

Biotalys Reports Half-Year 2022 Financial Results and Business Highlights

- *Established strategic partnerships, paving the way for market calibration in the U.S. of Biotalys' first biocontrol product Evoca™**
- *Realized R&D breakthrough for Evoca, increasing the commercial potential of the product by 2026*
- *Expanded Executive and Board leadership*
- *Cash and cash equivalents amounted to €45.6 million end of June 2022*
- *Management to host a conference call at 16:00 CEST / 15:00 BST / 10:00 EDT today, details below*

Ghent, BELGIUM – 19 August 2022, 07:00 CEST – [Biotalys \(Euronext - BTLS\)](#), an Agricultural Technology (AgTech) company protecting crops and food with protein-based biocontrol solutions, today announces its key business achievements and consolidated financial results for the first half of 2022, prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting' as adopted by the European Union. The full interim financial report is available [here](#) on the Biotalys website.

Patrice Sellès, Chief Executive Officer of Biotalys, commented: "Biotalys continues to forge the path toward a safer, more sustainable food supply by building a strong product pipeline, an exceptionally talented team and a global partner network. As we are coming closer towards the regulatory approval of our first biocontrol Evoca, the continued positive feedback the product has earned both in the field and from renowned industry experts has created great excitement throughout our international team. We achieved a series of major milestones during the first half of 2022, and remain focused on our mission to bring innovative, protein-based biocontrols to growers."

H1 2022 operational highlights

In the first half of this year, Biotalys has been actively building its team and partnerships to further develop its platform and pipeline:

- Biotalys continued to enter into strategic partnerships with global leaders to **prepare for the market calibration of Evoca, the company's first biofungicide**.
 - ✓ In January 2022, Biotalys [partnered with Olon](#), a world-leading bioactive manufacturing organization, to significantly scale-up the production of the active ingredient of Evoca – ensuring production efficiency to increase its market potential. Biotalys also [appointed Kwizda Agro](#), an established crop protection manufacturer, as formulator of its protein-based biocontrols – solidifying a critical step in the set-up of the supply chain for Biotalys products, starting with Evoca.
 - ✓ In June 2022, Biotalys announced [a new partnership with Novozymes](#), a world leader in biotech solutions, to explore additional routes for the scale-up and production of the bioactive protein of Evoca. A feasibility study is currently ongoing, the outcome of which can serve as a potential key milestone for Biotalys and Novozymes to enter into development, supply and commercialization agreements for a future generation of Evoca.



- **Evoca** continues to perform consistently well in **field trials** in preparation for its planned U.S. market introduction – demonstrating its promise as a pivotal tool for growers looking for more sustainable ways to control devastating fungal diseases.
 - ✓ Its [latest trial results \(announced in May 2022\)](#) further proved its efficacy and ideal product positioning in grapes, with Evoca outperforming a leading chemical product when applied at the flowering stage of grapes in a fungicide rotation program.
 - ✓ The latest trials also demonstrated that wine grape juice quality, vinification or wine characteristics exhibited no differences for Evoca-treated vineyards compared to non-Evoca treated vineyards.
 - ✓ With more than 600 field trials now completed, Evoca offers fruit and vegetable growers a new tool for their Integrated Pest Management (IPM) programs to combat major fungal diseases to maximize yields with significantly lower residues.
- Achieving another major milestone in May of this year, the active ingredient in Evoca earned an [entirely new resistance class by the Fungicide Resistance Action Committee \(FRAC\)](#). The **new classification** granted by this highly regarded international panel of renowned technical experts, demonstrates to growers that Evoca will be a new and differentiating product to manage resistance to fungicides, complementing existing biological and conventional crop protection solutions to fight the fungal diseases Botrytis and powdery mildew.
- Biotalys also earned recognition for Evoca in May 2022, winning a [World BioProtection Award 2022 for Best Biofungicide Product](#). The **award** was granted at the World BioProtection Summit in Birmingham (UK) based on the innovative character, scientific value and market potential of the product.
- At the beginning of H1, Biotalys initiated the new [fungicide program funded by the Gates Foundation](#) (BioFun-7) to develop new biological solutions for cowpeas and other legumes. This new program is an incredible opportunity for the Biotalys team to leverage the antifungal know-how built with our AGROBODY Foundry™ platform and is providing funding to Biotalys of more than EUR 5.1 million over four years.
- At the end of March 2022, Biotalys also **expanded its executive team** with the [appointment of Carlo Boutton as chief scientific officer](#). A proven leader in antibody innovation with a track record building world-class research platforms, Carlo Boutton supports the acceleration of technical innovation and development of Biotalys' AGROBODY Foundry platform.
- In April 2022, Biotalys further **strengthened its Board of Directors** with [the appointment of Michiel van Lookeren Campagne](#), a prominent industry leader in plant science and biotechnology who has spent decades driving scientific advances for the agricultural industry.
- During the first half of 2022, Biotalys also recruited **key personnel** for various departments, including Marketing, Research, and Regulatory & Sustainability. The company had a total staff of 75 on 30 June 2022.
- Biotalys continues to strengthen its **patent portfolio** to protect its science and products. In H1 2022, three additional patents were granted to the company as follows: in Japan related to transgenic plants; in Canada related to an agrochemical composition; and in Brazil related to a method for protecting and treating plants from infection by plant pathogenic fungi.

These accomplishments will also pave the way for **Biotalys’ pipeline of product candidates**, which includes biofungicides, biobactericides and bio-insecticides.

- After announcing the achievement of a significant [breakthrough in protein expression \(more than 500% increase in production\)](#) for the bioactive ingredient of Evoca in January 2022, which dramatically lowers production costs, Biotalys adapted its biofungicide pipeline to effectively capture market share. As a result, Biotalys’ current pipeline of protein-based biocontrols is as follows:



AGROBODY Foundry™ - Transformative pipeline



- Biotalys pipeline of product candidates can be summarized as follows:
 - Once approved by the U.S. Environmental Protection Agency (EPA), Biotalys plans to launch **the first generation of Evoca** for market calibration in select states in the United States through its distribution partner Biobest, followed by an introduction in the EU (pending EU regulatory approval).
 - **The second generation of Evoca** (containing the same protein bioactive, with enhanced manufacturing and formulation) is currently in the development stage and on track to be submitted to the EPA in the U.S. for follow-on registration.
 - **The third generation of Evoca** (containing the same protein bioactive, with further optimized manufacturing and formulation) has progressed into the development stage and is planned to enter both the US and the EU markets by 2026. The company expects this third generation of Evoca to generate positive cashflow margins, which will not be the case for the first and second generation of Evoca in view of current production costs.
 - **BioFun-6** continues to progress according to plan, allowing Biotalys to focus on throughput and selection capacity, increasing the probability of success and a differentiating offer in the field of fruit and vegetables protection by 2028.

- **BioFun-7** was initiated at the beginning of H1 and is progressing as per plan with a number of academic partnerships in preparation as well as internal development of methods and assays to perform the first work packages.
- **The other pipeline programs** (BioIns-1, BioBac-1, BioFun-2 and BioFun-4) are expected to provide valuable IP and know-how, strengthening the company's AGROBODY Foundry platform and could form the basis of further R&D collaborations.

* *Evoca™: Pending Registration. This product is not currently registered for sale or use in the United States, the European Union, or elsewhere and is not being offered for sale.*

Selected financial information

In € thousands	June 30, 2022	June 30, 2021
Other operating income	1,140	831
Research and development expenses	(7,574)	(6,275)
General and administration expenses	(2,596)	(2,241)
Marketing expenses	(718)	(677)
Other operating expenses	-	(1)
Operating loss	(9,748)	(8,363)
Loss of the period	(9,892)	(7,158)
Net cash used in operations	(9,559)	(7,345)
Net cash outflow of the period	(10,547)	(7,637)
Cash and cash equivalents	45,560	15,465

- Other operating income amounted to €1.1 million and relates to R&D tax incentives received and grants awarded to support R&D activities. The increase mainly relates to grants to support Biotallys' R&D activities, which accounted for €1.0 million for the six months ended 30 June 2022 (H1 2021: €0.4 million).
- Research and development expenses amounted to €7.6 million for the first half of 2022, an increase of €1.3 million compared to the same period of 2021. These increases primarily relate to higher spending for external development (+€0.4 million) and field trial costs (+€0.4 million) in preparation for the market calibration with Evoca next year, as well as increased wage costs (+€0.3 million).
- General and administrative expenses amounted to €2.6 million for the first half of 2022, compared to €2.2 million in the same period of 2021. The increase was mainly driven by higher wage costs related to the expansion of the team.
- Net cash used in operating activities increased by €2.3 million for the six months ended 30 June 2022 to €9.6 million, compared to €7.3 million for the six months ended 30 June 2021. These increases primarily relate to a €0.8 million increase in operating loss (net of non-cash items) and changes in working capital driven by the higher payables balance in June 2021 related to certain IPO costs.



Outlook for the remainder of 2022 and beyond

- Biotalys expects to obtain the first registration for Evoca in the United States. The U.S. Environmental Protection Agency (EPA) is currently reviewing the regulatory dossier Biotalys submitted for Evoca end of December 2020. Based on recent discussions with the agency, the company now expects to obtain product registration in early 2023. Biotalys believes this new registration timeline will have no impact on the business plan of the company considering Evoca (first generation) is a market calibration product.
- The company continues to focus on the market calibration of Evoca in selected states in the U.S., as well as on the advancement of its ongoing discovery and development initiatives via the AGROBODY Foundry platform. The company will consider the future net development costs of the first and second generation of Evoca as R&D costs.
- Building on its most recent field trials to perfect application timing best practices, Biotalys is now conducting trials at-flowering sprays within IPM programs in a broader range of commercial important crops, including berries, cucurbits and tomatoes as it deepens field trial data from around the globe.
- Biotalys also aims to continue selectively leveraging its AGROBODY Foundry platform and pipeline to expand into new markets and crops, and to secure additional strategic collaborations and create additional value.
- The company has reduced the expected cash burn for the full year 2022 to a range between €24 and €26 million. Savings are anticipated for certain manufacturing, field trial and personnel and other operating costs, and likely extended delivery times for some equipment purchases will delay the cash impact.
- The outcome of the ongoing feasibility study with Novozymes is expected in early 2023, and may serve as a potential key milestone for Biotalys and Novozymes to enter into development, supply and commercialization agreements for a future generation of Evoca.

Auditor Statement

The condensed consolidated financial statements for the six-months' period ended 30 June 2022 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 2021. 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 2022 and the review opinion of the auditor are available on www.biotalys.com.



Upcoming IR events

- 13 September 2022: Biotalys' CFO and Head of IR will meet with investors at the Berenberg's Food & Chemical Conference in London (UK)
- 15 September 2022: Biotalys' CEO, CFO and Head of IR will meet with investors at the Kepler Cheuvreux / Belfius Autumn Conference in Paris (France)
- 29 September 2022: Biotalys' CEO, CFO and Head of IR will meet investors at the Sustainability Conference organized by KBC Securities (virtual)

-End-

Live webcast and conference call

Company management will host a live webcast to discuss its half-year 2022 results and recent business performance today, 19 August 2022 at 16:00 CEST / 15:00 BST / 10:00 EDT.

Webcast link: <https://edge.media-server.com/mmc/p/4pfcgtba>

Dial-in details: To ask questions live to the management, please also register for the conference call via <https://register.vevent.com/register/Blf4c5b351b875442796b58a40eb9c0faf>.

About Biotalys

Biotalys is an Agricultural Technology (AgTech) company protecting crops and food 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 is developing 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 has been listed on Euronext Brussels since 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

Toon Musschoot, Head of IR & Communication

T: +32 (0)9 274 54 00

E: Toon.Musschoot@biotalys.com



Important Notice

Biotalys, its business, prospects and financial position remain exposed and subject to risks and uncertainties. A description of these risks and uncertainties can be found in the [annual report](#) on the consolidated annual accounts 2021 (see item 11.12 on p. 151 and chapter 2 on p. 159-171).

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. 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 2022	31 December 2021
Non-current assets		11,089	11,336
Intangible assets		631	665
Property, plant and equipment	5	5,382	5,407
Right-of-use assets		3,610	3,885
Other non-current assets		1,466	1,380
Current assets		48,956	58,938
Receivables		503	451
Other financial assets		2,100	2,100
Other current assets	6	793	279
Cash and cash equivalents	7	45,560	56,107
TOTAL ASSETS		60,045	70,274
EQUITY AND LIABILITIES (in thousands of euros)	Note	30 June 2022	31 December 2021
Equity attributable to owners of the parent		50,004	58,915
Share capital		82,094	81,969
Share premium		31,394	31,303
Accumulated losses		(65,747)	(55,855)
Other reserves		2,263	1,498
Total equity		50,004	58,915
Non-current liabilities		5,710	6,150
Borrowings	8	5,591	6,037
Employee benefits obligations		30	26
Provisions		88	87
Current liabilities		4,331	5,209
Borrowings	8	1,119	1,186
Trade and other liabilities		2,254	3,119
Other current liabilities		958	904
Total liabilities		10,041	11,359
TOTAL EQUITY AND LIABILITIES		60,045	70,274

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	2022	2021
Other operating income	9	1,140	831
Research and development expenses	10	(7,574)	(6,275)
General and administrative expenses	10	(2,596)	(2,241)
Sales and marketing expenses	10	(718)	(677)
Other operating expenses	10	-	(1)
Operating loss (EBIT)		(9,748)	(8,363)
Financial income	11	141	1,322
Financial expenses		(269)	(110)
Loss before taxes		(9,877)	(7,151)
Income taxes		(15)	(7)
LOSS FOR THE PERIOD		(9,892)	(7,158)
Other comprehensive income (OCI)			
<i>Items of OCI that will be reclassified subsequently to profit or loss</i>			
Exchange differences on translating foreign operations		9	1
TOTAL COMPREHENSIVE LOSS OF THE PERIOD		(9,883)	(7,157)
Basic and diluted loss per share (in €)	12	(0.32)	(9.54)
Loss for the period attributable to the owners of the Company		(9,892)	(7,158)
Total comprehensive loss for the period attributable to the owners of the Company		(9,883)	(7,157)

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

	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		
<i>(in thousands of euros)</i>							
Balance at 31 December 2020	62,822	675	1,062	(4,813)	20	(34,117)	25,648
Share-based payments	-	-	300	-	-	-	300
Exercise of ESOP Warrants	-	15	-	-	-	-	15
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

	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		
<i>(in thousands of euros)</i>							
Balance at 31 December 2021	81,969	31,303	1,473	-	25	(55,855)	58,915
Share-based payments	-	-	847	-	-	-	847
Exercise of ESOP Warrants	125	91	(91)	-	-	-	125
Total comprehensive loss	-	-	-	-	9	(9,892)	(9,883)
Balance at 30 June 2022	82,094	31,394	2,229	-	34	(65,747)	50,004

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

in € thousands	Note	2022	2021
CASH FLOW FROM OPERATING ACTIVITIES			
Operating result		(9,748)	(8,363)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation, amortization and impairments		771	747
Share-based payment expense		855	301
Changes in provisions		4	13
R&D tax credit		(203)	(186)
Loss on disposal of fixed assets		-	6
Other		-	1
Changes in working capital:			
Receivables		(52)	(83)
Other current assets		(397)	(292)
Trade and other payables		(831)	899
Other current liabilities		62	(371)
Cash used in operations		(9,539)	(7,328)
Taxes paid		(20)	(17)
Net cash used in operating activities		(9,559)	(7,345)
CASH FLOW FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment	5	(328)	(975)
Purchases of intangible assets		-	(53)
Proceeds from disposal of PPE		-	3
Investments in other financial assets		-	(1,500)
Net cash used in investing activities		(328)	(2,526)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings and other financial liabilities	8	-	2,780
Repayment of borrowings	8	(207)	(68)
Repayment of lease liabilities		(416)	(422)
Interests paid		(164)	(71)
Proceeds from issue of equity instruments of the Company (net of issue costs)		126	15
Net cash provided by financing activities		(661)	2,234
NET DECREASE IN CASH AND CASH EQUIVALENTS		(10,547)	(7,637)
CASH AND CASH EQUIVALENTS at beginning of period		56,107	23,103
CASH AND CASH EQUIVALENTS at end of period, calculated		45,560	15,465

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