



Press release - regulated information

Biotalys Reports Half-Year 2021 Financial Results and Business Highlights

First biocontrol product Evoca™ on track for market introduction in 2022

Successfully raised €52.8 million through public listing on Euronext Brussels

Management to host a conference call at 15:00 CEST / 14:00 BST / 09:00 EDT today, details below

Ghent, BELGIUM – 17 September 2021, 07:00 CEST – [Biotalys \(Euronext - BTLS\)](#), an Agricultural Technology (AgTech) company focused on addressing food protection challenges with protein-based biocontrol solutions for a more sustainable and safer food supply, today provides a business update and its consolidated financial results for the first half of 2021, prepared in accordance with International Accounting Standard 34 – Interim Financial Reporting as adopted by the European Union. The full interim financial report is available on the Company's website.

Patrice Sellès, Chief Executive Officer of Biotalys, commented: *"Biotalys is shaping the future of sustainable and safe food supply through its unique protein-based biocontrols. In the first half of 2021 we took a momentous step towards this with our IPO on Euronext, raising €52.8 million. This is an important milestone in Biotalys' growth and we have been delighted by the support from investors, both historic and new, who share our vision and commitment to protecting food, innovatively and without negatively impacting the environment and our health. With a strong financial runway, we look forward to continuing preparing the market introduction of our lead biocontrol product Evoca™ on track for 2022 and realizing the potential of our AGROBODY Foundry™ platform to transform the way we produce and protect food, from farm to fork."*

H1 2021 operational highlights

- Evoca™, Biotalys' first protein-based biocontrol, offers fruit and vegetable growers a new tool for their Integrated Pest Management (IPM) programs to combat major fungal diseases to maximize yields and extend produce shelf life after harvest with substantially lower residues.
 - Following the submission for approval to the Environmental Protection Agency (EPA) in the United States for Evoca™ in December 2020, Biotalys passed the provided completeness check followed by an EPA "Preliminary Technical Screening Letter". This letter provides the registrant the opportunity to clarify or complement the initially submitted data to allow the regulator to make the appropriate assessments on the product and its safety. Biotalys has submitted solid scientific and technical responses to all raised points to the EPA, within the set time frame. In April 2021, Biotalys also submitted for approval in California, as this State performs its own in-depth review.
 - Biotalys submitted a registration dossier for the active substance of Evoca™ for EU approval in March 2021. As part of the standard review process, Biotalys received an "Outcome of Admissibility Check" from the *College voor Toelating van Gewasbeschermingsmiddelen en Biociden* (Ctgb), to which Biotalys provided the requested data and explanations within the set time frame. Subsequently, Biotalys received confirmation by Ctgb and the European Food Safety Authority (EFSA) that the submitted dossier is admissible for review.
 - Both the receipt and handling of the EPA "Preliminary Technical Screening Letter" and the Ctgb "Outcome of Admissibility Check" have been taken into account in the projected timelines for registration, as mentioned in the Biotalys' prospectus.



- Biotalys expects to initiate a stepwise market testing of Evoca™ in selected states in the US starting in late 2022. In anticipation of regulatory approval, Biotalys has begun building the necessary internal capabilities as well as engaging Contract Manufacturing Organisations (CMOs) and selecting distributors to support its first product exposure to the market.
- Biotalys earned recognition for Evoca™ in May 2021 as Finalist in Fast Company's 2021 World Changing Ideas, an awards program showcasing some of the world's most inventive companies tackling pressing global challenges.
- The Company continued its field trial program with Evoca™ throughout the first half of 2021 in various regions.
 - An additional 150 field and greenhouse trials were performed in the first half of 2021 for Evoca™ product development and positioning.
 - Biotalys' ongoing global fruit and vegetable trial program has now reached over 450 trials across multiple regions, pathogens and crops, providing Biotalys with a tremendous amount of qualitative information on Evoca™, essential for both regulatory and product development and positioning purposes.
 - In June 2021, Biotalys reported on the strong performance of Evoca™ in its product testing program for 2020, comparing its performance to conventional chemical and biological crop protection products. Evoca™ was shown to combine conventional chemical-like performance and consistency with the safety profile of biological controls, when used in Integrated Pest Management (IPM) programs.
- Biotalys continues to strengthen its patent portfolio to protect its science and products. In H1 2021, three additional patents were granted to the Company in the USA, Canada and Brazil respectively and related to certain VHH polypeptides, a seed treatment composition and a targeting agent.
- At the beginning of 2021, Biotalys moved to its new facility located at Buchtenstraat 11, Ghent (Belgium), comprising offices, state-of-the art laboratories (including growth chambers) and technical spaces, totaling approximately 2,600m². This new facility operates as the Company's headquarters and accommodates all in-house R&D as well as the majority of the Company's managerial and support functions.

The move into the new facility allows Biotalys to deliver operational and energy efficiencies such as environmentally friendly lighting systems, technical installations with more efficient energy management and maintenance systems, recuperation/exchange of heat, automatic air flow adjustment to CO² levels, sunscreens to maintain temperature and reduce cooling need, a waste reduction/recycling plan, and operations in full compliance with the environmental permit conditions.

On 9 September 2021, Mrs. Hilde Crevits, Flemish Minister of Agriculture, Science and Innovation, officially inaugurated the new facilities.

Corporate highlights (including post-period)



- In July 2021 Biotalys successfully listed on Euronext Brussels with the support of local and international investors, raising a total of €52.8 million, including €5.3 million through the exercise of the over-allotment option on 30 July 2021. Proceeds from the funds raised will be used to:
 - fund the development of Biotalys' existing pipeline, including discovery, development, fields trials, manufacturing scale up and regulatory costs;
 - fund the continued improvement and optimization of the Company's AGROBODY Foundry™ platform and to fund the extension of its pipeline (including potentially through partnered programs);
 - fund the Company's go-to-market strategy including distribution costs related to setting up a supply chain, warehouse & logistics, costs for distribution via partners, etc. and business development efforts as well as for general corporate purposes.
- Following the successful IPO, Biotalys will enter the BEL Small® index on Monday 20 September 2021 following a quarterly review by Euronext.
- As of Q2 2021, the Company strengthened its Board of Directors with the appointment of Simon Moroney as Chairman of the Board, as well as the appointment of Catherine Moukheibir and Markus Heldt as Independent Directors.
- In the first half of 2021, Biotalys attracted key personnel for various of its departments, including the Discovery, Development, Finance and Business Development functions, bringing the total of staff to 66 on 30 June 2021.

Selected financial information

In € thousand	June 30, 2021	June 30, 2020
Other operating income	831	567
Research and development expenses	(6,275)	(5,265)
General and administration expenses	(2,241)	(1,249)
Marketing expenses	(677)	(303)
Other operating expenses	(1)	(7)
Operating loss	(8,363)	(6,257)
Loss of the period	(7,158)	(5,326)
Net cash used in operations	(7,345)	(5,257)
Net cash outflow of the period	(7,637)	(461)
Cash and cash equivalents	15,465	22,897

- Other operating income amounted to €0.8 million and relates to R&D tax incentives received and grants awarded to support R&D activities. The primary increase relates to government grants to support Biotalys' R&D activities, which accounted for €0.4 million for the six months ended 30 June 2021 (2020: €0.2 million).



- Research and development expenses amounted to €6.3 million for the first half of 2021, an increase of €1 million compared to the same period of 2020. These increases primarily relate to increases in internal staffing levels to develop the Company's pipeline product candidates, depreciation of lab equipment and external spending for production and field trials for Evoca™.
- General and administrative expenses amounted to €2.2 million for the first half of 2021, compared to €1.2 million in the same period of 2020. The increase was mainly driven by an increase in employee benefit expenses from strengthening the Company's management team and an increase in professional services related to the preparation for the initial public offering in July 2021.
- Net cash used in operating activities increased by €2.1 million for the six months ended 30 June 2021 to €7.3 million, compared to €5.2 million for the six months ended 30 June 2020, driven by changes in the level of working capital, higher research and development expenditures and strengthening of the Company's management team.

Outlook for the remainder of 2021 and beyond

- Biotalys' vision is to create an integrated biocontrol leader and to become a technology platform-based biocontrol company with end-to-end capabilities in discovery, development, and commercialization. Management believes that Biotalys is well positioned for the remainder of 2021 and beyond to achieve these aims.
- Biotalys' pipeline of product candidates continues to progress according to plan and, the Company expects several of its programs to be considered for promotion into the development stages within the next 18 months, to further expand its offering and portfolio towards high value crops impacted by detrimental and resistant pests and diseases.
- The financing undertaken with the IPO in July 2021 provides the Company with additional funding to further exploit the potential of its proprietary AGROBODY Foundry™ platform. Moving forward Biotalys intends to:
 - obtain first registration for Evoca™ in the US and the EU and use it to pave the way to progress the rest of Biotalys' pipeline. Evoca™ is expected to enable Biotalys to introduce key agricultural sectors with the benefits of protein-based products derived from its AGROBODY Foundry™, establishing trust and demonstrating the key differentiating features of its AGROBODY™ biocontrols to pave the way for future product candidates;
 - selectively leverage Biotalys' AGROBODY Foundry™ platform to secure strategic collaborations and create additional value;
 - expand Biotalys' AGROBODY Foundry™ platform potential in adjacent markets;
 - use selective partnerships and in-licensing of technology to complement capabilities, create scale and enhance value.

Auditor Statement

The condensed consolidated financial statements for the six-months' period ended 30 June 2021 have been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union. They do not include all the information required for the full annual financial statements and should therefore be read in conjunction with the financial statements for the year ended 31 December 2020. The condensed consolidated financial statements are presented in



thousands of Euros (unless stated otherwise). The condensed consolidated financial statements have been approved for issue by the Board of Directors. The statutory auditor, Deloitte Bedrijfsrevisoren/ Reviseurs d'Entreprises, represented by Pieter-Jan Van Durme, has performed a limited review of the interim financial report. The interim financial report 2021 and the review opinion of the auditor are available on www.biotalys.com.

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Conference Call

Company management will host a live webcast to discuss its half-year 2021 results and recent business performance today, 17 September 2021 at 15:00 CEST / 14:00 BST / 09:00 EDT.

Details of the webcast and conference call:

Dial-in details:

Belgium: 027933847

London, United Kingdom: 08444819752

New York, United States: +1 646 741 3167

International: +44 (0) 2071 928338

Passcode: 9385477

Webcast link: <https://edge.media-server.com/mmc/p/jvs8shju/>

About Biotalys

Biotalys is an Agricultural Technology (AgTech) company focused on addressing food protection challenges with proprietary protein-based biocontrol solutions and aiming to provide alternatives to conventional chemical pesticides for a more sustainable and safer food supply. Based on its novel AGROBODY™ technology platform, Biotalys has developed a strong and diverse pipeline of effective product candidates with a favorable safety profile that aim to address key crop pests and diseases across the whole value chain, from soil to plate. Biotalys was founded in 2013 as a spin-off from the VIB (Flanders Institute for Biotechnology) and is listed on Euronext Brussels since 2 July 2021. The company is based in the biotech cluster in Ghent, Belgium. More information can be found on www.biotalys.com.

For further information, please contact

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Important Notice

This announcement contains statements which are "forward-looking statements" or could be considered as such. These forward-looking statements can be identified by the use of forward-looking terminology, including the words 'aim', 'believe', 'estimate', 'anticipate', 'expect', 'intend', 'may', 'will', 'plan', 'continue', 'ongoing', 'possible', 'predict', 'plans', 'target', 'seek', 'would' or 'should', and contain statements made by the company regarding the intended results of its strategy. By their nature, forward-looking statements involve risks and uncertainties and readers are warned that none of these forward-looking statements offers any guarantee of future performance. The Biotalys actual results may differ materially from those predicted by the forward-looking statements. Biotalys makes no undertaking whatsoever to publish updates or adjustments to these forward-looking statements, unless required to do so by law.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS (in thousands of euros)	Note	30 June 2021	31 December 2020
Non-current assets		11,329	10,757
Intangible assets		745	792
Property, plant and equipment	5	5,236	4,617
Right-of-use assets		4,158	4,344
Other non-current assets		1,191	1,004
Current assets		20,889	25,505
Trade and other receivables		309	226
Other financial assets	4	3,600	2,100
Other current assets	6	1,515	76
Cash and cash equivalents		15,465	23,103
TOTAL ASSETS		32,218	36,262

EQUITY AND LIABILITIES (in thousands of euros)	Note	30 June 2021	31 December 2020
Equity attributable to owners of the parent		18,807	25,648
Share capital		62,822	62,822
Share premium		690	675
Accumulated losses		(41,276)	(34,117)
Other reserves		(3,430)	(3,732)
Total equity		18,807	25,648
Non-current liabilities		6,568	4,468
Non-current borrowings	7	6,418	4,332
Employee benefits obligations		64	50
Provisions		87	86



Current liabilities		6,844	6,146
Current borrowings	7	1,205	888
Other current financial liabilities	7	-	1,302
Trade and other liabilities		5,354	3,301
Other current liabilities		285	655
Total liabilities		13,412	10,613
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TOTAL EQUITY AND LIABILITIES		32,218	36,262

The accompanying notes are an integral part of these condensed consolidated financial statements. Please see the full interim report available on www.biotallys.com.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE 6 MONTHS ENDED 30 JUNE

in € thousands	Note	H1 2021	H1 2020
Other operating income	8	831	567
Research and development expenses	9	(6,275)	(5,265)
General and administrative expenses	9	(2,241)	(1,249)
Marketing expenses	9	(677)	(303)
Other operating expenses	9	(1)	(7)
Operating loss (EBIT)		(8,363)	(6,257)
Financial income	10	1,322	996
Financial expenses		(110)	(65)
Loss before taxes		(7,151)	(5,326)
Income taxes		(7)	(0)
LOSS FOR THE PERIOD		(7,158)	(5,326)
Other comprehensive income (OCI)			
<i>Items of OCI that will be reclassified subsequently to profit or loss</i>			
Exchange differences on translating foreign operations		1	2
TOTAL COMPREHENSIVE LOSS OF THE PERIOD		(7,157)	(5,324)
Basic and diluted loss per share (in €)	11	(9.54)	(7.10)
Loss for the period attributable to the owners of the Company		(7,158)	(5,326)
Total comprehensive loss for the period attributable to the owners of the Company		(7,157)	(5,324)

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE 6 MONTHS ENDED 30 JUNE

<i>(in thousands of euros)</i>	Attributable to equity holders of the Company						Total Equity
	Share capital	Share premium	Other reserves			Accumulated losses	
			Share-based payment reserve	Anti-dilution reserve	Currency translation reserve		
Balance at 31 December 2019	47,822	540	512	(4,439)	-	(23,362)	21,073
Issuance of shares	8,000	-	-	-	-	-	8,000
Anti-dilution warrants	-	-	-	(375)	-	-	(375)
Share-based payments	-	136	184	-	-	-	320
Total comprehensive loss	-	-	-	-	2	(5,326)	(5,324)
Balance at 30 June 2020	55,822	675	695	(4,813)	2	(28,688)	23,693

<i>(in thousands of euros)</i>	Attributable to equity holders of the Company						Total Equity
	Share capital	Share premium	Other reserves			Accumulated losses	
			Share-based payment reserve	Anti-dilution reserve	Currency translation reserve		
Balance at 31 December 2020	62,822	675	1,062	(4,813)	20	(34,117)	25,648
Share-based payments	-	15	301	-	-	-	315
Total comprehensive loss	-	-	-	-	1	(7,158)	(7,157)
Balance at 30 June 2021	62,822	690	1,362	(4,813)	21	(41,276)	18,807

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE 6 MONTHS ENDED 30 JUNE

in € thousands	Note	H1 2021	H1 2020
CASH FLOW FROM OPERATING ACTIVITIES			
Operating result		(8,363)	(6,257)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation, amortization and impairments		747	470
Share-based payment expense		301	184
Changes in provisions		13	7
R&D tax credit		(186)	(151)
Loss on disposal of fixed assets		6	-
Other		1	2
Changes in working capital:			
Trade and other receivables		(83)	186
Other current assets		(292)	(14)
Trade and other payables		899	317
Other current liabilities		(371)	-
Cash used in operations		(7,328)	(5,257)
Taxes paid		(17)	-
Net cash used in operating activities		(7,345)	(5,257)
CASH FLOW FROM INVESTING ACTIVITIES			
Interests received		-	6
Purchases of property, plant and equipment	5	(975)	(829)
Purchases of intangible assets		(53)	-
Proceeds from disposal of PPE		3	-
Investments in other financial assets		(1,500)	(2,100)
Net cash used in investing activities		(2,526)	(2,923)
CASH FLOW FROM FINANCING ACTIVITIES			



Proceeds from borrowings and other financial liabilities	7	2,780	-
Repayment of borrowings	7	(68)	-
Repayment of lease liabilities		(422)	(379)
Interests paid		(71)	(38)
Proceeds from issue of equity instruments of the Company (net of issue costs)		15	8,136
Net cash provided by financing activities		2,234	7,719
NET DECREASE IN CASH AND CASH EQUIVALENTS		(7,637)	(461)
CASH AND CASH EQUIVALENTS at beginning of period		23,103	23,358
CASH AND CASH EQUIVALENTS at end of period, calculated		15,465	22,897

The accompanying notes are an integral part of these condensed consolidated financial statements. Please see the full interim report available on www.biotallys.com.