty. We balance out-of-the-box thinking with scientific rigour, focusing on impact for our customers and for Biotalys' value. We value ideas for their potential, leaving our ego and bias aside.

PASSION

We are connected by the vision and mission of our Company. We stay connected to ourselves and to what drives us and inspires us. With our knowledge and enthusiasm, we inspire others to act. We embody the Company values on a daily basis and work towards realising the Company vision. We stand for Biotalys' mission in our external contacts and are the ambassadors of our values.

Continuous improvement of our HR program for employees

We implement new trainings, policies, and practices to create the best working environment for our employees.

In 2024, we focused on promoting diversity and inclusion through our DEI policy and organised training and awareness sessions to cultivate an inclusive culture. Additionally, we established various working groups to ensure broad involvement and support for initiatives related to talent development, well-being, diversity & inclusion, sustainability, and lab improvements.

We kept everyone informed and involved through our weekly newsletters, monthly townhalls, and several dedicated Q&A sessions. We offered learning and development opportunities such as leadership, technical and workplace skills training, conference participation, scientific career paths linked to competency profiles, scientifically challenging work content and projects, and opportunities for internal mobility.

Furthermore, our compensation and benefits package aimed to be competitive and included both financial and non-financial elements, benchmarked against the life sciences sector. We also continued to support flexible working arrangements, including flexible hours and a policy that allowed working from home.

Team activities

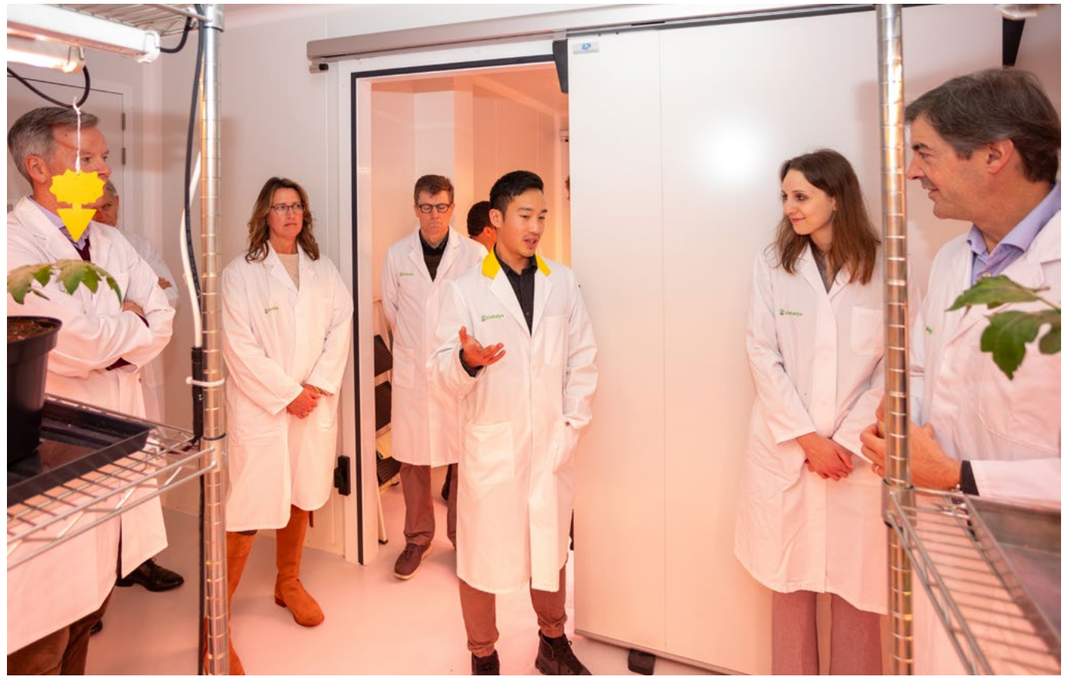
At Biotalys we work hard to achieve our goals, but we also make time for the occasional bit of fun. Last year, our colleagues were able to participate in some great activities together.

Cooking workshop

We kicked off the year with our annual team building event, a cooking workshop. Our team members were divided into small groups, each responsible for different parts of the meal, from appetizers to desserts. It was a great way for everyone to bond, share food and start the year positively.

Lab reopening

In December, we officially reopened our refurbished labs. During the event, we also showcased the My Green Lab certification to the board members and the whole team and we toasted to celebrate the achievements of the past year.



Tomatillo growing contest

For the fifth year in a row, we organised a plant growth challenge. Each employee received a bag of *Physalis Ixocarpa* seeds, also known as Tomatillo, and some fertile soil to grow these. Awards were given to those with the largest plant, the biggest fruit, and the highest number of fruits. The challenge brought out the best in everyone, with participants sharing tips and tricks. It was a fantastic way to connect, grow, and engage with nature, right from our homes.

Donation to charity

We closed last year with a collection for charity by donating food and non-food items to the local food aid organisation Voedselbank. Thanks to the generous contributions from our colleagues, we collected close to 60 kg of supply. In a show of support and commitment to our community, Biotalys doubled the weight of the items collected to make an even greater impact.

Lunch@Work

We also enjoy sharing lunch together. Every month, there is a dedicated Lunch@Work event where colleagues can bring homemade dishes to the office to share during lunch hour. Other activities this year included an escape room team building, a Secret Santa event, and bi-monthly social gatherings with drinks and board games.

Sources

1 Nature (2019): The global burden of pests and pathogens on major food crops; FAO – report (2022)

2 IHS Markit, Global Biocontrol Market Overview, prepared for Biotalys, March 2020.

3 https://www.statista.com/statistics/978369/fertilizers-and-agricultural-chemicals-deal-volume-worldwide/

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

5 Kynetec, based on prices at end-user level

6 Laboratoire de Lyon, Unité Résistance aux Produits Phytosanitaires, Résistance du Botrytis de la vigne (Botrytis cinerea) vis-à-vis des fongicides, Plan de surveillance 2012 - https://www.r4p-inra.fr/wp-content/uploads/2018/04/2012_Botrytis_cinerea_multiFong_vigne.pdf.

7 https://www.un.org/en/climatechange/what-is-climate-change

8 https://unfccc.int/agriculture-and-food-security-thematic-page

9 UN Sustainable Development Goals: the Sustainable Development Agenda https://www.un.org/sustainabledevelopment/development-agenda/

10 https://www.un.org/sustainabledevelopment/hunger/

11 https://www.un.org/sustainabledevelopment/biodiversity/

12 https://www.un.org/sustainabledevelopment/gender-equality/

13 https://www.un.org/sustainabledevelopment/infrastructure-industrialization/

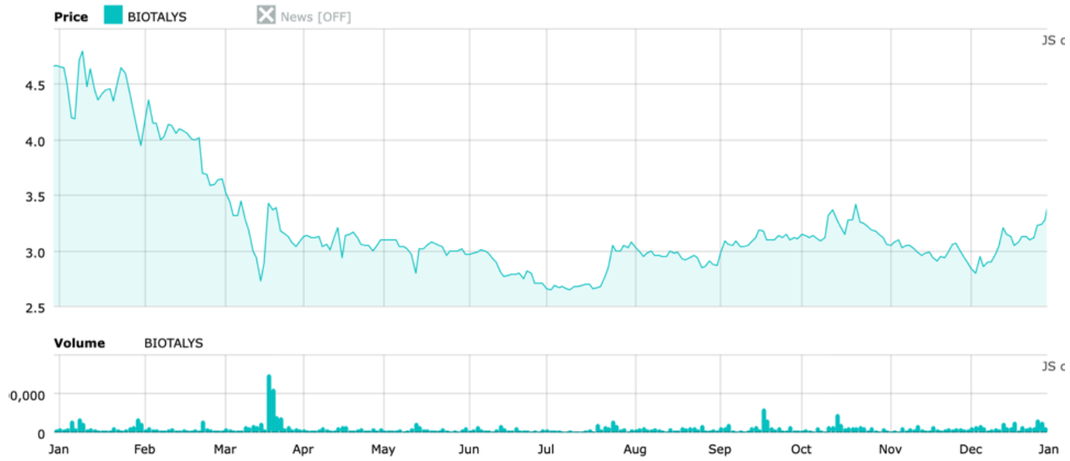
14 https://www.un.org/sustainabledevelopment/globalpartnerships/

Investor and shareholder information

The shares in 2024

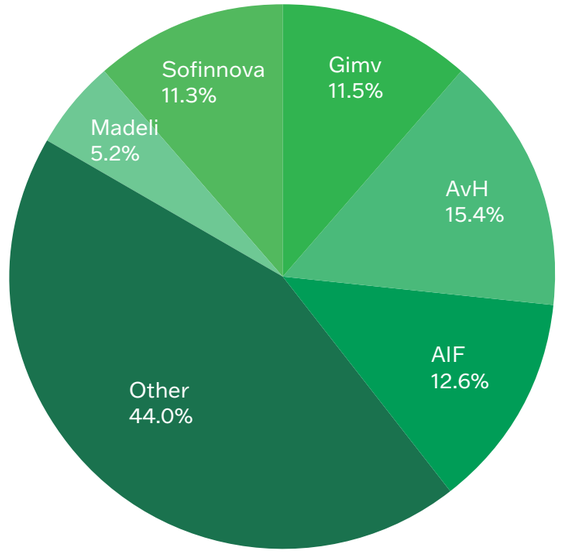
The shares of Biotalys NV are traded on the regulated Euronext Brussels market under the symbol ‘BTLS’.

On 31 December 2024, the share capital of the Company amounted to €5,538,755.50 represented by 37,457,562 ordinary shares.



Major shareholders

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



Notes:

Gimv: Gimv NV and Biotech Fonds Vlaanderen NV

Sofinnova: Sofinnova Partners S.A.S.

AIF: Agri Investment Fund BV

AvH: Ackermans & van Haaren NV

Madeli: Madeli Participaties BV

Other: free float

Analyst coverage

In 2024, the following analysts were actively covering Biotalys:

- KBC Securities – Thomas Vranken and Guy Sips
- Kepler Cheuvreux – Christian Faitz
- De Belegger – Geert Smet

2024 investor events

Biotalys has designed an ambitious program to engage with actual and potential shareholders on the Company's mission and activities. During the year 2024, Biotalys reached out to investors at the following events:

February

FINANCIAL RESULTS WEBCAST & CONFERENCE CALL

Biotalys' management hosted a webcast and conference call following the publication of its consolidated results for the full year 2023.

REGENERATIVE FOOD SYSTEMS INVESTMENT EUROPE

Biotalys' management attended the Regenerative Food Systems Investment conference in Brussels (Belgium), where innovators, investors and farmers assembled to drive investment in sustainable agriculture.

March

BIODIVERSITY INVESTMENT SUMMIT

Biotalys' management gave a keynote speech at the Biodiversity Investment Summit in Amsterdam (the Netherlands), organised by Danum Advisors.

SUSTAINABLE INVESTMENT ACADEMY

The Sustainable Investment Academy launched its campaign calling to invest in climate smart solutions. Biotalys was one of the partners of this campaign.

ROTH MKM INVESTOR CONFERENCE

Biotalys' management participated at the annual ROTH MKM investor conference in California (U.S.).

WORLD AGRITECH CONFERENCE

Biotalys' management participated at the annual World AgriTech Forum in San Francisco (U.S.), meeting investors and business partners.

April

SITE VISIT MARKANT

Markant, an organisation for active and entrepreneurial women and female investors, visited Biotalys' HQ and labs in Ghent (Belgium).

ANNUAL SHAREHOLDERS MEETING (AGM) AND EXTRAORDINARY SHAREHOLDERS MEETING (EGM)

Biotalys held its annual general shareholders meeting and extraordinary shareholders meeting at the headquarters of the Company in Ghent (Belgium).

May

BIOTALYS SHAREHOLDERS CLUB

Biotalys organised its first Shareholders Club of the year for interested shareholders and potential investors at the Company's headquarters in Ghent (Belgium).

KEPLER CHEUVREUX ESG INVESTOR CONFERENCE

Biotalys' management engaged with investors at the 2024 Kepler Cheuvreux ESG conference (virtual).

June

RETAIL INVESTOR VISIT KBC SENIORS

Biotalys welcomed a group of retail investors at the Company's headquarters in Ghent (Belgium) in collaboration with KBC Seniors.

WEBCAST HY24 FINANCIAL RESULTS AND BUSINESS HIGHLIGHTS

Biotalys' management hosted a webcast on its financial figures and business highlights for the first half of 2024.

August

CANACCORD GENUITY GROWTH CONFERENCE

Biotalys' management presented the Company to investors at the 44th Canaccord Genuity Growth Conference in Boston (U.S.).

September

WORLD AGRITECH CONFERENCE

Biotalys' management met with investors at the World AgriTech Conference in London (UK).

October

EUROPEAN MIDCAP EVENT

Biotalys' management met with investors in Paris (France) at the European MidCap Event.

VFB WEBINAR

Biotalys' management presented the Company to retail investors at a webinar organised by the Flemish Retail Investor Association VFB.

BRABANT BUSINESS CLUB INVESTOR VISIT

Biotalys hosted a visit to the Company's headquarters in Ghent (Belgium) by retail investors of the Brabant Business Club.

November

GLOBAL AGRICULTURAL FORUM

Biotalys' management met with institutional investors at the virtual Global Agriculture Forum organised by Kepler Cheuvreux.

December

BIOTALYS SHAREHOLDERS CLUB

Biotalys organised its second Shareholders Club of the year for retail investors at the Company's headquarters in Ghent (Belgium), in collaboration with the Flemish Retail Investor Association VFB.

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 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 8 - 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 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 supports the ExCom in the execution of its tasks and should be prepared to challenge the ExCom 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 object, 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 2024, the Board is composed as follows (which composition did not change till the date of this annual report). Mr. Markus Heldt has indicated that he will retire at the end of his current mandate. The Board will propose Mrs. Toni Bucci at the general shareholders meeting of 22 April 2025 to succeed Mr. Markus Heldt as board member. Following the nomination, Mrs. Toni Bucci will also succeed Mr. Markus Heldt as member of the audit committee.

Name	Age	Function	Start of initial term	Start of current term	End of term (*)
Simon E. Moroney (Chairman)	65	Independent Director Chair	2021	2021	2025
Johan Cardoen	66	Independent Director	2013	2021	2025
Markus Heldt	66	Independent Director	2021	2021	2025
Laura Meyer (**)	55	Independent Director	2024	2024	2025
Pieter Bevernage	56	Non-executive Director	2019	2021	2025
Patrick Van Beneden	62	Non-executive Director	2013	2021	2025
Michiel M. van Lookeren Campagne	65	Independent Director	2022	2022	2026
Agri Investment Fund BV permanently represented by Patrik Haesen	47	Non-executive Director	2023	2023	2027
Kevin Helash	60	Executive Director Chief Executive Officer	2024	2024	2025

(*) The term of the mandates of each Director will expire immediately after the annual general shareholders' meeting held in the calendar year indicated. Markus Heldt has indicated to the Board that he will retire at the end of his current term. The mandate of each of the other directors of which the mandate expires in 2025 is proposed for renewal at the general shareholders meeting on 22 April 2025.

(**) With effect from 25 September 2024. The nomination of Mrs. Meyer as member of the Board has been decided by the Board in accordance with article 13 of the Articles of Association following the vacancy in the Board that was created as a result of the resignation by Mrs. Catherine Moukheibir as member of the Board and Chair of the audit committee. The nomination of Mrs. Meyer as member of the Board is proposed for confirmation and renewal at the general shareholders meeting of 22 April 2025.

Mr. Simon Moroney, Mr. Johan Cardoen, Mr. Markus Heldt, Mr. Michiel M. van Lookeren Campagne and Mrs. Laura Meyer meet the criteria as Independent Director of the Belgian Code on Corporate Governance and article 7:87 of the BCCA.

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 is vice-chair of 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.

Kevin Helash, Executive Director and Chief Executive Officer

Kevin Helash was appointed CEO of Biotalys in October 2023. He is a results-driven corporate executive who brings more than 30 years of international experience in agriculture and biological products to the company. His experience spans commercializing numerous breakthrough technologies in the agricultural industry on a global scale, including in positions as CEO of EnviroKure, Marrone Bio Innovations - previously listed on Nasdaq - and Agrinos.

He built his career at Agrium (now Nutrien) where he became vice president and corporate officer. Kevin Helash grew up on a farm in Canada and his family was active in farming until a couple of years ago.

Johan Cardoen, Independent Director

Johan Cardoen is an independent life sciences entrepreneur and advisor. He was from June 2012 until May 1, 2020, managing director of VIB, a life science research organization based in Belgium. In that role, Johan was responsible for VIB's Innovation and Business Team and represented VIB on the board of several biotech companies. Johan Cardoen was also until July 1, 2020 chairman of the LP Board of V-Bio Ventures, a dedicated life sciences investment fund, which is focused on early-stage investments in life sciences and he held various independent board positions in biotech companies such as argenx SE from 2008-2011, Applied-Maths (now bioMérieux) from 2010-2016 and GST from 2019-2020 (Global Stem Cell Technologies, now Boehringer Ingelheim), in addition he was Chairman of flanders.bio, the umbrella organization for life sciences and biotechnology sector in Flanders from 2007 until May 2012.

Today he is also independent chairman of Meiogenix (an Institut Curie spin-off, FR) and independent board member at Complix (BE), Protealis (BE), PBL Technology (UK) and Aphea.bio (BE). Until May 31, 2012, he was CEO of CropDesign N.V., today part of BASF (Ghent, Belgium). He developed and implemented a dual track strategy (IPO/trade sale) which led to an acquisition of CropDesign by BASF in June 2006. From 1988 until 1999 he worked for Plant Genetic Systems (PGS) as Technology Acquisition Manager and Business Development Manager. Prior to joining CropDesign (July 1999), Johan was Global Head Technology Acquisition of AgrEvo Hoechst Schering/Aventis (now Bayer CropScience) and was responsible for all biotechnology-related technology acquisitions. Today he is also an advisor to V-Bio Ventures and Astanor Ventures.

Johan Cardoen received his Ph.D. in biology from KU Leuven, Belgium (1987) and a business degree from KU Leuven (1990).

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 the 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.

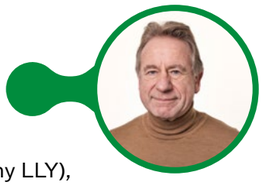
Mr. Markus Heldt has indicated that he will retire at the end of his current mandate. The Board will propose Mrs. Toni Bucci at the general shareholders meeting of 22 April 2025 to succeed Mr. Markus Heldt as board member. Following the nomination, Mrs Toni Bucci will also succeed Mr. Markus Heldt as member of the audit committee.

Michiel M. van Lookeren Campagne, Independent Director

Michiel M. van Lookeren Campagne has more than three decades of experience driving scientific advances for the agricultural industry in leadership positions around the globe. Most recently, he served as the Director Agriculture & Food for CSIRO, Australia's national science agency. At Syngenta, he was Head of Seeds Research, based in the Research Triangle Park, North Carolina. At Bayer CropScience, he headed the research for its BioScience business out of Ghent. Prior to that, he held scientific research roles at Wageningen University & Research Centre (WUR). Michiel M. van Lookeren Campagne earned his PhD in Developmental Biology from Leiden University in the Netherlands. Prior to his career in agriculture, he served as an Assistant Professor and Associate Research Scientist at the College of Physicians and Surgeons of Columbia University, New York.

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 A & O Shearman). Pieter Bevernage is also a member of the board of directors of AvH Growth Capital 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. Since 1985 he worked for Gimv in different roles, recently as consultant. 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), Ablynx NV (acquired by Sanofi SA), Onward Inc. and JenaValve Technology Inc. He is also a director at Novadip Biosciences SA, Ona Therapeutics SL and Minoryx Therapeutics SL. Patrick Van Beneden holds a Master's degree in financial sciences from Vlekho, Belgium.

Agri Investment Fund BV, permanently represented by Patrik Haesen, Non-executive Director

About Agri Investment Fund ("A.I.F".)

Since its foundation in 1890, Boerenbond (Farmers' Union) has grown into a professional organisation that defends the interests of farmers and horticulturists and provides them with guidance. Throughout the history of Boerenbond, several companies were founded with the aim of providing services and products to agriculture and horticulture. Today, these companies are grouped under the holding company "Maatschappij voor Roerend Bezit van de Boerenbond" (M.R.B.B.) (cfr also www.boerenbond.be). Agri Investment Fund (A.I.F.) was founded in 2007 within M.R.B.B. with the specific mission to invest in companies that can offer added value to agriculture and horticulture in Flanders and German-speaking Belgium and focuses on Ag-Tech and Agro-Food companies that contribute to a stronger and more sustainable agriculture and horticulture (cfr. also www.aifund.be).

About Patrik Haesen
Patrik Haesen is currently Chief Executive Officer of A.I.F. He started his career as an external auditor at PwC and joined M.R.B.B. in 2004. After setting up and further expanding the internal audit department within M.R.B.B., he assumed responsibility for strengthening and professionalising the financial investment portfolio and monitoring investments. In 2021, he assumed responsibility of A.I.F. Patrik has extensive board experience in both start-ups and mature companies, such as Acerta, Animab, Aphea. Bio, Arvesta, Iscal Sugar, Protealis and ViroVet. Patrik holds a master in Commercial Engineering (KU Leuven) and holds a European Master in Public Administration (KU Leuven and Corvinus University in Budapest) and a postgraduate degree in Finance (EHSAL, Management School).

Laura Meyer, Independent Director
Ms. Meyer is a former Vice President, Investor Relations at Bayer, with responsibility for the Crop Science division, joining Bayer after leading Investor Relations for Monsanto since 2014. She initially joined Monsanto (now Bayer) in 1996 and served in pivotal financial roles in technology, commercial and product management organisations during the company's transformation to the leading agricultural input company. Her more than 28 years of experience has spanned markets worldwide, including as the divisional Chief Financial Officer for Monsanto's global vegetable seeds and Asia row crops businesses. Ms. Meyer holds a Bachelor of Science degree in Accounting from the University of Missouri-Columbia. A native of St. Charles, Missouri, she began her career as a certified public accountant with Deloitte.

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 9 – Diversity). This requirement could be amended and accelerated depending on (i) the manner in which the Belgian State will implement the "Women on Boards" – directive of the European Union (Directive (EU) 2022/2381 of the European Parliament and of the Council of 23 November 2022 on improving the gender balance among directors of listed companies and related measures) and (ii) whether or not the Company will be a small and medium-sized company at the time of the implementation of the Directive. This directive needs to be implemented by the Member States at the latest on 28 December 2024. However, on the date of this Report, the directive has not yet been implemented in Belgium.

In brief the directive requires that Member States shall ensure that listed companies are subject to either of the following objectives, to be reached by 30 June 2026: (a) members of the underrepresented sex hold at least 40 % of non-executive director positions; (b) members of the underrepresented sex hold at least 33 % of all director positions, including both executive and Non-executive Directors. The Directive does not apply to small and medium-sized companies.

2.3. Activity Report of the Board

During 2024, fourteen meetings of the Board were held of which one by written resolution. The table below sets out the attendance to the meetings of the Board for each director.

Name	Attendance
Simon E. Moroney	13 out of 14 meetings
Laura Meyer (*)	3 out of 4 meetings
Johan Cardoen	11 out of 14 meetings
Markus Heldt	13 out of 14 meetings
Catherine Moukheibir (**)	9 out of 10 meetings
Pieter Bevernage	13 out of 14 meetings
Patrick Van Beneden	13 out of 14 meetings
Michiel M. van Lookeren Campagne	14 out of 14 meetings
Kevin Helash	13 out of 14 meetings
A.I.F. BV, permanently represented by Patrik Haesen	13 out of 14 meetings

(*)Laura Meyer attended all, but one, meeting of the Board following her nomination on 25 September

(**) Catherine Moukheibir resigned with effect on 25 September 2024. Four board meetings were held after that date in 2024

In 2024, the Board met in relation to the preparation of the special, the annual and the extraordinary general meeting in March and April. Furthermore, the Board met around the private placement of new shares in October, the nomination of Mrs. Laura Meyer as director, 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 the coming years, the financial runway of the Company, the progress made in the various pipeline programs, the development of the AGROBODY Foundry™ platform towards a targeted approach, the progress of the regulatory submissions regarding EVOCA™, human relation matters and business development matters. Members of the ExCom, heads of departments as well as third party advisors regularly attend meetings of the Board on invitation of the Board for specific topics. Furthermore, on a regular basis, topics are discussed during Board meetings without the presence of the Executive Director.

3. Committees of the Board of Directors

The Board has established three 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) , (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) and (c) a Research & Development Committee. The terms of reference of these board committees are primarily set out in the Corporate Governance Charter.

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: Laura Meyer (as of 25 September 2024 replacing Catherine Moukheibir) (chairperson), Markus Heldt, Pieter Bevernage and A.I.F. BV permanently represented by Patrik Haesen. With respect to the independence and the expertise in accounting of one member of the audit committee, reference is made to the biographies of the members of the audit committee (see section 2.2 Composition). Mrs. Laura Meyer as well as Mr. Markus Heldt, meet the criteria of an Independent Director. Mr. Markus Heldt has indicated that he will retire at the end of his current mandate. The Board will propose Mrs. Toni Bucci at the general shareholders meeting of 22 April 2025 to succeed Mr. Markus Heldt as board member. Following such nomination, Mrs. Toni Bucci will also succeed Mr. Markus Heldt as a member of the audit committee.

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 legal audit of the statutory financial statements and, if applicable, of the consolidated financial statements and the result of the assurance of the sustainability information and the manner in which the audit has contributed to the integrity of respectively, the financial reporting and the reporting on sustainability and the role that the audit committee has played in that process;

- monitor the financial reporting process and, if applicable, of the sustainability reporting process, including the electronic reporting process referred to in article 3:6/8 BCCA as well as the process the Company undertakes to map the information disclosed in accordance with the sustainability reporting standards adopted pursuant to article 29ter of Directive 2013/34/EU, 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 statutory and consolidated 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 analyses, 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.

Name	Attendance
Catherine Moukheibir (*)	2 out of 3 meetings
Laura Meyer (**)	1 out of 1 meeting
Markus Heldt	4 out of 4 meetings
Pieter Bevernage	4 out of 4 meetings
A.I.F. BV permanently represented by Patrik Haesen	4 out of 4 meetings

(*) Catherine Moukheibir attended 2 out of the 3 meetings of the Audit Committee prior to her resignation effective on 25 September 2024.

(**) Laura Meyer attended the only meeting of the Audit Committee organized following her nomination on 25 September 2024.

Furthermore, the external auditor has attended the audit committee on three occasions. The CFO in principle attends the meetings of the audit committee it being understood that certain topics are discussed without the presence of the CFO.

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, Patrick Van Beneden and Michiel M. van Lookeren Campagne.

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. The Head of Human Resources attends the meetings of the nomination and remuneration committee as secretary.

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.

Name	Attendance
Simon E. Moroney	5 out of 5 meetings
Johan Cardoen	4 out of 5 meetings
Patrick Van Beneden	5 out of 5 meetings
Michiel M. van Lookeren Campagne	5 out of 5 meetings

3.3. Research and Development Committee

The Research and Development (R&D) Committee must consist of at least two Board members. Current members are Mr. Michiel van Lookeren Campagne (chair) and Mr. Johan Cardoen. The Chief Scientific Officer and Head of Regulatory & Sustainability are also members of the R&D Committee without voting rights. They shall attend all meetings unless otherwise decided by the R&D Committee.

The Board shall appoint and dismiss the members of the R&D Committee and determine their term. All voting members of the R&D Committee shall be selected from among the non-executive directors.

All members of the R&D Committee must have adequate experience in research and/or development in order to fulfil their role adequately.

The Chairperson of the R&D Committee is designated by the Board, and the Corporate Secretary acts as the R&D Committee's secretary.

All Board members have access to the R&D Committee's books and records and may attend meetings of the R&D Committee as guests.

The R&D Committee advises the Board on research and development activities, including discovery research, product development, regulatory, stage plan and progressions, and scientific collaborations.

The R&D Committee meets at least two times annually, with additional meetings as needed upon request of its chairperson or two of its members. The R&D Committee strives to meet two weeks in advance of regular Board meetings to facilitate communication flow with the Board. The Committee may invite other individuals, including Board members and senior management, to attend meetings.

Save in exceptional circumstances, the agenda for the meeting as well as all supporting documentation is sent to the members of the R&D Committee at least three business days in advance of the meeting. The Company Secretary drafts minutes of each meeting reflecting the issues that were discussed and the decisions that were taken. The minutes are approved by the Chairperson of the R&D Committee and subsequently by the members during the next meeting. Minutes of the R&D Committee meetings shall also be distributed to the Board for the next Board meeting.

A meeting can validly deliberate and decide if it is attended in person by at least two members (with voting right). Decisions of the R&D Committee shall be taken by a majority of the votes cast. In the event of a tied vote, a new R&D Committee meeting will be

convened within five business days to resolve upon the same agenda item. In case no decision can be taken, the matter will be referred to the Board. The R&D Committee shall inform the Board in case decisions are taken with dissenting opinions of one or more of the members.

Interactions outside formal meetings must be recorded in the minutes of the next meeting, especially if they lead to recommendations.

The Committee supports the Company's innovation mission and culture, and performs the following duties:

- **R&D Monitoring**: Oversee the company's R&D goals, strategies, and performance.
- **Advisory Role**: Serve as a sounding board for senior management and scientific personnel on R&D topics.
- **Strategic Review**: Review long-term R&D strategies aligned with the company's vision and goals as proposed by management. Conduct strategic reviews of key R&D programs, including field trials and regulatory study outcomes.
- **Trend Analysis**: Review and discuss emerging scientific trends critical to the company's success.
- **Pipeline Review**: Assess the company's product pipeline and stage gate progressions.
- **Risk Management**: Review technical and regulatory risk associated with R&D activities, and make these transparent to the Board.

Name	Attendance
Johan Cardoen	1 out of 1 meetings
Michiel M. van Lookeren Campagne	1 out of 1 meetings

(*) The R&D Committee has been formed following the Board dated 24 September 2024 and hence, only had one meeting during 2024.

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	End of Term
Kevin Helash	Chief Executive Officer	2023	N/A
Carlo Boutton	Chief Scientific Officer	2022	N/A
Douglas Minder	Chief Financial Officer	2023	N/A
Kamal El Mernissi	Chief Business Development Officer	2024	N/A

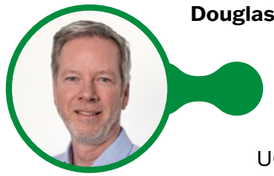
Kevin Helash, Chief Executive Officer
Kevin Helash was appointed CEO of Biotalys in October 2023. He is a results-driven executive with over 30 years of international experience in developing and executing growth strategies while optimising costs and enhancing profitability. With a proven track record of achieving key business objectives, he fosters a team-oriented culture built on accountability, execution, and innovation.

Kevin has extensive experience in commercializing breakthrough agricultural technologies on a global scale. He previously served as CEO of Marrone Bio Innovations—formerly listed on Nasdaq—and Agrinos. Earlier in his career, he held executive roles at Agrium (now Nutrien), where he became Vice President and Corporate Officer.

A native of Canada, Kevin grew up on a farm, and his family remained active in farming until recently.

Carlo Boutton, Chief Scientific Officer

Carlo Boutton has a career of more than 20 years in the pharma and biotech industry and joined Biotalys in May 2022. From 2007 to 2022, he was at Ablynx where he was instrumental in building the Nanobody® platform from concept to patient validation. Upon the acquisition of Ablynx by Sanofi in 2018, he remained loyal to the Nanobody platform, partly at Sanofi's request, and was promoted at Sanofi to global head of innovation for biologics-based medicines. In this position, he led research teams in France, Germany, Belgium and the USA. Carlo began his professional career at Algonomics, a small biotech focused on bioinformatics and computational biology. Then, from 2003 to 2007, he was an active scientist at Tibotec, a subsidiary of Johnson & Johnson, where he supported several HIV and HCV research projects through structure-based drug design. Carlo holds a PhD in physical chemistry from the Catholic University of Leuven. He also earned several certificates in innovation management at the Cranfield School of Management and Applied Computer Science at VIVES college.



Douglas Minder, Chief Financial Officer

Douglas Minder joined Biotalys in January 2021 and was appointed Deputy CFO after the company's IPO to prepare for the role of CFO and start leading the finance team. He has over 30 years of financial experience, which includes more than nine years at Belgium-based multinational biopharmaceutical company UCB. His most recent position there was Finance Business Partner, where he worked across many groups to help them align strategic objectives with the company's long-range financial plans. He also worked for 20 years as an auditor and consultant at Deloitte, both in Belgium and in the U.S., where he served various Fortune 500 companies across multiple industries, including biopharma, technology, chemicals and manufacturing. He is an expert in U.S. GAAP and IFRS standards and reporting requirements for both the U.S. and European markets and has built successful cross departmental relationships to develop continuous improvement solutions throughout an organization.

Kamal El Mernissi, Chief Business Development Officer

Kamal El Mernissi joined Biotalys in October 2024 and previously served as the Vice President, Sales and Marketing North America at biocontrol solutions leader Marrone Bio Innovations (currently Pro Farm Group). Kamal El Mernissi has been involved in the latest technological developments and trends in the industry and partnered with key players in the field. Prior to his role at Marrone, Mr. El Mernissi held various commercial leadership roles at Syngenta, where he was Portfolio Manager North America and LATAM, Commercial Unit head and Director of Sales for Morocco, and Asset Manager EMEA responsible for the launch of a major active ingredient. Prior to that, he took up various roles in sales and marketing in leading companies such as DELL and SIKA. He obtained his Engineering Diploma in Agriculture from the Hassan II Agronomic and Veterinary Institute (Morocco) and his MBA at the University of California, Berkeley (United States).

4.2. Activity report

The ExCom meets on a weekly basis and discusses items related to human resources, strategy, regulatory process, R&D developments, business development and finance.

5. Scientific Advisory Committee

The Board has installed a Scientific Advisory Committee (previously 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;
- providing access to specialized networks of experts to drive innovation rate; and
- providing strategic direction on regulatory matters.

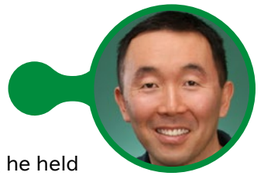
The Scientific Advisory Committee is not an official Board committee. It provides feedback to the Board on the discussions with the Group, including recommendation to the Board related to scientific and technological progress. In addition, individual feedback from members of the Scientific Advisory Committee is obtained in an ad-hoc manner to address specific matters.

The members of the Scientific Advisory Committee may, but do not have to be, members of the Board. The following persons are members of the Scientific Advisory Committee: Adrian Percy (acting through Nomad Technology Consulting LLC), Jacqui Campbell, Daniel Joo, and Joannis Stergiopoulos.

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

Adrian Percy, Chairman of the SAC
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 SAC
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 SAC
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 bio-pesticide 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.

Dr. Ioannis Stergiopoulos, Member of the SAC

As Associate Professor at the University of California, Davis (UC Davis), focused on genetics, genomics, and evolution of plant-microbe interactions, Dr. Stergiopoulos has dedicated his career to understanding microbial virulence and multidrug resistance mechanisms in fungal plant pathogens, and to translating this knowledge into effective intervention strategies for disease control. In his role on the Biotalys SAC, he will bring a unique perspective on the molecular mechanisms governing fungal pathogenesis on plants and resistance to antifungal agents. In his research, Dr. Stergiopoulos follows a systems biology-based approach that integrates comparative and functional genomics, with molecular evolutionary analyses, and practical field work. Prior to joining UC Davis, Dr. Stergiopoulos was appointed as a post-doctoral fellow at Vanderbilt University (Department of Biological Sciences) and at Wageningen University (Department of Plant Pathology), where he had earned his PhD.

6. 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 to be decided upon by 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 interest, or the appearance of such a conflict, is avoided. In the possible case of a conflict of interest, 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 2024 and in the period from 1 January 2025 up to 17 March 2025, certain directors declared a conflict of interest. The following declarations were made in that respect:

a. The minutes of the meeting of the Board dated 24 September 2024 contain the following:

“Mr. Kevin Helash declares to have a conflict of interest within the meaning of section 7:96 BCCA with item 12(b) - “Closed Session - Tax Equalisation” of the agenda - as he is the beneficiary of this arrangement.

(…)

The Board takes note of the conflict of interest within the meaning of Article 7:96 of the BCCA reported by Kevin Helash regarding the tax equalisation of his remuneration. Since Kevin Helash works part of his time in Belgium and is therefore subject to Belgian taxation (which is higher than that in the United States), this leads to a distortion of his net remuneration in the United States versus Belgium. The Board deems it in the Company’s interest that Kevin Helash spends sufficient time in Belgium, at the Company’s headquarters, and that this cannot be fiscally disadvantageous to him. Therefore, the provision of equalisation through a tax equalisation agreement is justified and in the interest of the Company. The financial impact on the Company is estimated at an additional expense of $4,460 in 2024. For subsequent years, this depends, among other things, on the amount of the bonus (excluding bonus, the additional cost to the Company in 2025, would be $25,680). The Board agrees to the principle of tax equalisation for Kevin Helash through the corporate withholding tax mechanism (with a pro rata for the incomplete year 2024).“

b. The minutes of the meeting of the Board dated 11 October 2024 regarding the private placement of new shares by the Company (the "Transaction") contain the following:

"A.I.F. (permanently represented by Patrik Haesen) has informed the meeting that it has committed to subscribe to the Transaction. A.I.F. is consequently potentially conflicted in accordance with article 7:96 BCCA and will not participate in the deliberation of, nor vote on the Concerned Resolutions and the resolutions under items 4 and 5 that are related to the Concerned Resolutions. A.I.F. will inform the Company's statutory auditor of the foregoing, to the extent necessary and applicable, in accordance with the provisions of article 7:96 BCCA. However, notwithstanding this conflict, A.I.F. has stated that it believes that the Transaction is in the best interests of the Company, as it will enable the Company raise further funds, which is in the best interests of the Company.

(…)

The Board has taken note of the conflict of interest raised by A.I.F. (permanently represented by Patrik Haesen) in respect of the Concerned Resolutions. However, as described in the special board report related to the Transaction in accordance with Article 7:198 in conjunction with Articles 7:179, 7:191 and 7:193 of the Belgian Code of Companies and Associations it is clear that the Transaction as a whole and the participation by A.I.F. as a subscriber to the new shares that are proposed to be issued in the framework of the Transaction, are in the interest of the Company. Indeed, A.I.F., is an investor with a good reputation in the capital markets and with a history of long-term and supportive shareholdings in Belgian companies. A.I.F. is also the private equity and venture capital fund of the Belgian Boerenbond that focuses on Ag-Tech and Agro-Food companies that contribute to stronger and more sustainable agriculture and horticulture. A.I.F.'s participation in the proposed Transaction is in line with its ambition to support companies to bring their innovations to the agricultural market. By participating in the Transaction, A.I.F. strengthens its position as a shareholder of the Company, solidifying its long-term partnership with the Company. The financial consequences of the Transaction are currently estimated at 15 million EUR as new equity for the Company of which 5 million EUR will be provided for by A.I.F."

c. The minutes of the meeting of the Board dated 16 October 2024 regarding the private placement of new shares by the Company (the "Capital Increase") contain the following:

"The Board has taken note that A.I.F. (permanently represented by Patrik Haesen) has informed the meeting that A.I.F. has engaged itself to subscribe to the Capital Increase and is subsequently potentially having a conflict of interest in the sense of article 7:96 BCCA. A.I.F. will not participate in the deliberation and the voting. These minutes will be transmitted to the auditor in accordance with article 7:96 BCCA. The Board has taken note of the conflict of interest that A.I.F. (permanently represented by Patrik Haesen) has put forward. As described in the report of the Board, it is clear that the Capital Increase overall and the participation by A.I.F. as subscriber to the new shares that are proposed to be issued in the framework of the Capital Increase are in the interest of the Company. A.I.F., is an investor with a good reputation in the capital markets and with a history of long-term and supportive shareholdings in Belgian companies. A.I.F. is also the private equity and venture capital fund of the Belgian Boerenbond that focuses on Ag-Tech and Agro-Food companies that contribute to stronger and more sustainable agriculture and horticulture. A.I.F.'s participation in the proposed Capital Increase is in line with its ambition to support companies to bring their innovations to the agricultural market. By participating in the Capital Increase, A.I.F. strengthens its position as a shareholder of the Company, solidifying its long-term partnership with the Company. The financial consequences of the Capital Increase are currently estimated at 15 million EUR as new equity for the Company of which 5 million EUR will be provided for by A.I.F."

d. The minutes of the meeting of the Board dated 22 January 2025 contain the following:

"Mr. Kevin Helash informed the Board that he has a conflict of interest within the meaning of Article 7:96 of the BCCA with respect to agenda item 5 - "Feedback from the Nomination and Remuneration Committee" in particular regarding (i) the determination of the Company's success rate in reaching the 2024 corporate goals, (ii) Salary round for the Executive Committee and (iii) the determination of the target percentage of subscription rights that can be granted to the CEO in 2025, as these elements have an impact on his remuneration.

(…)

The Board noted the conflict of interest on the part of Mr. Kevin Helash with respect to the above-mentioned items concerning (i) the determination of the success rate in reaching the Company's objectives in 2024, (ii) Salary round for the Executive Committee and (iii) the determination of the target percentage of subscription rights that can be granted to the CEO in 2025, as both elements have an impact on his remuneration. The Board thereby states that a correct remuneration of the CEO linked to the Company's performance is in the Company's interest and the granting of a merit increase of the base salary, an annual bonus and the granting of subscription rights is an important part of this and is in line with the Company's remuneration policy.

Since this is a matter related to remuneration, the Board also noted that Article 7:97 of the BCCA does not apply.

The financial impact on the Company can be summarized as follows :

i. Bonus for the year 2024: 151,875 USD (gross)

ii. Salary increase in 2025: 13,125 USD (gross)

iii. Subscription rights to be granted for 2025: worth 232,875 USD (number of subscription rights to be determined on the basis of a valuation (Black & Sholes) at date of grant)

The amounts under (i) and (ii) are to be increased in order to take into account the higher tax rate in Belgium compared to the United States of America. This amount is estimated in aggregate at 5,500 USD. This decision regarding a tax adjustment in relation to item (iii) will be taken later when the underlying financials as to the number of subscription rights and exercise price are known."

7. 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 2024, the Company entered into one related party transaction within the scope of Article 7:97 of the BCCA. It concerns the private placement of shares that closed on 16 October 2024 whereby A.I.F. BV was one of the subscribers. A.I.F. BV (permanently represented by Patrik Haesen) is a director of the Company as a result of which the procedure of article 7:97 BCCA became applicable in the framework of the private placement. The announcement made pursuant to article 7:97§4/1 of the BCCA can be found on the website of the Company at www.biotalys.com/media/news under the press release dated 14 October 2024 – "Biotalys Obtains Subscription Commitments for EUR 15 Million through a Private Placement of New Shares with New and Current Investors". Further information on the private placement can be found on the website of the Company at www.biotalys.com/investors/shareholder-information. A description of the private placement can also be found in Chapter 13.8 – "Authority of the Board regarding the issue of shares or the buy-in of own shares".

No material limitations were imposed or prolonged by a shareholder that would fall within the scope of article 7:97 § 6 of the BCCA.

8. 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, a number of share-units are issued to these directors in order to comply with provision 7.6 of the Belgian Code on Corporate Governance (see Remuneration Policy - 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 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 is 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.

9. 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, ExCom and staff (in terms of professional background and skills, nationality as well as gender). The attraction, education and counselling of talented staff members with complementary knowledge and experience and a diverse background 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. This requirement could be amended and accelerated depending on (i) the manner in which the Belgian State will implement the “Women on Boards” – directive of the European Union (Directive (EU) 2022/2381 of the European Parliament and of the Council of 23 November 2022 on improving the gender balance among directors of listed companies and related measures) and (ii) whether or not the Company will be a small and medium-sized company at the time of the implementation of the Directive. This directive needs to be implemented by the Member States at the latest on 28 December 2024. However, at the date of this Report, Belgium has not yet implemented this directive.

In brief the Directive requires that Member States shall ensure that listed companies are subject to either of the following objectives, to be reached by 30 June 2026: (a) members of the underrepresented sex hold at least 40 % of Non-executive Director positions; (b) members of the underrepresented sex hold at least 33 % of all director positions, including both executive and Non-executive Directors. The Directive does not apply to small and medium-sized companies.

The current Board has one female director (11.1%) and eight male directors (88.9%), with a diversity of education and professional experience. If the nomination of Mrs. Toni Bucci and Mrs. Laura Meyer is approved at the general shareholders meeting of 22 April 2025, the Board will be composed of two female directors (22.2%) and seven male directors (77.8%).

The Board is continuously looking to increase diversity at the level of the Board of Directors and the ExCom including through the use of executive search firms 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.

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 based on neutral criteria 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 (in 2024 the Company hosted four internships) and connecting with different schools and universities (a.o. through job fairs) and by encouraging our employees to refer their connections.

An overview of the composition of the staff as a result of the human relations policy can be found in the part “Company Highlights and activities”, chapter “People”.

10. Remuneration Report

10.1. 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 has prepared the remuneration policy, which has been approved by the general meeting of April 15, 2022. The remuneration policy, which is included in its entirety in the annual report over the accounting year 2021 (see section 9.1 - Remuneration Policy of such consolidated annual report), will apply to the financial years 2022 through 2025. The Remuneration Report gives an overview of the remuneration as applied in the financial year 2024. This remuneration report should be read together with the remuneration policy.

On March 18, 2025, the nomination- and 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.

10.2. Board of Directors

10.2.1. OVERVIEW

During the financial year 2024 the remuneration of the current Independent Directors consisted of a fixed remuneration in cash and an equity linked remuneration in the form of share-units. 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 table below sets out the remuneration of the directors in 2024.

Name	Chair-person	Remuneration				
		Director	Chairperson Audit Committee	Chairperson Nomination and Remuneration Committee	Share units (valua-tion) (*)	Total (*)
Simon E. Moroney	75,000			10,000	8,070	83,070
Johan Cardoen		55,000			6,725	61,725
Markus Heldt		55,000			6,725	61,725
Catherine Moukheibir (**)		40,377	7,341		(1,553)	46,165
Michiel M. van Lookeren Campagne		55,000			6,725	61,725
Laura Meyer (***)		14,623	2,659		0	17,282
Pieter Bevernage	Not remunerated					
Patrick Van Beneden	Not remunerated					
A.I.F. BV; permanently represented by Patrik Haesen Haesen	Not remunerated					
Kevin Helash	Not remunerated as a director					

(*) The share-units are valued as the difference between the grant date market price and the subscription price of €1. The value is expensed in three tranches over the three year vesting period. The expense in 2024 is reflected in the table above.

(**) Until the end of her mandate on 25 September 2024. The total number of vested share units for Mrs. Moukheibir at the end of her mandate amounted to 1300. Previously awarded share units that had not vested at the end of her mandate were cancelled. Amounts already recognized as expense were reversed, resulting in a negative value.

(***) As from the start of her mandate on 25 September 2024. For 2024, no share units were awarded to Mrs. Meyer, who will be entitled to share units starting in 2025 provided her nomination as independent director is prolonged by the shareholders meeting on 22 April 2025.

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.

10.2.2. KEY FEATURES OF THE SHARE-UNITS

Share units are contractual undertakings to the Company as a result of which the directors concerned have an obligation to subscribe to new shares at a price of €1 per share (irrespective of the value of the shares at the time) (each share unit entails the obligation to subscribe to one new share of the Company).

The number of share units granted for 2024 is, 3,283 for the Chairman of the Board and 2,736 for the other Independent Directors.

As of 2023, the number of share units granted is calculated in the following manner:

- For the Chairman 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;

- For other Independent Directors: 8,750 divided by the average closing price of Biotalys shares on Euronext Brussels during the month of March of the year in question;

Fractions of shares will not be granted.

The new shares will be issued applying the authorised capital of the Company. If no authorised capital should be available, the Company retains the right to deliver existing shares (if it is in a position to acquire its own shares in accordance with company law) or to provide cash compensation (in particular, an amount equal to the closing price of the shares to be delivered as a result of the share units at the time the shares are to be delivered minus the subscription price of the shares (in particular €1 per share)).

The basic characteristics of share units are as follows:

- Share units are not shares or subscription rights (in particular, they have no voting rights, preference rights or other membership rights).

- They are not transferable.
- Share units vest over a period of three years and provided the director is still a director (1/3 each year after grant) except in the event of death, permanent disability[1] to perform the function or an exit[2] of the Company in which case all outstanding share units vest immediately.
- Share units that do not vest lapse.
- Vesting is not subject to performance criteria and the remuneration in share units is therefore fixed remuneration. The share units also create an obligation for the director to subscribe to shares and it is not an option that still leaves a discretion to the director to exercise or not.
- The underlying shares will only be issued three years after the share units are granted.
- The underlying shares will only become transferable at the earliest, the later of (i) three years following the grant of share units to which they relate and (ii) one year following the termination of the mandate of the director as director of the Company provided that the underlying shares are transferable earlier in case of an exit. Furthermore, a transfer to the heirs of the director as a result of death of the director is allowed.

10.3. Executive Committee

10.3.1. OVERVIEW

The remuneration of the members of the ExCom consists 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) subscription rights to new shares ("ESOP Warrants") under the long term incentive plans of the Company ("ESOP Plans"), (iv) group/hospital insurances and other benefits.

1 "Permanent disability means : (i) the director is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months; or the director is determined to be totally disabled by the competent social security administration.

2 "Exit" means (i) a merger of the Company whereby the Company is not the surviving entity, (ii) a (partial) demerger of the Company whereby the Company ceases to exist (ii) a sale of all or substantially all of the assets of the Company, (iii) a public take-over bid on the Company resulting in a change of control over the Company or (iv) a liquidation ("vereffening").

The remuneration of the members of the ExCom is in line with the Company's remuneration policy. By creating a balanced mix between fixed and variable remuneration, as well as between short-term and long-term remuneration, the Company strives to create a focus not only on short-term operational performance but also on the long-term objective of creating sustainable value. The goals and objectives of the members of the ExCom determined to evaluate their variable remuneration have been established in order to support the Company's long-term performance as they focus on the key metrics to achieve such long-term performance. The table below shows the remuneration received by the CEO (individually) and the other members of the ExCom (in aggregate) in respect of their mandates in 2024. It is reminded that only the CEO is entrusted with the day-to-day management of the Company.

	Chief Executive Officer (€)	Other members of the Executive Committee (€)
Fixed Remuneration	358,024	526,655
Other benefits	23,003	43,016
ESOP Warrants (*)	231,699	360,339
One-year variable remuneration (**)	-	78,716
Pension plan	13,800	40,279
Total Remuneration	626,526	1,049,004
Proportion of fixed remuneration in total remuneration (***)	100%	92%

(*) The ESOP Warrants that vested in 2024 were valued based on the Black & Scholes value as of the grant date.

(**) One-year variable remuneration paid in 2024 as bonus over 2023.

(***) Taking into account the ESOP Warrants vested in 2024 as fixed remuneration (as none are linked to performance criteria).

10.3.2. ESOP PLANS

Overview
In accordance with the remuneration policy ESOP Warrants (subscription rights to new shares) 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 ExCom for the year ending 31 December 2024.

Name	Main Conditions of the Plan						Number of ESOP Warrants Granted and Vesting Status				
	1. Plan	2. Award Date	3. End of Vesting Period	4. Exercise Period		5. Exercise Price of the Option	6. Cumulative Share Options Granted	7. Vested prior to 2024	8. Vested during 2024	9. Cancelled during 2024	10. Unvested at year end
Kevin Helash	ESOP 2021	19/10/2023	31/10/2027	01/01/2027	15/04/2031	€ 3.3300	208,974	-	60,950	-	148,024
	ESOP 2021	19/10/2023	31/10/2027	01/01/2027	15/04/2031	€ 3.3300	59,181	-	17,261	-	41,920
	Subtotal						**268,155**	**-**	**78,211**	**-**	**189,944**
Patrice Sellès (former CEO)	ESOP 2020 (**)	09/03/2020	31/03/2024	01/01/2024	15/10/2027	€ 1.2854	750,000	750,000	-	-	-
	ESOP 2021	25/04/2022	30/04/2026	01/01/2026	15/04/2031	€ 6.9600	20,923	10,025	-	10,898	-
	Subtotal						**770,923**	**760,025**	**-**	**10,898**	**-**
Carlo Boutton	ESOP 2021	03/05/2022	31/05/2022	01/01/2026	15/04/2031	€ 7.2300	125,000	49,479	31,250	-	44,271
	ESOP 2021	27/04/2023	30/04/2027	01/01/2027	15/04/2031	€ 6.3316	11,846	-	4,935	-	6,911
	ESOP 2024	24/04/2024	30/04/2028	01/01/2028	15/04/2034	€ 3.0600	32,850	-	-	-	32,850
	Subtotal						**169,696**	**49,479**	**36,185**	**-**	**84,032**
Douglas Minder	ESOP 2020 (**)	17/11/2020	31/01/2025	01/01/2024	15/10/2027	€ 1.2854	50,000	36,458	12,500	-	1,042
	ESOP 2021	25/04/2022	30/04/2026	01/01/2026	15/04/2031	€ 7.1800	3,000	1,250	750	-	1,000
	ESOP 2021	06/07/2022	31/07/2026	01/01/2026	15/04/2031	€ 7.1300	62,500	22,135	15,625	-	24,740
	ESOP 2021	27/04/2023	30/04/2027	01/01/2027	15/04/2031	€ 6.3316	3,000	-	1,250	-	1,750
	ESOP 2021	06/07/2023	31/07/2027	01/01/2027	15/04/2031	€ 5.9200	62,500	-	22,135	-	40,365
	ESOP 2024	24/04/2024	30/04/2028	01/01/2028	15/04/2034	€ 3.0600	30,624	-	-	-	30,624
	Subtotal						**211,624**	**59,843**	**52,260**	**-**	**99,521**

Name	Main Conditions of the Plan						Number of ESOP Warrants Granted and Vesting Status				
	1. Plan	2. Award Date	3. End of Vesting Period	4. Exercise Period		5. Exercise Price of the Option	6. Cumulative Share Options Granted	7. Vested prior to 2024	8. Vested during 2024	9. Cancelled during 2024	10. Unvested at year end
Kamal El Mernissi	ESOP 2024	22/10/2024	30/04/2028	01/01/2028	15/04/2034	€ 3.1900	19,885	-	-	-	19,885
	ESOP 2024	04/12/2024	30/04/2028	01/01/2028	15/04/2034	€ 2.8000	125,000	-	-	-	125,000
	Subtotal						**144,885**	**-**	**-**	**-**	**144,885**
Wim Ottevaere (*) (former CFO)	ESOP 2020 (**)	23/07/2020	30/06/2022	01/01/2024	15/10/2027	€ 1.2854	300,000	300,000	-	-	-
	ESOP 2021	13/10/2021	31/10/2025	01/01/2025	15/04/2031	€ 6.6200	15,000	8,125	3,125	3,750	-
	ESOP 2021	25/04/2022	30/04/2026	01/01/2026	15/04/2031	€ 6.9600	17,436	7,265	3,632	6,539	-
	ESOP 2021	27/04/2023	30/04/2027	01/01/2027	15/04/2031	€ 6.3316	21,707	-	8,140	13,567	-
	Subtotal						**354,143**	**315,390**	**6,757**	**10,289**	**-**
	Total						**1,919,426**	**1,184,737**	**173,413**	**21,187**	**518,382**

(*) Acting through Wiot BV
(**) ESOP Warrants held/granted/vested under the ESOP 2017 and ESOP 2020 Plans each convert into profit certificates that are converted into shares of the Company at a 2:1 ratio upon exercise.

During 2024 no ESOP Warrants were exercised by members of the ExCom.

Key features of the ESOP Warrants

The key features of the various ESOP Warrant 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/ESOP 2024: 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 ESOP Warrants:
The ESOP Warrants are subscription rights ("inschrijvingsrechten") in registered form. In respect of ESOP 2017/ESOP 2020 it concerns subscription rights to profit certificates that are converted upon issue into shares at a ratio of two profit certificates for one share.

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

Number of shares to be issued upon exercise of ESOP Warrants:

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

- ESOP 2021/ESOP 2024: 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 15 April 2031 or such shorter term as the Board may determine at the time of grant.
- The ESOP 2024 Warrants expire and cannot be exercised after 15 April 2034 or such shorter term as the Board may determine at the time of grant.

Vesting:
ESOP Warrants shall vest over a period of four years, whereby (i) 25% of the ESOP 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 instalments.

ESOP 2020/ESOP 2021/ESOP 2024: 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.

The ESOP Warrant plans provide for an accelerated vesting of all outstanding ESOP Warrants in case of

(i) any sale, merger, demerger, consolidation, tender offer or similar acquisition of shares, or other transaction or series of related transactions as a result of which a third party (together, if applicable, with persons acting in concert with any such third party) acquires Control over the Company which it does not have prior to such transaction or series of related transactions, or

(ii) a sale or other disposition of all or substantially all of the Company's assets, whether in one transaction or a series of related transactions, or

(iii) a dissolution and liquidation of the Company.

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 ESOP Warrant plans, 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.

10.4. Severance payment

During 2024 no severance payments have been made to members of the ExCom.

10.5. Use of right to reclaim

The Company does not have any right to reclaim variable remuneration.

10.6. Derogations from the remuneration policy

During 2024 there were no deviations from the remuneration policy.

10.7. 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 financial years prior to 2021 to allow a comparison with previous financial years. Therefore, this remuneration report includes the information related to 2021, 2022, 2023 and 2024 only.

	2024	% vs prior year	2023	% vs prior year	2022	% vs prior year	2021
Evolution of the remuneration:							
Directors and members of the Executive Committee	€2,017,222	-26%	€2,739,978	17%	€2,345,478	14%	€2,054,478
Employees (average)	134,169	14%	118,129	8%	109,253	1%	108,259
Performance of the Company (in '000 EUR):							
Net loss for the period	(13,188)	36%	(20,510)	10%	(22,731)	-34%	(16,929)
Total Equity	27,605	8%	25,569	-33%	38,114	-35%	58,915
Market capitalization at 31 December	122,861	-18%	149,882	-29%	210,456	-4%	219,336

No remuneration was in place for the non-executive Independent Directors prior to the Company's Initial Public Offering of 2021. The remuneration is partially dependent on the fluctuation of the exchange rate of USD/EUR.

10.8. Yearly performance of the Company

With respect to 2024, the Company used a number of performance criteria that determined the variable cash bonus of the members of the ExCom. The maximum variable cash bonus is limited to a percentage of the base salary.

These performance criteria were broken down into three main areas: Financing, Business Development and Human Capital. More detailed performance objectives included:

With respect to financing: strengthen the balance sheet of the Company – garner a minimum injection of 15m EUR to extend the cash runway to mid-2026 through any combination of a capital raise, grant, licence/royalty agreement or other Board approved structure with material external participation. This goal has been achieved as a result of the private placement of new shares in October 2024.

With respect to business development:

a. Finalise manufacturing agreement for Evoca NG aimed at material COGS reduction vis-à-vis in-house expense;

b. Advance regulatory approval of Evoca™ in the USA and Europe with target of achieving EPA approval in 2024;

c. Sign at least one commercial distribution agreement for EvocaNG;

d. Advance a fast track approach to generating 3VHHs, with unique mode of action, assessing at least 10 different molecular targets;

e. Sign toll manufacturing and/or commercial supply agreement for BioFun-6.

This goal was achieved for 50% taking into account the entering into an agreement with Novonesis on the further development and, if successful, production and distribution of Evoca NG, the ongoing discussions with the authorities in the US and Europe in which mainly the approval of the CTGB for large-scale field trials was an important element and the progress made in terms of accelerating the discovery process of VHHs.

With respect to Human Capital:

a. Conduct an employee survey in Q1 and develop an action plan to improve results in 2024 vis-à-vis 2020;

b. ESG strategy implemented per agreed upon metrics by Q2.

This goal has been achieved fully.

Each of the three main areas of performance criteria were weighted as follows: Financing (50%), Business Development (40%), Human Capital (10%) and the (partial or over) achievement of the performance criteria was decided upon by the Board on proposal of the nomination and remuneration committee and was set at 81%.

10.9. Yearly average remuneration of the employees of the Company

Average remuneration of employees on a full-time equivalent basis in 2024 is €134,169.

10.10. Ratio highest and lowest remuneration

Highest remuneration to members of the ExCom	€626,526
Lowest remuneration (in full time equivalent) of the employees	€43,235
Ratio highest remuneration/lowest remuneration	14.49

11. Internal and External Audit Function

11.1. 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 their outcome.

11.2. 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 15 April 2022 for a three-year term, which expires at the ordinary general meeting of 2025. The Company expensed fees to the auditor of €73,450 (excluding VAT) in 2024 for the audit fee for statutory and consolidated financials. Furthermore, €12,500 (excluding VAT) was paid to the auditors for audit related matters. The Board, on the advice of the audit committee, proposes to the general meeting to be held on 22 April 2025, the renomination for a period of three years of Deloitte Bedrijfsrevisoren BV, represented by Mr. Pieter-Jan Van Durme as auditor of the Company.

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

Reference is made to the part “Legal and Financial Information” - chapter 6.

13. Legal information

13.1. Capital structure

On 31 December 2024, the corporate capital of the Company amounted to €5,538,755.50, represented by 37,457,562 shares.

On 31 December 2024 the following warrants are outstanding under the Company’s long term incentive plans:

- 1,989,400 warrants which are convertible into 994,700 shares after considering the 2:1 ratio applicable for the warrants issued before the reverse share split (in the framework of the IPO).

- 1,223,624 warrants that are convertible into 1,223,624 shares.

At the date of this annual report, the corporate capital of the Company amounts to €5,540,603.84 represented by 37,470,062 shares. Furthermore, the following warrants were outstanding as of the date of this annual report:

- 1,964,400 warrants which are convertible into 982,200 shares after considering the 2:1 ratio applicable for the warrants issued before the reverse share split.

- 1,130,397 warrants that are convertible into 1,130,397 shares

In addition, as at 31 December 2024, a total of 23,926 share units are outstanding which may result in a total of 23,926 new shares in accordance with the terms of the share units. This number has not changed as at the date of this annual report.

For 2025, additional share units will be entered into by the Independent Directors. The number of these will only be known after the end of March 2025 as it depends on the price evolution of the Biotalys share on Euronext Brussels.

In respect of the composition of the shareholder base on 31 December 2024 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.

13.2. Restrictions on transfer of financial instruments

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 10.3.2.2 – Key features of the ESOP Warrants) and share-units (see chapter 10.2.2 – Key features of share-units). The Company has no knowledge of the existence of any shareholders' agreements between the shareholders restricting the transfer of financial instruments.

Subject to a number of exceptions, the warrants under each of the ESOP Plans are not transferable (inter vivos). Share-units are not transferable (inter vivos).

13.3. 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.

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

The ESOP Plan governing the ESOP 2020 Warrants provides 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. So far, the Board has not used this possibility.

13.5. 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 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.

13.6. Shareholders agreement

On the date of this annual report the Company has no knowledge of the existence of any shareholders' agreements between the shareholders.

13.7. 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 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 object), 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 object 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.

13.8. 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 23 April 2024, the Company's general shareholders' meeting authorised, the Board to increase the share capital of the Company within the framework of the authorised capital with a maximum of €4,755,005.78. On the date of this report, the Board has used that authority once i.e. in the framework of the private placement of 5,300,352 new shares that closed on 16 October 2024 and resulted in a capital increase of €783,749.72 The Company's general shareholders' meeting decided that the Board, when exercising its powers under the authorised capital, will be authorised 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 26 April 2024. 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 23 April 2024, the Company's general shareholders' meeting expressly authorised 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 23 April 2024.

Information regarding the private placement of new shares dated 16 October 2024 within the authorised capital (article 7:203 BCCA)
On the date of this report, the Board has used its authority under the authorised capital once i.e. in the framework of the private placement of 5,300,352 new shares that closed on 16 October 2024 and resulted in a capital increase of €783,749.72.

In the framework of this private placement a special report of the Board was issued in accordance with article 7:198 iuncto articles 7:179, 7:191 and 7:193 of the BCCA. In this report the Board further explains the reasons for the private placement, the issue price of the new shares issued under the private placement and the reasons for the cancellation of the preferential subscription rights of existing shareholders. As required by the BCCA, the auditor also issued a report in connection with the private placement. Both reports (in Dutch only) can be found on the website of the Company.

- Details of the private placement

The private placement was done by way of a cash contribution under the authorised capital by issuing 5,300,352 new shares with, in the interest of the Company, cancellation the statutory preferential subscription right of the existing shareholders of the Company in favour of certain persons other than the Company's staff. The issue price of the new shares was €2.83 per new share representing a total issue price of €14,999,996.16 of which an amount of €783,749.72 was allocated to the capital of the Company (taking into account a fractional value of EUR 1.4394 (rounded) per share and €14,216,246.44 was booked as unavailable share premium. These new shares were issued in favour of Agri Investment Fund BV, with registered office at Diestsevest 32 box 5b, 3000 Leuven, with company number 0893.885.781, RPR Leuven (A.I.F.), Ackermans & Van Haaren NV, with registered office at Begijnenvest 113, 3000 Antwerp, with company number 0404.616.494 RPR Antwerp (AvH) and ASR Nederland NV, having an office at Archimedeslaan 10, postbox 2072, 3584 BA Utrecht, the Netherlands with company number 30070695 (ASR). Each of the subscribers subscribed for 1,766,784 new shares in the framework of the private placement.

- Issue price

The issue price is the result of (i) negotiations and/or discussions between the Company, the financial institutions that were involved in the private placement and the subscribers with reference to relevant stock market prices of the Company's shares on Euronext Brussels and (ii) a market sounding performed by the involved financial institutions with institutional, qualified, professional and/or other investors to assess their interest in subscribing for the shares based on applicable private placement exemptions.

The issue price for the new shares issued in the context of the private placement is EUR 2.83. This issue price equalled the volume weighted average price of the Company's share on Euronext Brussels during the period of 30 days from (and including) 11 September 2024 till (and including) 10 October 2024 minus a discount of 10%.

This issue price is approximately 14.76% lower than the closing price of the Company's shares on Euronext Brussels on 10 October 2024, i.e. the date prior to the date of the Board's special report related to the private placement.

- Cancellation of the preferential subscription right of existing shareholders

The preferential subscription right of existing shareholders was cancelled in the framework of the private placement in the interest of the Company. In this respect, the special board report stated the following (free translation of the original Dutch version):

"The Board believes that the Capital Increase is in the best interest of the Company because, if completed, the transaction will further improve the Company's equity position and working capital and support the Company's going concern taking also into account that without the Capital Increase the Company expects its cash runway to expire in Q2 of 2025. In general, the proposed Capital Increase will allow the Company to strengthen its capital structure, enabling a greater proportion of its funding requirements to be met with equity. Also, the proposed Capital Increase will allow the Company to raise the additional funds in a fast and (cost) efficient manner that will support the further development and growth of the Company's business.

In particular, the Company currently intends to use the net proceeds:

- *To further develop and advance the Company's pipeline, including research and development, to increase the number of programmes within crop protection and the food value chain, possibly also through partnerships;*

- *To fund the ongoing platform development and intellectual property capture to maintain competitiveness and increase the efficiency of Biotalys' 2.0 AGROBODY Foundry™ platform;*

- *To support the regulatory process of its first product candidate EVOCA™ and to support the further development of EVOCA NG including through field trials and regulatory approvals;*

- *To support the recruitment and retention of key talent; and*

- *For general business purposes.*

The investment of the Beneficiaries demonstrates their support of the Company's business and strategy and allows the Company to strengthen its relationship with these investors, which may enable the Company to further strengthen its image with investors, which is in the interest of the further development of the Company's business and any future capital market transactions. Moreover, a participation by a new investor, i.e. A.S.R., provides additional incentive in future capital market transactions.

Indeed, the Beneficiaries are investors with a good reputation in the capital markets and with a history of long-term and supportive shareholdings in Belgian companies. A.I.F. is also the private equity and venture capital fund of the Belgian Boerenbond that focuses on Ag-Tech and Agro-Food companies that contribute to stronger and more sustainable agriculture and horticulture. A.I.F.'s participation in the proposed Capital Increase is thus in line with its ambition to support companies to bring their innovations to the agricultural market. AvH is an entrepreneurial investment group

focused on creating value through long-term partnerships. The knowledge and expertise AvH has gained over the years in various sectors, will be beneficial for both the further growth and development of the Company. By participating in this Capital Increase, A.I.F. and AvH strengthen their position as a shareholder of the Company, solidifying their long-term partnership with the Company A.S.R. is one of the largest insurers in the Netherlands. ASR Vermogensbeheer NV manages the investments of A.S.R.. In its investment policy sustainability is a top priority and it is based on the Sustainable Development Goals. As one of its strategies it manages an impact investment whereby the sustainable investment objective is to invest in companies with which the asset manager aims to achieve a measurable and positive environmental and social impact. The Company believes that such investment strategy fits with its own objectives and activities and that A.S.R. will be a valuable shareholder.

The Board of Directors proposes to cancel the preferential right of the Company's shareholders in favour of the Beneficiaries. The cancellation of the preferential right in favour of the Beneficiaries allows the Company to raise a significant amount of funds through an accelerated process, without high transaction risk, to further strengthen its equity and working capital, thereby, among other things, freeing up space for the Company to fund its operations. These activities require further investment and funding and, if successful, the Company could use the net proceeds of the proposed Capital Increase for these activities.

Second, the Capital Increase, through the participation of the Beneficiaries, may improve the stability of the Company's shareholder structure. This is in the interest of both the Company and the Company's shareholders.

Third, proceeding at this stage to raise funds through a public issue with or without preferential rights would be difficult to achieve. A public issue is not only very costly for the Company, it also requires significantly longer preparation time, and favourable market conditions while the ability to raise capital may change during that period. Reverting to a public fundraising requires not only more time but is also accompanied by uncertainty as to whether, in such a longer and more expensive process, a capital increase can ultimately be realised on acceptable terms. In contrast, the Capital Increase subscribed to by the Beneficiaries enables the Company to raise new funds quickly and cost-efficiently.

Fourth, it is also noted that, due to macroeconomic factors such as the geopolitical situation in Eastern Europe and the Middle East capital markets have been extremely volatile. Consequently, the Capital Increase, if successful, gives the Company the opportunity, and it is in the latter's interest, to raise new funds quickly and efficiently in these circumstances.

For all these reasons, the Board of Directors is of the opinion that the proposed Capital Increase, even with the cancellation of the preferential subscription right in favour of the Beneficiaries and notwithstanding the resulting shareholder dilution, is in the interest of both the Company and its existing shareholders, as it may enable the Company to raise the new funds required to further implement its strategy in a rapid and cost-effective manner."

- Impact of the capital increase on the rights of existing shareholders

In this respect the special board report stated the following (free translation of the original Dutch version):

"Each share of the Company currently represents an equal portion of the capital of the Company and entitles it to one vote. The issuance of new shares in connection with the Capital Increase will result in a dilution of the shareholders of the Company and of the relative voting rights attached to each share in the Company, as the current shareholders do not have the right to participate in the Capital Increase (except for the Beneficiaries who are already a shareholder).

The dilution with regard to voting rights applies mutatis mutandis to the participation of each share in profits and liquidation proceeds and other rights attached to the Company's shares, such as the statutory preferential right in the event of a capital increase in cash by issuing new shares or in the event of the issuance of new subscription rights or convertible bonds.

More specifically, prior to the Capital Increase, each share of the Company shall share equally in the profits and liquidation proceeds of the Company and each shareholder shall have a statutory preferential right in case of a capital increase in cash or in case of the issuance of new subscription rights or convertible bonds. Upon issuance of the new shares pursuant to the Capital Increase, the new shares to be issued will have the same rights and benefits as, and be of equal rank in all respects with, the current and outstanding shares of the Company at the time of their issuance and delivery, and will be entitled to distributions for which the relevant record date or maturity date falls on or after the date of issuance and delivery of the shares. As a result (and to the extent that the new shares are issued and subscribed for), the participation by shareholders in the profits and liquidation proceeds of the Company and the statutory preferential right in the event of a cash capital increase will be diluted accordingly.

The evolution of the Company's capital and number of voting shares as a result of the proposed Capital Increase is simulated below.

The table below shows the evolution of the number of outstanding shares, assuming 5,300,352 new shares to be issued under the Capital Increase.

For the calculation of the dilution effect the subscription by the Beneficiaries as existing shareholders for the new shares is not included (maximum dilution).

Evolution of the number of outstanding shares
Issue price EUR 2.83 per new share

Number of outstanding shares before the Capital Increase	
(A) Outstanding shares	32,157,210
Capital Increase	
(B) New number of shares to be issued in connection with the Capital Increase	5,300,352
Number of shares outstanding after the Capital Increase	
(C) Total number of shares outstanding after the Capital Increase	37,457,562
(D) Dilution in the framework of the Capital Increase	14.15%[1]

In the framework of the private placement an ad hoc committee of the independent directors also issued a report in accordance with article 7:97 of the BCCA. The conclusion of this report was as follows (free English translation of the Dutch original):

"Based on the information provided, the Committee considers that the proposed Capital Increase is in line with the strategy pursued by the Company, will be done on market terms, and is unlikely to lead to disadvantages for the Company and its shareholders (in terms of dilution) that are not sufficiently compensated by the advantages that the Capital Increase offers the Company and other elements in the Company's policy, or would be manifestly unlawful."

1 Situation at the date of the special Board report, on a fully basis, in case of exercise of all outstanding subscription rights and conversion of all outstanding share units, which would give rise to the issuance of 2,126,724 new shares, the dilution under the Capital Increase would be 13.39%.

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.

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

The Company is of the opinion that during 2024 no agreements have been concluded that fall within the scope of article 7:151 BCCA, with the exception of the change of control provisions in the ESOP Plans and the agreements covering the share-units. These change of control provisions have been approved by the ordinary general meeting in 2022 and 2024.

13.10. 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

13.10.1. ESOP WARRANT PLANS – SHARE-UNITS

The ESOP Warrant plans and the terms governing the share-units provide for an accelerated vesting of all outstanding ESOP Warrants in case of a change of control over the Company.

13.10.2. EMPLOYMENT AGREEMENT WITH KEVIN HELASH (CEO) AND KAMAL EL MERNISSI (CBDO)

In the agreements between Biotalys Inc. and Kevin Helash and Kamal El Mernissi it is provided that upon a termination of such contract without cause in the 12-month period following a change of control over the Company, the relevant person will be entitled to (i) a severance payment equal to six months of base salary, (ii) continued coverage under the United States "Continuation of Health Coverage Act (COBRA)" during such six-month period (unless covered earlier under a new employment), (iii) a cash payment equal to the applicable target bonus for that year and (iv) immediate vesting of unvested ESOP Warrants.

13.10.3. EMPLOYMENT AGREEMENT WITH OTHER MEMBERS OF THE EXECUTIVE COMMITTEE

In the employment agreement with the other members of the Executive Committee it is provided that upon termination of such contract without cause in the 12-month period following a change of control, the member of the Executive Committee will be entitled to (i) a notice period equal to the higher of (x) the legal notice period or (y) six months, or a severance payment equal to the base salary for such period, (ii) continued entitlement to fringe benefits during such notice, (iii) a cash payment equal to the applicable bonus for that year and (iv) immediate vesting of all unvested ESOP Warrants.

13.11. Information regarding important events that occurred after end of the accounting year 2024

On 14 January 2025 the Company gave an update on the regulatory process for Evoca™ as follows:

- in respect of the regulatory process in the European Union the Company announced that the Dutch regulatory authority, CTGB (College voor de Toelating van Gewasbeschermingsmiddelen en Biociden), provided the Company with its initial Draft Assessment Report, recommending the approval of EVOCA's active ingredient throughout the European Union. The CTGB will send its draft report to the Dutch Institute for Health and Environment (RIVM) for potential input regarding classification, labelling and packaging requirements, resulting in the closure of the first phase of the regulatory review of EVOCA in Europe. In the next phase, the European Food Safety Authority (EFSA) and EU member states perform in-depth reviews of the dossier and provide feedback to the CTGB, while allowing Biotalys to deliver certain data requested by CTGB. This next phase is expected to take in total between 12 and 18 months and also includes a public consultation, ending with a vote by the European member states on the approval of the active ingredient at EU level.

- in respect of the regulatory process in the United States of America the Company announced that the Environmental Protection Agency (EPA) continues its review of the regulatory dossier of EVOCA. Biotalys is working closely with the EPA to advance the dossier to a successful outcome and plans to provide an update on the EPA review in conjunction with the company's year-end results press release and investor webcast scheduled on 19 March 2025. In parallel with the EPA, the California Department of Pesticide Regulation (CDPR) has been reviewing the regulatory dossier for EVOCA submitted by Biotalys. As announced previously, the Company understands that the CDPR has finalized its own in-depth review, opening a path to a swift approval at state level pending EPA approval of the product at the federal level.

- on March 11, 2025 the Company announced strong performance from initial field trials with one of its lead candidates for BioFun-6, the Company's second biocontrol program against Botrytis and powdery mildew in fruits and vegetables. The trial results demonstrated that the BioFun-6 AGROBODY™ candidate is an effective tool to protect crops against these key pathogens, at significantly lower dose rates than currently applicable for EVOCA™, the company's first biofungicide.

13.12. 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", the elements that have been made public by the Company in its press releases and the uncertainties that could arise from the geopolitical situation (including conflicts in Ukraine, Gaza and Middle East in general, Red Sea/Yemen) (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

1.1. Consolidated statements of profit and loss

- **Other operating income** amounted to €3.2 million and relates to R&D tax incentives received and grants awarded to support R&D activities. Income from the grant from the Bill & Melinda Gates Foundation increased by €0.6 million. R&D tax incentives slightly decrease to €0.6 million, while income from government grants decreased by €0.1 million compared to 2023 as a couple of funded projects came to an end.

- **Research and development expenses** amounted to €11.0 million for 2024, a decrease of €5.6 million compared to 2023, mainly caused by a reduction of external spending for the production and field trials of EVOCA, combined with a lower R&D headcount.

- **General and administrative expenses** amounted to €5.7 million for 2024, compared to €6.9 million in 2023. This decrease of €1.2 million is mainly driven by cost saving initiatives and a reduction of G&A headcount.

- **Financial income** amounted to €0.7 million in 2024, compared to €0.9 million in 2023, primarily due to less interest income received on bank deposits.

- **Financial expenses** amounted to €0.4 million and are related to interest expenses for the leases and bank loans.

- **Income taxes expenses** reflect the current and deferred tax expense of the period, primarily for the U.S. subsidiary.

- **Loss of the period** decreased to €13.2 million in 2024, compared to €20.5 million in 2023.

- **Basic and diluted loss per share** for 2024 amounted to €0.40 compared to €0.65 in 2023. The average number of shares outstanding in 2024 increased versus 2023, as a result of the capital increase in October, and the loss in 2024 was significantly lower than 2023.

- **Cash and cash equivalents** at year-end amounted to €22.6 million in 2024, or €1.0 million higher than the 2023 balance of €21.6 million. The annual cash burn, net of capital raised via private placements, decreased from €19.5 million in 2023 to €13.4 million in 2024. The lower net cash burn in 2024 reflects savings in external R&D expenses and the impact of the organisational changes implemented by management in 2023.

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. Almost all of Biotalys' product candidates are still in early stages of discovery. Only one product candidate is in the registration phase, but it 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 of six 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 costefficient 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 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 for all target markets, whether in collaboration with its partners 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 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 and other partners under collaboration agreements 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 cancelled delivery due to tariff restrictions or infectious disease quarantines;
- reduced control over delivery schedules, yields and product reliability;
- price increases by the CMO or partner;
- 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 or a partner 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 or has entered into may not be successful, which could adversely affect its ability to develop, distribute and commercialize its product candidates.

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, maintaining or implementing such arrangements. The terms of any collaborations, partnerships or other arrangements that Biotalys may establish may not be favourable to it. The success of any 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. No guarantee can be given that Biotalys can enterr into commercialisation or distribution agreements at favourable terms. In addition, there can be no assurance that Biotalys' distributors 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 and its senior scientific personnel. 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 crop protection products in general, their potential impact on health and the environment, and the perceived impacts of biotechnology on health and the environment, even if these would not be valid for Biotalys' product candidates, 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 favourable 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.

A public health epidemic, including the recent COVID-19 pandemic, 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. A pandemic outbreak may also impact the timelines for approval of product-candidates which may have a material adverse effect on Biotalys' ability to obtain regulatory approval for, or commercialize its product candidates. 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. A continued spread of 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. A pandemic 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.

2.6. Legal and regulatory risks

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. 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, timelines 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 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 (Article 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. 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 development and/or 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 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.

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. It is expected that Biotalys will require substantial additional equity funding in the foreseeable future to be able to continue its operations. It is uncertain whether Biotalys will be able to obtain such funding as this will depend inter alia on the regulatory progress that is made regarding its product-candidates, the progress in the development of new product candidates, the ability to conclude partnerships and the ability to reduce costs in the production process of its product candidates. Furthermore, Biotalys ability to raise additional funding will depend on the prevailing conditions on financial markets.

3. Information regarding branches of the Company

On 31 December 2024, the Company closed its branch in France located at 1 Route du Pérollier 69570 Dardilly. The Company had no other branches.

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 note 4 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 2022, the ExCom 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 ExCom or management team and the overall analysis was reviewed with the Audit Committee.

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 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 ExCom and all other employees with managerial responsibilities.

6.5. Financial reporting risk management and internal control

On an annual basis, a 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.

6.6. Information regarding key intangible resources (article 3:6/2 BCCA)

To the extent necessary or applicable, the Board reports on the key intangible resources referred to in Article 3:6/2 iuncto Article 1:31/2, 4° BCCA.

Reference is also made for this purpose to note 7 under the Notes to the Consolidated Financial Statements in the Financial Statements section. Given the business model that is currently focused primarily on research & development with the intention of bringing innovative crop protection products to the market after regulatory approval, the following intangible resources of the Company are important for a potential value creation:

- the technology platform Agrobody Foundry™ 2.0;
- the know-how developed within the Company with respect to immunization, isolation of high-performance VHHs against plant diseases and production of these VHHs and the resulting intellectual property;
- the know-how developed within the Company with regard to setting up field trials and drafting and handling regulatory dossiers;
- the relationships with important players in the field and with regulatory authorities such as the "College voor de toelating van gewasbeschermingsmiddelen" in the Netherlands and the Environmental Protection Agency in the United States of America.

Financial statements

Statement of the Board of Directors

On 18 March 2025, the Directors of Biotalys NV certified 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.

The report is prepared in accordance with article 13 of the Belgian Royal Decree of November 14, 2007. Biotalys publishes its Annual Report in English and Dutch. In the event of differences of interpretation between the English and the Dutch versions of the Annual Report, the original Dutch version will prevail.

For and on behalf of the Board of Directors of Biotalys NV

Simon E. Moroney
Chairman of the Board of Directors

Laura Meyer
Director, Chair of the Audit Committee

Kevin Helash
Director, CEO

Independent Auditor's Report

Statutory auditor's report to the shareholders' meeting of Biotalys NV for the year ended 31 December 2024 - 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 15 April 2022, in accordance with the proposal of the board of directors ("bestuursorgaan" / "organe d'administration") issued upon recommendation of the audit committee. Our mandate will expire on the date of the shareholders' meeting deliberating on the consolidated financial statements for the year ending 31 December 2024. We have performed the statutory audit of the consolidated financial statements of Biotalys NV for 4 consecutive periods. We are the statutory auditor of Biotalys NV for 12 consecutive years.

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Unqualified opinion

We have audited the consolidated financial statements of the Group, which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows 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 36 747 (000) EUR and the consolidated statement of profit or loss and other comprehensive income shows a loss for the year then ended of 13 188 (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 2024 and of its consolidated results and its consolidated cash flow for the year then ended, in accordance with the 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 matter

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. The Key Audit Matter was 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 this matter.

Key audit matter	How our audit addressed the key audit matter
The 2024 consolidated statement of profit or loss and other comprehensive income shows a loss for the year ended 31 December 2024 of 13 188 (000) EUR, and the consolidated statement of financial position includes a loss carried forward of 11 723 (000) EUR. The consolidated statement of cash flows shows a net cash used in operating activities of 12 651 (000) EUR. The Directors of the company are required to make a rigorous assessment of whether the Group will remain a going concern for a period of at least twelve months from the date of approval of the financial statements and assess whether there are any material uncertainties in relation to the going concern basis of preparation.	We performed extensive inquiries of management and the board on the company's assessment of going concern assumption for the purpose of preparation of the consolidated financial statements for the year ended 31 December 2024. These inquiries entailed probing questions in order to: a) challenge the assumptions used in the forecasted cash runway b) understand any expected significant changes in the contractual pricing arrangements with key suppliers/service providers that could be sensitive towards such assumptions c) understand updates on regulatory approvals of products, and d) assess the likelihood of success in initiatives around future financing pursued by the Group.

Key audit matter	How our audit addressed the key audit matter
Management has prepared detailed budgets and cash flow forecasts for the years 2025 and 2026. These forecasts reflect the strategy of the company and include significant expenses and cash outflows in relation to the ongoing research and development activities. While mitigating actions are not forecasted to be required to support the going concern basis, management and the directors have demonstrated the ability to make organizational changes and cost saving measures to concentrate resources on core research and development capabilities in the event of unforeseen cash constraints. 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 2024 (i.e., 22 600 (000) EUR) is sufficient to cover the cash needs of the Group for at least the 12-month period following the approval of the 2024 annual report. Significant judgments and estimates from management are required in order to predict future cash flows and the Group's potential to meet all its commitments over the 12-month period following the approval of the current consolidated accounts. Therefore, management's assessment of going concern assumption to apply in the preparation of the current consolidated financial statements are subject to significant judgments and estimates.	We have read relevant meeting minutes to assess completeness of the information and have further corroborated the results of our inquiries through ensuring consistency with publicly available information such as press coverage, analysts' reports, amongst others. We inspected the board approved budget utilized by the company to formulate the going concern model to ensure consistencies of the going concern model with the business plan approved by the board. We tested the mathematical integrity of the calculations in the going concern model. In addition, we audited the cash and cash equivalents position as of the financial year end utilized in the going concern model. We evaluated the reasonableness of the Group's forecasted operating expenses, including the relevant cost saving measures included therein, by obtaining an understanding of the company's operations and strategy, inquiring about the Group's research and development activities and comparing the forecasted operating expenses to historical operating expenses. We assessed management's ability to forecast operating expenses by comparing prior year forecasts to actual cash outflows. In addition, we assessed management's ability to timely implement cost saving measures through retrospective review of similar measures being implemented in the past.

Key audit matter	How our audit addressed the key audit matter
The company's disclosure in relation to going concern is in note 3 Critical accounting estimates and judgments, to the consolidated financial statements.	We inspected the current contractual covenants embedded in the Group's financing (bank borrowings and lease arrangements as disclosed by the company in footnote 15 of the consolidated financial statements), procurement and grant arrangements to assess reasonability of management's assessment of the outcome of any breach and its impact on the cash runway and therefore on the going concern assumption. We assessed the adequacy and understandability of the consolidated financial statements' disclosure related to the going concern assessment. We further tested the design and implementation of relevant internal control around management's disclosure process on going concern matters.

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 the 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 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 2024 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.

Signed at Zaventem

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

Consolidated Statement of Financial Position

ASSETS (in thousands of euros)	Note	31 December 2024	31 December 2023
Non-current assets		**10,507**	**11,671**
Intangible assets	**7**	574	642
Property, plant and equipment	**8**	4,144	4,863
Right-of-use assets	**9**	2,666	3,571
Deferred tax assets	**19**	14	18
Other non-current assets	**10**	3,109	2,577
Current assets		**26,240**	**24,910**
Receivables	**11**	970	750
Other financial assets	**12**	2,110	2,100
Other current assets		522	490
Cash and cash equivalents	**12**	22,638	21,570
TOTAL ASSETS		**36,747**	**36,582**

EQUITY AND LIABILITIES (in thousands of euros)	Note	31 December 2024	31 December 2023
Equity attributable to owners of the parent		**27,605**	**25,569**
Share capital	**13**	5,539	46,198
Share premium	**13**	29,211	15,488
Accumulated losses		(11,723)	(40,200)
Other reserves		4,578	4,082
Total equity		**27,605**	**25,569**
Non-current liabilities		**4,376**	**5,467**
Borrowings	**15**	3,694	4,841
Employee benefits obligations	**16**	77	23
Provisions		93	91
Other non-current liabilities	**18**	512	512
Current liabilities		**4,767**	**5,546**
Borrowings	**15**	1,154	1,232
Trade and other liabilities	**17**	2,700	2,591
Other current liabilities	**18**	913	1,723
Total liabilities		**9,143**	**11,013**
TOTAL EQUITY AND LIABILITIES		**36,747**	**36,582**

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	2024	2023
Other operating income	21	3,183	2,611
Research and development expenses	22	(10,959)	(16,608)
General and administrative expenses	22	(5,716)	(6,894)
Operating loss		**(13,492)**	**(20,891)**
Financial income	24	721	939
Financial expenses	24	(377)	(502)
Loss before taxes		**(13,148)**	**(20,454)**
Income taxes	25	(40)	(56)
LOSS FOR THE PERIOD		**(13,188)**	**(20,510)**

in € thousands	Note	2024	2023
Other comprehensive income (OCI)			
Items of OCI that will not be reclassified subsequently to profit or loss			
Remeasurement gains (losses) on defined benefit plans	16	3	(29)
Items of OCI that will be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations		15	(7)
TOTAL COMPREHENSIVE LOSS OF THE PERIOD		**(13,171)**	**(20,545)**
Basic and diluted loss per share (in €)	26	(0.40)	(0.65)
Profit/(loss) for the period attributable to the owners of the Company		(13,188)	(20,510)
Total comprehensive income for the period attributable to the owners of the Company		**(13,171)**	**(20,545)**

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	Currency translation reserve	Accumulated losses	Total Equity
Balance at 1 January 2023	**44,548**	**10,164**	**3,035**	**29**	**(19,662)**	**38,114**
Loss for the period	-	-	-	-	(20,510)	(20,510)
Other comprehensive income	-	-	-	(7)	(29)	(36)
Total comprehensive loss	**-**	**-**	**-**	**(7)**	**(20,539)**	**(20,545)**
Issuance of shares (note 13)	16	-	-	-	-	16
Share-based payments (note 14)	-	12	1,025	-	-	1,037
Issuance of shares (PIPE)	1,634	5,312	-	-	-	6,946
Balance at 31 December 2023	**46,198**	**15,488**	**4,060**	**22**	**(40,200)**	**25,569**
Loss for the period	-	-	-	-	(13,188)	(13,188)
Other comprehensive income	-	-	-	15	3	18
Total comprehensive loss	**-**	**-**	**-**	**15**	**(13,185)**	**(13,171)**
Issuance of shares (note 13)	142	-	-	-	-	142
Share-based payments (note 14)	-	100	558	-	-	658
Reduction of capital by absorption of losses (note 13)	(41,586)	-	-	-	41,586	-
Issuance of shares (PIPE)	784	13,623	-	-	-	14,406
Balance at 31 December 2024	**5,539**	**29,211**	**4,618**	**37**	**(11,800)**	**27,605**

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	2024	2023
CASH FLOW FROM OPERATING ACTIVITIES			
Operating result		(13,492)	(20,891)
Adjustments for:			
Depreciation, amortization and impairments		1,828	1,786
Equity-settled share-based payment expense		658	1,037
Provisions		52	(27)
R&D tax credit		(666)	(568)
Other		39	115
Operating cash flows before movements in working capital		**(11,580)**	**(18,547)**
Changes in working capital:			
Receivables		(86)	89
Other current assets		(32)	257
Trade and other payables		(103)	(1,592)
Other current liabilities		(850)	1,664
Cash used in operations		**(12,651)**	**(18,129)**
Taxes paid		(0)	(154)
Net cash used in operating activities		**(12,651)**	**(18,283)**

in € thousands	Note	2024	2023
CASH FLOW FROM INVESTING ACTIVITIES			
Interests received		718	658
Purchases of property, plant and equipment		(115)	(341)
Purchases of Intangible assets		(23)	(114)
Proceeds from disposal of PPE		8	29
Investments in other financial assets		(10)	0
Net cash used in investing activities		**577**	**233**
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of borrowings and other financial liabilities	**15**	(1,252)	(1,274)
Interests paid		(156)	(159)
Proceeds from issue of equity instruments of the Company (net of issue costs)	**13**	14,549	6,962
Net cash provided by financing activities		**13,141**	**5,530**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**1,068**	**(12,521)**
CASH AND CASH EQUIVALENTS at beginning of year		21,570	34,096
Effect of foreign exchange rate changes		(0)	(5)
CASH AND CASH EQUIVALENTS at end of year		22,638	21,570

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 and insect pests 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 18 March 2025.

2. Summary of significant accounting policies

2.1. BASIS OF PREPARATION

These consolidated financial statements of the Group for the year ended 31 December 2024 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 2024. 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 and presentation 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.

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 2024 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 2024:

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants.
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback.
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements.

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 2024:

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (applicable for annual periods beginning on or after 1 January 2025).
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (applicable for annual periods beginning on or after 1 January 2027).
- IFRS 18 Presentation and Disclosure in Financial Statements (applicable for annual periods beginning on or after 1 January 2027).
- Annual Improvements Volume 11 (applicable for annual periods beginning on or after 1 January 2026).
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) (applicable for annual periods beginning on or after 1 January 2026).

While IFRS 18 will not impact the recognition or measurement of items in the consolidated financial statements, it will introduce new presentation and disclosure requirements. Management will assess the detailed implications of applying the new standard from its mandatory effective date of 1 January 2027.The Group does not expect that the other above-mentioned IFRS pronouncements will have a significant impact on the consolidated financial statements.

Presentation
After the organizational changes made during 2023 to the Executive Committee and headcount, a change was made to the reporting lines on the Consolidated Statement of Profit or Loss and Other Comprehensive Income to better reflect the current operations. The Sales and marketing expenses reporting line was combined with the General and administrative expenses. The comparative amounts reported for 2023 have also been combined and reported as one line. Had the same presentation been maintained in 2024, the reported figures for General and administrative expenses and Sales and marketing expenses would have been €5,448 thousand and €268 thousand, respectively.

2.2. FOREIGN CURRENCIES

Foreign exchange gains and losses resulting from the settlement of foreign currency 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.

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 2024	1.0389	1.0822
31 December 2023	1.1050	1.0811

2.3. 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 2024, no internal development expenditures have met the recognition criteria.

Separately acquired intangible assets
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 25 years for the

Agrobody research platform. The useful life of the Agrobody research platform is reviewed annually and was extended from 20 to 25 years. This change in accounting estimate is accounted for prospectively in the current and future periods. Intangible assets are considered to have a finite economic useful life and no intangible assets with an indefinite life have been identified.

2.4. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment ("PPE") are carried at acquisition cost less accumulated depreciation. 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

2.5. LEASES

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.

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.

2.6. 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 a receivable or other non-current assets, depending on the expected term.

2.7. INCOME TAXES

Income tax expense represents the sum of the current income tax and deferred tax. 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.

2.8. 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.

Cash which is not available for use by the Group, is presented in the consolidated statement of financial statements as other financial assets.

2.9. 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.

Post-employment benefits
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.

Share-based payments
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.

Share Units
Share units are issued to independent directors as part of their remuneration. The share unit agreements oblige the independent directors to subscribe to new shares at a price of €1 per share, irrespective of the value of the shares. The share units are valued as the difference between the grant date market price and the exercise price of €1. The share units are expensed in three tranches over the three year vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

2.10. REVENUE

Revenue from research and development arrangements is recognized for the amount of compensation to which the Group expects to be entitled in exchange for the transfer of goods or services to a customer. Up-front payments for access to Biotalys' technology are recognized and deferred in the period during which the technology is being applied. Where agreements include milestones that are determined to be substantive and at risk at the inception of the agreement, revenue is recognized upon confirmation by the counterparty that the milestone has been achieved.

3. Critical accounting estimates and judgments

3.1. CRITICAL ACCOUNTING ESTIMATES

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. While actual results may differ from these estimates, there are no major sources of estimation uncertainty that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3.2. CRITICAL JUDGMENTS

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 advancement of Biotalys' candidate products and other pipeline projects entails various risks and uncertainties, including but not limited to the uncertainty of the development and regulatory review process and the timing of achieving profitability. Investments are being made in research and development, while there are currently no commercial revenues. This is in line with the business plan and typical for a pre-commercial Ag-tech company in the research- and development phase, such as Biotalys.

The Company has incurred operating losses since its inception and operating losses and negative cash flows from operations are expected to continue for the foreseeable future. As of 31 December 2024, the Company had €22.6 million in cash and cash equivalents and it had no committed source of additional funding from either debt or equity financings.

Management has prepared detailed budgets and cash flow forecasts for the years 2025 and 2026, taking into account available financial resources. The Board of Directors believes that the measures that can safeguard the continuity of the Group are related to continuing the Group's operations combined with and obtaining additional financing through equity, grants, partnerships or other sources of financing. There is no assurance that new financings or other transactions will be available to the Company on commercially acceptable terms, or at all.

The Board of Directors implemented a number of measures to extend the financial runway of the Group and Management continues to exercise control over the level of spending. There are few or no other significant long-term financial commitments besides labor agreements, a bank loan and lease obligations. While mitigating actions are not forecasted to be required to support the going concern basis, Management and the Board of Directors can timely and adequately reduce budgeted expenditures should this be necessary in the context of the Company's going concern or should it be necessary to have more time to obtain additional financing.

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 €22.6 million at year end 2024 is sufficient to cover the cash needs of the Company for at least the 12-month period following the approval of this report. The Company expects the financial runway to extend to May 2026 under the current operating plan without considering any mitigation actions or additional financing through equity, newly awarded grants, partnerships or other sources of financing.

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.

Revenue – collaborative arrangement
In 2023, the Group entered into a collaborative arrangement with a third party to leverage Biotalys' technology platform for specific targets. With regard to this collaboration, the Company made the following significant judgements:

- The collaborative arrangement is defined as a vendor-customer relationship in scope of IFRS 15 in which Biotalys is the vendor and the third party the customer.
- In determining the distinct performance obligations, the Group made certain judgements on the relevance of the criteria such as significant integration activities or interdependency of the performance obligation with other performance obligations. There is a single performance obligation identified which is the transfer of a license combined with performance of research activities. The Company concluded that the license is not distinct in the context of the contract.

4. 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.

The Group considers that the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements approximate their fair values.

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 2024	31 December 2023
Assets	817	968
Liabilities	679	441

At 31 December 2024, 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 +/- €7 thousand (2023: +/- €26 thousand). In 2024 and 2023, 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 15). The Group does not have any credit line agreements. As the 2024 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 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 (note 3).

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.

	Scheduled Repayments in					
31 December 2024 In € thousands	**2025**	**2026**	**2027**	**2028**	**2029 and later**	**Total**
Bank borrowings	486	486	486	486	647	2,589
Lease liabilities	784	644	615	487	3	2,534
Total	**1,270**	**1,130**	**1,101**	**973**	**650**	**5,123**

	Scheduled Repayments in					
31 December 2023 In € thousands"	**2024**	**2025**	**2026**	**2027**	**2028 and later**	**Total**
Bank borrowings	486	486	486	486	1,133	3,075
Lease liabilities	895	773	633	604	476	3,382
Total	**1,381**	**1,259**	**1,118**	**1,090**	**1,609**	**6,457**

4.2.5. FAIR VALUE

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. The carrying amount of cash and cash equivalents, trade receivables, financial assets and other current assets approximate their value due to their short-term character. The carrying value of current liabilities approximates their fair value due to the short-term character of these instruments.

The fair value of non-current borrowings is evaluated based on their interest rates and maturity dates. These instruments have fixed interest rates and their fair value measurements are subject to changes in interest rates. The fair value of the borrowings was measured by defining the expected future cash flows, and by discounting these on current, risk-adjusted interest rates. The fair value measurement is classified as level 3.

	Carrying Value		Fair Value	
31 December In € thousands	**2024**	**2023**	**2024**	**2023**
Non-Current Borrowings (bank borrowings)	2,015	2,456	1,865	2,237

The Group uses the following hierarchical classification in determining and explaining the fair value of financial instruments by valuation technique:

- Level 1: market prices in active markets for identical assets or liabilities
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
- Level 3: information not based on observable market figures

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 Maker, being the Chief Executive Officer, reviews the operating results and operating plans and makes resource allocation decisions on a company wide basis.

Currently, no revenue is generated. 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 2024

Company name	Company number	Location	% financial interest
Biotalys NV	BE 508.931.185	Buchtenstraat 11, 9051 Gent, Belgium	Parent
Biotalys Inc.		4035 Premier Drive, Suite 300 High Point, NC 27265, 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 2024			
Cost	1,138	242	1,380
Accumulated amortization	(626)	(112)	(737)
Opening carrying amount	**512**	**130**	**642**
Additions	-	23	23
Amortization expense	(55)	(36)	(91)
Closing carrying amount	**457**	**117**	**574**
Cost	1,138	265	1,403
Accumulated amortization	(681)	(148)	(829)

in € thousands	Platform Technology	Software	Total
Year ended 31 December 2023			
Cost	1,138	128	1,266
Accumulated amortization	(569)	(100)	(669)
Opening carrying amount	**569**	**27**	**596**
Additions	-	114	114
Amortization expense	(57)	(11)	(68)
Closing carrying amount	**512**	**130**	**642**
Cost	1,138	242	1,380
Accumulated amortization	(626)	(112)	(737)

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.

No intangible assets have been pledged in the context of financial liabilities.

8. Property, plant and equipment

in € thousands	Leasehold improvements	Lab Equipment	Other	Total
Year ended 31 December 2024				
Cost	3,425	4,346	834	8,606
Accumulated depreciation	(1,230)	(2,012)	(502)	(3,743)
Opening carrying amount	**2,195**	**2,335**	**333**	**4,863**
Additions	10	61	44	115
Transfers	-	308	-	308
Disposals	-	(43)	(7)	(50)
Depreciation expense	(440)	(503)	(148)	(1,091)
Closing carrying amount	**1,766**	**2,157**	**221**	**4,144**
Cost	3,436	4,853	823	9,111
Accumulated depreciation	(1,670)	(2,695)	(601)	(4,967)

in € thousands	Leasehold improvements	Lab Equipment	Other	Total
Year ended 31 December 2023				
Cost	3,394	3,626	787	7,808
Accumulated depreciation	(793)	(1,304)	(375)	(2,473)
Opening carrying amount	**2,601**	**2,322**	**412**	**5,335**
Additions	31	179	98	309
Transfers	-	309	-	309
Disposals	-	(7)	(22)	(29)
Depreciation expense	(437)	(468)	(156)	(1,061)
Closing carrying amount	**2,195**	**2,335**	**333**	**4,863**
Cost	3,425	4,346	834	8,606
Accumulated depreciation	(1,230)	(2,012)	(502)	(3,743)

Certain assets that have been financed by the Bank Loan described in note 15.1 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 2024				
Cost	3,611	1,811	708	6,130
Accumulated depreciation	(1,800)	(446)	(313)	(2,559)
Opening carrying amount	**1,811**	**1,365**	**395**	**3,571**
Additions	46	67	-	113
Transfers	-	(308)	-	(308)
Disposals	(56)	-	(9)	(65)
Depreciation expense	(362)	(162)	(121)	(646)
Closing carrying amount	**1,438**	**962**	**265**	**2,666**
Cost or valuation	3,604	1,363	575	5,543
Accumulated depreciation	(2,166)	(401)	(310)	(2,878)

in € thousands	Buildings	Lab equipment	Vehicles	Total
Year ended 31 December 2023				
Cost	3,574	1,731	527	5,832
Accumulated depreciation	(1,435)	(524)	(205)	(2,164)
Opening carrying amount	**2,139**	**1,206**	**322**	**3,667**
Additions	36	650	181	867
Transfers	-	(309)	-	(309)
Depreciation expense	(365)	(182)	(108)	(655)
Closing carrying amount	**1,811**	**1,365**	**395**	**3,571**
Cost or valuation	3,611	1,811	708	6,130
Accumulated depreciation	(1,800)	(446)	(313)	(2,559)

The Group leases buildings for its headquarters in Belgium, 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 is 9 years, for the company cars and lab equipment the lease term ranges between 4 and 5 years. More information about the related lease liability is shown in note 15 and the maturity schedule in note 4.2.4.

The amounts recognized in profit or loss can be summarized as follows:

in € thousands	2024	2023
Depreciation expense of right-of-use assets	(646)	(397)
Interest expense on lease liabilities	(102)	(97)
Total amount recognized in profit or loss	**(748)**	**(494)**
of which as:		
Research and development expense	(487)	(259)
General and administrative expenses	(159)	(138)
Financial expenses	(102)	(97)

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 value of the committed future rental payments due before the next available termination option amounts to €453 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 2024	31 December 2023
R&D tax credit receivable (note 21)	2,951	2,576
Other taxes receivable	159	1
Other non-current assets	**3,109**	**2,577**

11. Receivables

in € thousands	31 December 2024	31 December 2023
VAT receivable	264	228
Grants receivable	66	121
R&D Tax credit receivable	271	137
Other amounts receivable	369	264
Receivables - Current	**970**	**750**

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 2024, an amount of €2,110 thousands (2023: €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, including the pledged amount, 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 2024, the balance of loan outstanding at that bank was €2,456 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 2024	31 December 2023
Cash at bank and in hand	3,518	7,670
Short-term bank deposits	19,120	13,900
Total cash and cash equivalents	**22,638**	**21,570**

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. CAPITAL AND SHARE PREMIUM

As of 31 December 2024, the share capital of the Company amounts to €5,539 thousands (2023: €46,198 thousands) represented by 37,457,562 (2023: 32,094,711) fully paid-up ordinary shares, and the share premium amounts to €29,211 thousands (2023: €15,488 thousands).

The following table provides an overview of the transactions of share capital and share premium for the years ended 31 December 2024 and 2023:

in €, except number of shares		Number of Shares	Share Capital	Share Premium	Total
31 January 2023		**30,949,454**	**44,547,917**	**10,164,045**	**54,711,963**
18 January 2023	Shares issued upon exercise of ESOP II Warrants	10,000	16,403	12,249	28,651
12 June 2023	Issuance of new Ordinary Shares	1,135,257	1,634,136	5,311,877	6,946,013
31 December 2023		**32,094,711**	**46,198,456**	**15,488,171**	**61,686,626**
19 January 2024	Shares issued upon exercise of ESOP II and III Warrants	62,499	142,062	99,698	241,760
23 April 2024	Reduction of capital by absorption of losses	-	(41,585,512)	-	(41,585,512)
16 October 2024	Issuance of new Ordinary Shares	5,300,352	783,750	13,622,712	14,406,461
31 December 2024		**37,457,562**	**5,538,755**	**29,210,580**	**34,749,335**

During June 2023, the Company raised €7,000 thousands through the issuance of 1,135,257 new shares to two existing shareholders in a private investment in a public equity ("PIPE") transaction at an issue price of EUR 6.166 per share.

In April 2024, share capital decreased as a result of the absorption of accounting losses for a total amount of €41,586 thousand, with a counterpart in the financial statements line item 'accumulated losses'. The absorption of the accumulated losses into share capital is a non-cash accounting transaction.

During October 2024, the Company raised €15,000 thousands through the issuance of 5,300,352 new shares to two existing shareholders and one new shareholder in a PIPE transaction at an issue price of EUR 2.83 per share.

14. Share-based payments

Per 31 December 2024, the Group has outstanding ESOP warrants pursuant to four outstanding incentive plans, namely

i. the 2017 ESOP II plan (the "ESOP II Warrants") with an expiry date of 10 May 2027,
ii. the 2020 ESOP III Plan (the "ESOP III Warrants") with an expiry date of 31 December 2027,
iii. the 2021 ESOP IV Plan (the "ESOP IV Warrants") with an expiry date of 4 July 2031, and
iv. the 2024 ESOP V Plan (the "ESOP V Warrants") with an expiry date of 15 April 2034

(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; and (ii) 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 or ESOP V 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 reconciles the options outstanding for the year ending 31 December 2024 and 2023:

	Average exercise price (€)	Number of options	Number of options exercisable
Closing balance at 1 January 2023	**2.54**	**2,902,167**	**699,399**
Granted	4.57	518,389	-
Forfeited	5.40	(189,569)	-
Exercised	0.82	(20,000)	-
Closing balance at 31 December 2023	**2.71**	**3,210,987**	**679,399**
Granted	2.93	230,854	-
Forfeited	5.55	(103,534)	-
Exercised	1.14	(124,999)	-
Closing balance at 31 December 2024	**2.69**	**3,213,308**	**1,988,357**

The weighted average share price at the date of exercise for share options exercised during the year ended 31 December 2024 was € 4.70. The weighted average remaining contractual life for the share options outstanding as at 31 December was 4.40 years in 2024 and 5.79 years in 2023.

The following table provides the input to the Black & Scholes model for the warrants granted under the ESOP IV and V plans in 2024 and 2023:

	2024	2023
Weighted average share price (€)	3.02	4.57
Weighted average exercise price (€)	2.94	4.66
Expected volatility of the shares (%)	58 - 60%	56.71%
Expected dividends yield (%)	0.00%	0.00%
Risk free interest rate (%)	2.02 - 2.88%	3.11%
Expected life (in years)	6.2 - 6.8	5.79
Weighted average fair value of the options granted	**1.58**	**2.42**

Share Units

The remuneration of the current independent directors consisted of a fixed remuneration in cash and an equity linked remuneration in the form of share units. The share units are not shares and generally vest in equal annual instalments over a three-year period as long as the director is still in office. The share unit agreements oblige the independent directors to subscribe to new shares at a price of €1 per share. The number of share units granted in 2024 is 14,227 (2023: 7,290) and each share unit entails the obligation to subscribe to one new share of the Company.

The share-units issued in 2024 were valued at the difference between the grant date market price and the exercise price of € 1, or €2.28 per share unit (2023: €1, or €5.31). The value is expensed in three tranches over the three year vesting period and €27 thousand was expensed in 2024 (2023: €31 thousand).

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.

15. Borrowings and other financial liabilities

15.1. BORROWINGS

In € thousands	31 December 2024	31 December 2023
Lease liabilities	2,393	3,185
Bank borrowings	2,456	2,888
Total borrowings	**4,848**	**6,073**
of which as:		
Non-current borrowings	3,694	4,841
Current borrowings	1,154	1,232

Lease liabilities

The weighted average incremental borrowing rate used for the measurement of the lease liabilities is 2.28% at closing 2024 (2023: 2.23%). 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.

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. The Bank Loan contains a restrictive covenant requiring the Group to maintain a cash position in excess of €10,000 thousands at the Bank and the Group was in compliance with such covenant as of 31 December 2024. See additional information at 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).

15.2. LIQUIDITY AND CASH FLOW RECONCILIATION

The maturity table of the bank borrowings and the lease 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 2024 in € thousands	Opening carrying amount	Cash flows	Non-cash movements: New leases	Non-cash movements: Reclasses	Closing carrying amount
Non-current borrowings					
Bank borrowings	2,456	-	-	(441)	2,015
Lease liabilities	2,385	-	16	(722)	1,679
Current borrowings					-
Bank borrowings	432	(432)	-	441	441
Lease liabilities	800	(820)	11	722	713
Total liabilities from financing activities	**6,074**	**(1,252)**	**27**	**-**	**4,849**
Presented in the statement of cash flows (financing activities) as follows:					
Proceeds from borrowings		-			
Repayments of borrowings		(1,252)			

31 December 2023 in € thousands	Opening carrying amount	Cash flows	Non-cash movements: New leases	Non-cash movements: Reclasses	Closing carrying amount
Non-current borrowings					
Bank borrowings	2,888	-	-	(432)	2,456
Lease liabilities	2,449	-	671	(735)	2,385
Current borrowings					-
Bank borrowings	424	(424)	-	432	432
Lease liabilities	740	(850)	176	735	800
Total liabilities from financing activities	**6,501**	**(1,274)**	**847**	**-**	**6,074**
Presented in the statement of cash flows (financing activities) as follows:					
Proceeds from borrowings		-			
Repayments of borrowings		(1,274)			

16. Post-employment employee benefit liabilities

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 2024	31 December 2023
Defined benefit obligation	1,012	724
Plan assets	(935)	(701)
Net non-current employee benefit obligation	**77**	**23**

The total service cost of €364 thousand (2023: €302 thousand) is included as employee benefit expenses and the net interest expense of €5 thousand (2023: €5 thousand) as financial expenses in the consolidated income statement. The net effects of remeasurement on the net defined benefit liability of €-3 thousand (2023: €-29 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 2024, the Group contributed €22 thousand (2023: €33 thousand) to the 401(k) Plan.

17. Trade and other liabilities

in € thousands	31 December 2024	31 December 2023
Trade payables	1,169	1,252
Employee benefit liabilities	1,518	1,331
Other	12	7
Trade and other liabilities - Current	**2,700**	**2,591**

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.

18. Other current and non-current liabilities

Certain grants and unearned revenue totaling €1,417 thousand as of 31 December 2024 (31 December 2023: €2,235 thousand) have been deferred as several organisations (among which the Bill and Melinda Gates Foundation, VLAIO (a Flemish governmental agency), and a collaboration partner) advanced funds for new projects before the related costs have been incurred. These amounts are amortized to other operating income as the related project expenses are incurred, and the liability position is split into current and non-current portions according to planned project costs.

19. 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 2024		31 December 2023	
in € thousands	Deferred tax asset	Deferred tax liability	Deferred tax asset	Deferred tax liability
Intangible assets	3,683	-	4,656	-
Property, plant and equipment	-	(345)	-	(79)
Leases	-	(80)	-	(22)
Employee benefit liabilities	33	-	18	(2)
Tax losses	26,343	-	22,155	-
Total deferred tax assets & liabilities	**30,059**	**(425)**	**26,829**	**(102)**
Net deferred tax assets not recognized	(29,619)	-	(26,709)	-
Offsetting	(425)	425	(102)	102
Total deferred tax assets & liabilities	**14**	**-**	**18**	**-**

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 2024	31 December 2023
Deductible temporary differences	13,099	18,304
Tax losses	105,372	88,619
Total	**118,470**	**106,923**

The tax losses carried forward are available indefinitely.

20. Research collaboration

In 2023, the Company entered into a collaborative arrangement with a third party to leverage Biotalys' technology platform for specific targets. With regard to this collaboration, the Company concluded as follows:

- There is one single performance obligation under IFRS 15 which is the transfer of a license combined with performance of research activities. The Company concluded that the license is not distinct in the context of the contract.
- The transaction price is composed of a fixed part, that being an upfront fee of €1,250 thousands, and a variable part, being milestone payments. Milestone payments are only included in the transaction price to the extent it is highly probable that a significant reversal in the amount of cumulative revenue recognition will not occur when the uncertainty associate with the variable consideration is subsequently resolved. No amount of the milestone payments have been included in the transaction price as of the date of the financial statements. Sales-based royalties are a part of the arrangement but are not yet included in revenue.
- The transaction price has been allocated to the single performance obligation and revenues will be recognized over the estimated service period based on a pattern that reflects the transfer of the license and progress to complete satisfaction of the research and development activities. This is because the Company considered that there is a transformational relationship between the license and the research and development activities to be delivered.

The Company has chosen an input model to measure the satisfaction of the single performance obligation that considers percentage of costs incurred for these programs that are completed each period (percentage of completion method). In 2024, €93 thousand have been recognized as revenue (2023: €28 thousand).

21. Other operating income

In € thousands	2024	2023
R&D tax incentives	1,448	1,512
Grant income	1,529	1,023
Other income	206	76
Total other operating income	**3,183**	**2,611**

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.

22. 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	2024	2023
Employee benefit expense	9,585	11,710
R&D materials and external services	1,936	5,688
External consultant services	439	506
Depreciation expense of property, plant and equipment	1,091	1,321
Depreciation expense of right-of-use assets	646	397
Amortization expense of intangible assets	91	68
Facilities and IT related costs	1,011	1,186
Patents and IP	276	410
Other	1,600	2,217
Total operating expenses	**16,675**	**23,502**
of which as:		
Research and development expense	10,959	16,608
General and administrative expenses	5,716	6,894

The other expenses relate to facility management, recruitment, legal and expert fees and other miscellaneous expenses.

23. Employee benefit expenses

In € thousands	2024	2023
Wages and salaries	5,993	7,237
Management and consultant fees	747	1,175
Social security costs	1,417	1,520
Equity-settled share-based payment expenses	658	1,037
Defined benefit costs	392	319
Defined contribution costs	22	33
Other employee benefit expenses	356	388
Total employee benefit expense	**9,585**	**11,710**

The total employee benefit expense has been allocated along functional lines within the income statement and includes both employees and contractors.

Organizational changes were made during 2023 which resulted in a reduction in headcount, including changes to the Executive Committee. The Group communicated the plan of termination to the affected employees before 31 December 2023. As there was no requirement for the employees to continue working, the Group recognized an expense for termination benefits amounting to € 563 thousand during 2023.

Headcount in full-time equivalents	2024	2023
Average number of total employees	62	77
Number of employees at year-end	63	65

24. Financial result

The various items comprising the net finance cost are as follows:

In € thousands	2024	2023
Interest Income	534	655
Exchange differences	187	284
Total financial income	**721**	**939**
Interest expense on lease liabilities	102	97
Interest expense on bank borowings	53	62
Other interest expense	2	2
Interest expense	**157**	**160**
Bank fees	15	21
Exchange differences	198	312
Other	7	8
Total financial expenses	**377**	**502**

25. Income tax expense

25.1. AMOUNTS RECOGNIZED TO PROFIT AND LOSS

The income tax (charged)/credited to the income statement during the year is as follows:

In € thousands	2024	2023
Current tax (expense)/income	(34)	48
Deferred tax (expense)/income	(5)	(104)
Total income taxes	**(40)**	**(56)**

25.2. RECONCILIATION OF EFFECTIVE TAX

The income tax expense can be reconciled as follows:

In € thousands	2024	2023
Loss before income tax	**(13,148)**	**(20,454)**
Income tax expense calculated at domestic tax rates	3,287	5,113
Disallowed expenses	(203)	(359)
Tax-exempt income	141	236
Effect of unused tax losses not recognized as deferred tax assets	(3,262)	(4,939)
Adjustments in respect of prior year	(8)	81
Other	6	(190)
Total income taxes	**(40)**	**(56)**

26. Earnings per share

Basic earnings per share are calculated by dividing net earnings for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net earnings 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.

The table below reflects the income and share data used in the basic and diluted earnings per share computations:

In € thousands	2024	2023
Basic earnings		
Loss from continuing operations attributable to owners of the parent	(13,188)	(20,510)
Diluted earnings		
Dilution effect of share-based payments	-	-
Loss from continuing operations attributable to owners of the parent, after dilution effect	**(13,188)**	**(20,510)**

Number of shares	2024	2023
Weighted average number of ordinary shares outstanding during the period	33,254,585	31,587,240

in €	2024	2023
Basic earnings per share	(0.40)	(0.65)
Diluted earnings per share	(0.40)	(0.65)

As the Group is reporting operating losses, the stock options 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.

27. Commitments and contingencies

Capital Expenditures
At 31 December 2024, there was €88 thousand of outstanding commitments for lab equipment and facilities items (2023: €70 thousand of leases, reimbursable over a period of 5 years).

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 €132 thousands as per the end of 2024 (2023: €50 thousands).

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 €624 thousands as per the end of 2024 (2023: €630 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 AGROBODY™ 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 AGROBODY™ bioactives.

28. Related party transactions

28.1. TRANSACTIONS WITH RELATED PARTIES

As described in note 13.2, the Company raised €15,000 thousands during October 2024 through the issuance of 5,300,352 new shares, or 1,766,784 shares to each of three shareholders. One of the subscribers in the private placement, A.I.F. BV (permanently represented by Patrik Haesen), is a director of the Company.

Currently, there are no other transactions with related parties.

28.2. KEY MANAGEMENT REMUNERATION

Key management compensation as disclosed below comprises compensation recognized in the income statement for current members of the Board of Directors and the Executive Committee, for the portion of the year where they exercised their mandate.

in € thousands	2024	2023
Short-term benefits	1,344	1,852
Post-employment benefits	54	72
Share-based payments	619	449
Termination benefits	-	368
Total	**2,017**	**2,740**

Furthermore, as of 31 December 2024, key management holds 794,360 options and 23,926 share units in the context of the share-based payment plans further explained in note 14 (2023: 2,369,487 options and 13,786 share units). These options grant the right to convert into 793,286 Ordinary Shares after the impact of the 2:1 reverse share split for the applicable ESOP plans (2023: 1,529,278 Ordinary Shares).

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.

29. Events after the end of the reporting period

During January 2025, 25,000 ESOP II Warrants were exercised. This resulted in an additional 12,500 new Ordinary Shares being issued on 28 January 2025, 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.

30. 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 15 April 2022 for the statutory term of three years by the Company's extraordinary general shareholders' meeting held on 15 April 2022.

The Company expensed fees to the auditor of € 86 thousand in 2024 and €84 thousand in 2023. The fees are broken down as follows:

- Audit fee for statutory and consolidated financials: €73 thousand in 2024 and €70 thousand in 2023.
- Legal mission: €13 thousand in 2024 and €9 thousand in 2023.
- Agreed upon procedure (Reporting VLAIO): €0 in 2024 and €5 thousand in 2023.

“Statutory Report of Biotalys NV in respect of the accounting year ended on 31 December 2024 in accordance with article 3:6 of the Belgian Code on Companies and Associations (the “Statutory Report”)

1. Business Overview

Operation
The Company did not generate revenue during the financial year 2024, as the focus remained on further developing the AGROBODY™ technology platform and the product development of AGROBODY™ bio¬controls. Reference is made to the chapter “Our AGROBODY technology platform and product pipeline” of the part “Company Highlights and Activities” of the Consolidated Report that is included in this Statutory Report in its entirety by reference.

Other operating income amounted to €2,534 thousands (€1,926 thousands in 2023), which comprised the exemption from the payment of payroll tax for scientific research amounting to €799 thousands (€827 thousands in 2023), as well as VLAIO subsidies of €77 thousands (€203 thousands in 2023) and a grant from the Bill and Melinda Gates Foundation of €1,452 thousands (€820 thousands in 2023).

The operating costs amounted to €24,105 thousands (€36,263 thousands in 2023). These costs include staff costs of €7,341 thousands (€8,393 thousands in 2023) as well as costs for external scientific research and various services. The amortization in 2024 amounted to €8,798 thousands (€14,867 thousands in 2023), including €7,395 thousands for internal R&D.

As a result, the Company closed the financial year with an operating loss of €-14,150 thousands (€-20,969 thousands in 2023).

Financial result
The financial result amounts to €389 thousands (€509 thousands in 2023) and contains mainly interest received from bank deposits (€534 thousands), offset by €-24 thousands costs for foreign exchange differences, and interests paid in the scope of the leasing and loan obligations entered into (€-111 thousands).

As a result, the loss resulting from normal business operations in 2024 amounted to €-13,761 thousands (€-20,461 thousands in 2023).

Net Result
An amount of €647 thousands (€451 thousands in 2023) tax credit has been posted, which leads to a total loss for the period of €-13,136 thousands (€-20,015 thousands in 2023).

Appropriation of the net result
The Company ended the financial year 2024 with a loss to be appropriated for an amount of €-13,136 thousands. We therefore propose to the General Meeting to carry this loss forward.

Valuation rules
The loss to be carried forward per 31/12/2024 amounts to €-13,136 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 pro¬cedures 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 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 advancement of Biotalys’ candidate products and other pipeline projects entails various risks and uncertainties, including but not limited to the uncertainty of the development and regulatory review process and the timing of achieving profitability. Investments are being made in research and development, while there are currently no commercial revenues. This is in line with the business plan and typical for a pre-commercial Ag-tech company in the research- and development phase, such as Biotalys.

The Company has incurred operating losses since its inception and operating losses and negative cash flows from operations are expected to continue for the foreseeable future. As of 31 December 2024, the Company had €22.5 million in cash and cash equivalents and it had no committed source of additional funding from either debt or equity financings.

Management has prepared detailed budgets and cash flow forecasts for the years 2025 and 2026, taking into account available financial resources. The Board of Directors believes that the measures that can safeguard the continuity of the Group are related to continuing the Group's operations combined with and obtaining additional financing through equity, grants, partnerships or other sources of financing. There is no assurance that new financings or other transactions will be available to the Company on commercially acceptable terms, or at all.

The Board of Directors implemented a number of measures to extend the financial runway of the Group and Management continues to exercise control over the level of spending. There are few or no other significant long-term financial commitments besides labor agreements, a bank loan and lease obligations. While mitigating actions are not forecasted to be required to support the going concern basis, Management and the Board of Directors can timely and adequately reduce budgeted expenditures should this be necessary in the context of the Company's going concern or should it be necessary to have more time to obtain additional financing.

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 €22.5 million at year end 2024 is sufficient to cover the cash needs of the Company for at least the 12-month period following the approval of this report. The Company expects the financial runway to extend to May 2026 under the current operating plan without considering any mitigation actions or additional financing through equity, newly awarded grants, part¬nerships or other sources of financing.

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.

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 2024

Reference is made to item "12.11 Information regarding important events that occurred after the end of the accounting year 2024" 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 "12.12 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 "Our AGROBODY technology platform and product 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.

On 31 December 2024, the Company closed its branch in France located at 1 Route du Pérollier, 69570 Dardilly. The Company had no other branches.

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 note 4 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 is included in this Statutory Report in its entirety by reference.

11. Information regarding the use of the authorised capital (article 7:203 WVV)

Reference is made to section 13.8 - “ Authority of the Board regarding the issue of shares or the buy-in of own shares”, chapter “Legal Information” in the part “Corporate Governance” of the Consolidated Report, that is included in its entirety by reference into this Statutory Report.

12. Going concern

Reference is made to the statement on the application of the valuation rules on a going concern basis within note 1 of this Statutory Report.

13. Extraordinary activities and special assignment carried out by the auditor

The auditor issued a report in accordance with articles 7:178 iuncto 7:179,7:191 and article 7:193 of the BCCA in connection with the private placement of 5,300,352 new shares on 16 October 2024.

14. Discharge to the directors and the auditor

In accordance with the law and articles of association, the shareholders will be requested at the general shareholders meeting of 22 April 2024 to grant discharge to the directors and the statutory auditor of their responsibilities assumed in the financial year 2025.

Furthermore, the Board has proposed to the general shareholders meeting of 22 April 2025, the renewal of the mandate of Deloitte Bedrijfsrevisoren BV, represented by Mr. Pieter-Jan Van Durme as auditor of the Company for a period of three years.

15. Information regarding key intangible resources (article 3:6/2 BCCA)

Reference is made to section 6.6 – “Information regarding key intangible resources (article 3:6/2 BCC) in the part “Legal and financial information” of the Consolidated Report, that is included in its entirety by reference in this Statutory Report.

Condensed Statutory Financial Statements

Statutory Income Statement

in € thousands	2024	2023
Operating income	9,955	15,294
Operating loss	**(14,150)**	**(20,969)**
Financial result	389	509
Loss for the period before taxes	**(13,761)**	**(20,461)**
Income taxes	625	446
Loss for the period	**(13,136)**	**(20,015)**

The full version of the accounts (including the auditor's report) is available on the company's website.

Statutory Balance Sheet

in € thousands	2024	2023
Assets	**32,325**	**31,720**
Fixed assets	**3,444**	**4,649**
Intangible assets	117	130
Tangible assets	3,327	4,519
Financial fixed assets	0	0
Current assets	**28,881**	**27,071**
Receivables over 1 year	2,609	2,080
Receivables within 1 year	1,420	1,175
Inventory	193	202
Cash and cash equivalents	24,659	23,614
Equity	**24,758**	**22,751**
Capital	5,539	46,198
Share premium	32,355	18,138
Accumulated losses	(13,136)	(41,586)
Liabilities	**7,568**	**8,969**
Provisions	100	0
Long-term financial debt	2,445	3,142
Short-term financial debt	**3,578**	**3,458**
Trade debts	1,169	1,164
Taxes, remuneration and social security	1,325	1,304
Other short term financial debt	1,084	990
Accruals and deferred income	1,445	2,269

The full version of the accounts (including the auditor's report) is available on the company's website.

Investor Relations

Toon Musschoot
+32 (0)9 274 54 00
IR@biotalys.com

Biotalys NV
Buchtenstraat 11
9051 Ghent
Belgium

Colophon

This is a publication of Biotalys
Copywriting Company Highlights: Cantilis and Biotalys
Concept and lay-out: www.cantilis.be


biotalys