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Biotalys NV

Buchtenstraat 11, 9051 Ghent

RPR 0508.931.185 (Ghent)

(the “**Company**”)

EXPLANATORY NOTE RELATED TO THE ANNUAL AND EXTRAORDINARY SHAREHOLDERS MEETINGS TO BE HELD ON TUESDAY 23 APRIL 2024 AT 10.00 (BELGIAN TIME)

Introduction

This explanatory note has been prepared on behalf of the Board of Directors of Biotalys NV (the "Board") in connection with the various items on the agenda of the annual and extraordinary shareholders meeting of the Company, to be held on Tuesday 23 April 2024.

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

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

ANNUAL SHAREHOLDERS MEETING

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

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

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

and (iii) the report of the statutory auditor on the consolidated financial statements, for the financial year ended on December 31, 2023.

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

Explanation: This agenda item relates to the communication of, and discussion on (i) the consolidated financial statements, (ii) the annual report of the Board on the consolidated financial statements and (iii) the report of the statutory auditor on the consolidated financial statements, for the financial year ended on December 31, 2023. A copy of these documents is available on the Company's website and at the Company's registered office, as indicated in the notice convening the annual and extraordinary shareholders meetings.

2. Communication of the reports on the statutory financial statements

Agenda item: Communication of and discussion on the annual report of the Board and the report of the statutory auditor on the statutory financial statements, for the financial year ended on December 31, 2023.

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

Explanation: This agenda item relates to the submission of, and discussion on the annual report of the Board and the report of the statutory auditor on the statutory financial statements, for the financial year ended on December 31, 2023. A copy of these documents is available on the Company's website and at the Company's registered office, as indicated in the notice convening the annual and extraordinary shareholders meetings.

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

Agenda item : Communication and approval of the statutory financial statements for the financial year ended on December 31, 2023 and approval of the proposed allocation of the result i.e. carry forward of a loss of € 20,014,723.17 for the financial year to the following financial year. Taken together with the carry forward losses of previous financial years, in total € 41,585,512.06 of losses are carried forward to the following financial year.

Proposed resolution: the shareholders meeting decides to approve the statutory financial statements for the financial year ended on December 31, 2023, and to approve the proposed allocation of the result i.e. carry forward of a loss of € 20,014,723.17 for the financial year to the following financial year. Taken together with the carry forward losses of previous financial years, in total € 41,585,512.06 of losses are carried forward to the following financial year.

Explanation: This agenda item relates to the approval of the statutory financial statements for the financial year ended on 31 December 2023, and of the proposed

allocation of the result. Pursuant to the Belgian Code of Companies and Associations, the annual shareholders meeting must decide on the approval of the statutory financial statements and the proposed allocation of the Company's profit or loss. A copy of this document is available on the Company's website and at the Company's registered office, as indicated in the notice convening the annual and extraordinary shareholders meetings

4. Communication of and approval of the remuneration report

Agenda item: Communication of and approval of the remuneration report, included in the annual reports of the Board, for the financial year ended on December 31, 2023.

Proposed resolution: the shareholder meeting decides to approve of the remuneration report, as included in the annual reports of the Board, for the financial year ended on December 31, 2023.

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

5. Discharge from liability to the directors

Agenda item : discharge from liability to the directors.

Proposed resolution: the shareholders meeting decides to grant discharge from liability to the directors who were in office during the financial year ended on December 31, 2023, for the exercise of their mandate during said financial year.

Explanation: This agenda item relates to the release from liability of the directors for the performance of their mandate during 2023. Pursuant to the Belgian Code of Companies and Associations, the annual shareholders meeting must each year, after the approval of the statutory financial statements, decide separately on the release from liability of the directors. For an overview of the directors who were in office in 2023, reference can be made to the corporate governance statement included in the annual report of the Board that is referred to in item 1 and 2 of the agenda of the annual shareholders meeting

6. Discharge from liability to the statutory auditor

Agenda item: discharge from liability to the statutory auditor.

Proposed resolution: the shareholders meeting decides to grant discharge from liability to the statutory auditor i.e. Deloitte Bedrijfsrevisoren BV, with registered office Gateway Building, Luchthaven Brussel Nationaal 1 J, 1930 Zaventem represented by Mr. Pieter-Jan Van Durme, for the exercise of his mandate during the financial year ended on December 31, 2023.

Explanation: This agenda item relates to the release from liability of the statutory auditor for the performance of its mandate during 2023. Pursuant to the Belgian Code of Companies and Associations, the annual shareholders meeting must each year, after the approval of the statutory financial statements, decide on the release from liability of the statutory auditor.

7. Subject to the approval of items 5 to 8 of the agenda of the extraordinary shareholders meeting, approval in accordance with Article 7:151 of the Belgian Code on Companies and Associations

Agenda item: Subject to the approval of items 5 to 8 of the agenda of the extraordinary shareholders meeting, approval in accordance with Article 7:151 of the Belgian Code on Companies and Associations.

Proposed resolution: Subject to the approval of items 5 to 8 of the agenda of the extraordinary shareholders meeting, the shareholders meeting decides to approve, as far as needed or applicable, in accordance with Article 7:151 of the Belgian Code of Companies and Associations, the terms and conditions of the ESOP V-Plan which grant rights that either could have a substantial impact on the Company's assets or could give rise to substantial liability or which may grant rights that either could have a substantial impact on the Company's assets or could give rise to substantial liability or obligation of the Company in case of a change of control over the Company or a public takeover bid on the shares of the Company.

Explanation: The ESOP V long term incentive plan that is proposed for approval to the extraordinary shareholders meeting, contains the possibility of an early vesting and exercise of subscription rights in case of an "Event" (as defined in the ESOP V plan) which contains a change of control (as a result of a take-over bid, a merger or otherwise). The Board proposes this for approval, as far as needed or applicable, in accordance with article 7:151 of the Belgian Code on Companies and Associations. This approval is subject to and will become automatically into force upon the approval of the items 5 to 8 of the agenda of the extraordinary shareholders meeting.

AGENDA OF THE EXTRAORDINARY GENERAL SHAREHOLDERS MEETING

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

1. Absorption of losses through a decrease of share capital

Agenda item: Absorption of losses through a decrease of share capital

Proposed resolution: *Proposed resolution:* The extraordinary shareholders meeting resolves to absorb in total € 41,585,512.06 of losses (being the total amount of carry forward losses as per the non-consolidated statutory accounts of the Company on 31 December 2023) in the following manner:

(a) Reduction of share capital: reduction of the share capital in accordance with article 7:210 of the Belgian Code on Companies and Associations with an amount of € 41,585,512.06 bringing the share capital from € 46,340,517.84 to € 4,755,005.78.

(b) No cancellation of existing shares: The aforementioned reduction of share capital shall occur without cancellation of existing shares of the Company and shall be borne by each of the existing shares in the same manner. The fractional value of each share shall be adjusted from (rounded) € 1.4411 to (rounded) € 0.1479 per share as a consequence of the aforementioned share capital reduction.

(c) Amendment of articles of association: Article 5 of the Company's articles of association will be amended to align it to the aforementioned reduction of share capital.

Explanation: this agenda item relates to the proposed absorption of losses through a decrease of the share capital.

The Board proposes to absorb in total € 41,585,512.06 of losses (being the total amount of carry-forward losses as per the non-consolidated statutory accounts of the Company on 31 December 2023) through the reduction of the share capital in accordance with article 7:210 of the Belgian Code on Companies and Associations bringing the share capital from € 46,340,517.84 to € 4,755,005.78 without reduction of the number of shares.

This resolution aims to adjust the Company's balance sheet so that the "alarm bell" threshold of article 7:228 of the Belgian Code on Companies and Associations is no longer exceeded. By absorbing the losses in capital, the Company will also be better placed to obtain subsidies from Vlaio in the future.

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

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

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

Explanation: this agenda item concerns the special report of the Board regarding the proposal to renew the authorisation to the Board to increase the capital under the authorised capital by up to 100% of the capital as such proposal is contained in item 3 of the agenda of the extraordinary shareholders meeting.

Pursuant to article 7:199 of the Belgian Code on Companies and Associations, the Board of Directors must, when making such request for authorisation, prepare a special report detailing the special circumstances in which the Board of Directors will be able to use its powers under the authorised capital, and the purposes pursued in doing so. This special report is available on the Company's website and at the Company's registered office, as indicated in the convening notice of annual and extraordinary general meetings.

3. Subject to the approval of the capital reduction set forth in item 1 of the agenda of the extraordinary shareholders meeting, renewal of the authorisation to the Board to increase the capital under the authorised capital¹.

Agenda item: Subject to the approval of the capital reduction set forth in item 1 of the agenda of the extraordinary shareholders meeting, renewal of the authorisation to the Board to increase the capital under the authorised capital.

Proposed resolution: Subject to the approval of the capital reduction set forth in point 1 of the agenda of the extraordinary shareholders meeting, the extraordinary shareholders meeting resolves to renew the authorisation to the Board of Directors to increase the capital in one or more times, during a period of five (5) years starting from the publication of this authorisation in the Annexes to the Belgian Official Gazette, by a total amount not exceeding 100% of the current amount of the Company's capital, and this in accordance with the terms and conditions as set out in the special report of the Board of Directors drawn up in accordance with Article 7:199 of the Code on Companies and Associations, as mentioned in agenda item 2 of this extraordinary shareholders meeting. Consequently, the extraordinary shareholders meeting resolves to delete Article 6 "Authorised capital" of the Company's Articles of Association its entirety and replace it with the following text (whereby the date in §1 and §4 of Article 6 of the Company's Articles of Association mentioned below that appears in square brackets shall be the date of the extraordinary shareholders meeting approving the renewed authorised capital):

«Article 6. AUTHORISED CAPITAL.

§1. The board of directors may increase the capital of the company in one or several times by a (cumulative) amount of maximum four million seven hundred and fifty-five thousand five euros and seventy-eight cents (€ 4,755,005.78). This authorisation may be renewed in accordance with the applicable legal provisions. The board of directors can exercise this authorisation for a period of five (5) years, to be calculated as from the date of publication in the Annexes to the Belgian Official State Gazette of the authorisation approved by the extraordinary shareholders meeting of [date of the extraordinary shareholders meeting approving the renewal of the authorised capital].

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

The board of directors may also use this authorisation to issue convertible bonds, warrants or bonds to which warrants or other movable values are attached, or other

¹ As of the moment that the renewed authorised capital under this proposal to the extraordinary shareholders meeting to renew the authorised capital can be used, the existing authorisation approved by the extraordinary shareholders meeting dated 25 April 2023 shall be cancelled and the present proposal shall replace it. For the avoidance of doubt, to the extent the present proposal would not be approved, the existing authorisation as currently contained in article 6 of the articles of association will remain valid and in force, it being understood that the amount of the authorised capital will be limited to the level as provided for in article 7:198 of the Belgian Code on Companies and Associations.

securities. When using its authorisation within the framework of the authorised capital, the board of directors may, in the interest of the company and within the limits and in accordance with the conditions prescribed by the Belgian Code of Companies and Associations, restrict or cancel the preferential subscription right of shareholders. Such restriction or cancellation may also be done in favour of employees of the company or its subsidiaries or in favour of one or more specified persons, even if they are not employees of the company or its subsidiaries.

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

§4. The board of directors is hereby expressly authorised to proceed with a capital increase in any form, including but not limited to a capital increase accompanied by a restriction or cancellation of the preferential subscription right, even after receipt by the company of the notification from the Belgian Financial Services and Markets Authority (FSMA) that it has been notified of a public takeover bid on the shares of the company. This authorisation is valid in relation to public takeover bids of which the company receives the aforementioned notification no more than three years after [date]. This authorisation may be renewed for an additional period of three years by resolution of the general meeting, which shall deliberate and resolve in accordance with the applicable provisions. The capital increases decided upon within the framework of this authorisation shall be allocated to the remaining part of the authorised capital referred to in the first paragraph.

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

Explanation: This agenda item relates to the proposal that the extraordinary shareholders meeting resolves to renew the authorization to the Board to increase the share capital in one or several times, during a period of five (5) years as from the publication in the Annexes to the Belgian Official Gazette of this authorization, with an aggregate amount equal to up to 100% of the current amount of the share capital of the Company, and this in accordance with the terms and conditions set forth in the special report of the Board prepared in accordance with Article 7:199 of the Belgian Code of Companies and Associations, as referred to in agenda item 2 of the extraordinary shareholders meeting.

It should be noted that the aforementioned authorization also covers the hypotheses to use the authorised capital in any form, including but not limited to a capital increase accompanied by a restriction or cancellation of the preferential subscription right, even after receipt by the company of the notification from the Belgian Financial Services and Markets Authority (FSMA) that it has been notified of a public takeover bid on the shares of the Company. This specific authorisation in the framework of takeover bids is valid in

relation to public takeover bids of which the Company receives the aforementioned notification no more than three years after the date of the extraordinary general meeting approving the renewal of the authorised capital and is subject to the conditions contained in article 7:202 of the Belgian Code on Companies and Associations.

The proposal to renew the authorised capital is conditional on the approval by the extraordinary shareholders meeting of the capital decrease referred to in item 1 of the agenda of the extraordinary shareholders meeting. If such capital decrease would not be approved, the current proposal to renew the authorised capital is no longer applicable and the existing authorisation granted by the extraordinary shareholders meeting on 25 April 2023 will remain in place. If the resolution to approve the capital decrease referred to in item 1 of the agenda of the extraordinary shareholders meeting is approved and the proposal to renew the authorised capital as described in this Report and as proposed to the extraordinary shareholders meeting would not be approved, the existing authorisation will remain valid but will de facto be limited to maximum € 4,755,005.78 based on the proviso of article 7:198 BCCA which limits the maximum amount of the authorized capital for listed companies to the level of the outstanding capital.

Furthermore, the Board of Directors has made use of the existing authorisation on 12 June 2023 in the framework of a private placement as result of which the capital of the Company was increased with € 1,634,135.93.

Present proposal to renew the authorised capital has as goal to align the amount of the authorised capital with the level of the capital after and subject to the implementation of the capital decrease referred to above and to reset in such case the authorised capital at 100% of the capital of the Company after the implementation of the capital decrease.

4. Communication of the special reports of the board and the auditor in accordance with article 7:179, 7:180 and 7:191 of the Belgian Code on Companies and Associations in connection with the issue of subscription rights in favour of the personnel as defined in article 1:27 Belgian Code on Companies and Associations

Agenda item : Communication of the special reports of the board and the auditor in accordance with article 7:179, 7:180 and 7:191 of the Belgian Code on Companies and Associations in connection with the issue of subscription rights in favour of the personnel as defined in article 1:27 Belgian Code on Companies and Associations.

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

Explanation: The Board of Directors proposes to issue 1,160,000 subscription rights to the benefit of personnel as defined in article 1:27 of the Belgian Code on Companies and Associations under the Company's ESOP V long-term incentive plan Each subscription right entitles the holder to subscribe for one share of the Company upon exercise. The

term of the subscription rights is maximum ten (10) years from the date of approval of this agenda item.

The issue of such subscription rights with cancellation of the existing shareholders' preferential rights, amounts to a capital increase under the condition precedent of the exercise of such subscription rights. Such waiver of preferential rights, issue of subscription rights and conditional capital increase under condition precedent gives rise to a special report by the Board of Directors in accordance with Articles 7:179, 7:180 and 7:191 of the Belgian Code on Companies and Associations. This special report provides additional information on the ESOP V long-term incentive plan and the impact on existing shareholders.

5. Issue of ESOP V subscription rights in favour of the personnel as defined in article 1:27 of the Belgian Code on Companies and Associations

Agenda item: Issue of ESOP V subscription rights in favour of the personnel as defined in article 1:27 of the Belgian Code on Companies and Associations

Proposed resolution: The extraordinary shareholders meeting decides to issue 1,160,000 subscription rights in the framework of the ESOP V long term incentive plan (“the ESOP V-Plan”) under the issue- and exercise modalities set forth in the ESOP V-Plan that forms part of the special report of the Board referred to in item 4 of the agenda of the extraordinary shareholders meeting.

Explanation: The Board proposes to issue 1,160,000 subscription rights in favour of the personnel as defined in article 1:27 of the Belgian Code on Companies and Associations in the framework of the ESOP V long-term incentive plan of the Company which is further described in and attached to the special report of the Board mentioned in item 4 of the agenda to the extraordinary shareholders meeting. Each subscription right entitles the holder thereof to subscribe to one share of the Company upon exercise. The term of the subscription rights is maximum ten (10) years as from the date of the approval of this agenda item.

6. Cancellation of the preferential subscription right in connection with the ESOP V-Plan

Agenda item: Cancellation of the preferential subscription right in connection with the ESOP V-Plan.

Proposed resolution: The extraordinary shareholders meeting decides to cancel the preferential subscription rights of existing shareholders, and to the extent necessary or applicable, existing holders of subscription rights, in accordance with article 7:191 of the Belgian Code on Companies and Associations in order to allow the Board to offer the subscription rights of the ESOP V-Plan to the personnel as defined in article 1:27 of the Belgian Code on Companies and Associations.

Explanation: In order to allow the Board to offer the subscription rights to the personnel, the Board proposes to cancel the preferential subscription rights of existing shareholders, and to the extent necessary or applicable, existing holders of subscription

rights, in accordance with article 7:191 of the Belgian Code on Companies and Associations.

7. Power of attorney to the Board in respect of the determination in the framework of the ESOP V-Plan of the number, the conditions and the time of issue of the subscription rights to be issued, the identify of the beneficiaries, the number of subscription rights offered per beneficiary and the term, vesting and exercise modalities per beneficiary and to establish the capital increase in front of a notary in case of exercise of subscription rights and to make the consequential changes in the articles of association

Agenda item: Power of attorney to the Board in respect of the determination in the framework of the ESOP V-Plan of the number, the conditions and the time of issue of the subscription rights to be issued, the identify of the beneficiaries, the number of subscription rights offered per beneficiary and the term, vesting and exercise modalities per beneficiary and to establish the capital increase in front of a notary in case of exercise of subscription rights and to make the consequential changes in the articles of association

Proposed resolution: The extraordinary shareholders meeting grants power of attorney to the Board in respect of the determination in the framework of the ESOP V-Plan of the number, the conditions and the time of issue of subscription rights to be issued, the identify of the beneficiaries, the number of subscription rights offered per beneficiary and the term, vesting and exercise modalities per beneficiary and to establish the capital increase in front of a notary in case of exercise of subscription rights and to make the consequential changes in the articles of association.

Explanation: The ESOP V-Plan provides that the subscription rights and the conditions thereof (the time of issue of the subscription rights to be issued, the identify of the beneficiaries, the number of subscription rights offered per beneficiary and the term, vesting and exercise modalities per beneficiary) are determined by the Board of Directors. This power of attorney confirms the authority of the Board of Directors as contained in the ESOP V-Plan as well as the power for the Board of Directors to establish the capital increase in front of a notary in case of exercise of subscription rights and to make the consequential changes in the articles of association.

8. Capital increase in cash conditional on the exercise of the ESOP V-Plan subscription rights

Agenda item: Capital increase in cash conditional on the exercise of the ESOP V-Plan subscription rights.

Proposed resolution: The extraordinary shareholders meetings decides to increase the capital of the Company in cash subject to and to the extent that subscription rights under the ESOP V-Plan are exercised with a maximum amount equal to (i) the number of shares issued as a result of an exercise of subscription rights multiplied by (ii) the exercise price or, if the exercise price exceeds the fractional value of a share of the Company at the time of exercise, the fractional value of the shares of the Company at the time of exercise whereby the remainder will be booked as issue premium. All shares issued as a result of

an exercise of the subscription rights shall have the same rights as the existing shares at such date and all shares shall have the same fractional value.

Explanation: This agenda item confirms the capital increase that will occur when subscription rights are exercised under the ESOP V-Plan. The exact amount of the capital increase will depend on the number of subscription rights that will ultimately be granted and accepted under the ESOP V-Plan and the number of subscription rights that will ultimately be exercised.

9. Subject to the approval of the items 5 to 8 of the agenda of the extraordinary shareholders meeting, cancellation of subscription rights under the ESOP IV-Plan that have not been granted

Agenda item: Subject to the approval of the items 5 to 8 of the agenda of the extraordinary shareholders meeting, cancellation of subscription rights under the ESOP IV-Plan that have not been granted

Proposed resolution: The extraordinary shareholders meeting, subject to the approval of the items 5 to 8 of agenda of the extraordinary shareholders meeting, decides to cancel all subscription rights that have not yet been granted under the current ESOP IV-Plan of the Company that was approved by the extraordinary general meeting of the Company on 18 June 2021.

Explanation: The Board proposes, subject to the approval of the items 5 to 8 of the extraordinary shareholders meeting to cancel all subscription rights that have not yet been granted under the current ESOP IV-Plan of the Company that was approved by the extraordinary general meeting of the Company on 18 June 2021. In total it concerns 474,374 subscription rights.

Ghent, 14 March 2024.