

## Biotalys Reports Half-Year 2023 Financial Results and Business Highlights

- *Strategic partnership with Syngenta to collaborate on the research and development and commercialisation of a new bio-insecticide*
- *Field trials with Evoca™\* continue to demonstrate competitive performance in fruits and vegetables; trials now ongoing for additional crops such as blueberries and hemp*
- *Update on regulatory approval process for Evoca*
- *Successful CFO succession with Douglas Minder in function since July 1<sup>st</sup>*
- *Private placement of new shares for €7 million at market value*
- *Cash and cash equivalents amounted to €32 million end of June 2023*
- *Management to host a conference call and live webcast today at 15:00 CEST / 14:00 BST / 09:00 EDT, details below*

**Ghent, BELGIUM – 23 August 2023, 07:00 CEST – [Biotalys \(Euronext - BTLS\)](#)**, an Agricultural Technology (AgTech) company developing protein-based biocontrol solutions for crop and food protection, today announces its key business achievements and consolidated financial results for the first half of 2023, prepared in accordance with International Accounting Standard 34 ‘Interim Financial Reporting’ as adopted by the European Union. The full half year report including the interim financial results is available [here](#) on the Biotalys website.

**Patrice Sellès, Chief Executive Officer of Biotalys, noted:** “Throughout the first half of 2023, Biotalys made significant progress in the buildup of its pipeline, technology and platform validation with industry leaders. We are continuing to work with the EPA to obtain regulatory approval in the U.S. for Evoca, the company’s first biocontrol solution, to help address the needs of growers seeking safer tools to make their crop protection strategies more sustainable. At the same time, we are working with partners on the future market positioning of Evoca, as well as on continuing to improve cost of goods for this important first product.”

### H1 2023 operational highlights

In the first half of this year, Biotalys continued to seal partnerships, prepare for the launch of Evoca, and strengthen its patent portfolio.

- In April 2023, [Biotalys entered into a strategic partnership with Syngenta](#) to collaborate on the research, development and commercialization of a new bio-insecticide to counter the threat of pest resistance and advance sustainable agriculture.
- Evoca, Biotalys’ first protein-based biocontrol, further demonstrated its efficacy in recent global field trials in preparation for its U.S. market introduction. [Announcing the results of over 160 field trials](#) in partnership with industry leaders Biobest and Beck Ag across various high-value crops in May 2023, Evoca outperformed leading chemical and biological solutions in several trials.



- Earlier this year, Biotalys [announced a major advance in manufacturing efficiency](#) for Evoca, strengthening the production and distribution path for the product. The scientific breakthrough, based on the development of multiple proprietary yeast strains, increased the production efficiency of Evoca’s bioactive ingredient by 50 to 70%.
- Following the successful outcome of the [feasibility study with Novozymes at the end of last year](#), Biotalys and Novozymes have been further exploring manufacturing possibilities for a next generation of Evoca based on Novozymes’ production hosts to create significant cost of goods and scaling advantages. The companies are also exploring collaborations beyond Evoca to address the need for effective and more sustainable protein-based biocontrols in new markets and indications.
- In March 2023, Biotalys [announced a succession plan for its Chief Financial Officer](#). The transition was successfully completed as planned with the promotion of Douglas Minder to CFO, effective 1 July 2023.
- Biotalys **continued to strengthen its patent portfolio** to protect its science and products. In H1 2023, two additional patents were granted to the company in India and Australia, both patents providing further IP protection relating to antibodies binding to fungal plant pests.
- Early in 2023, **Biotalys earned Top 100 status in Forward Fooding’s FoodTech 500 list**, climbing to #65. Biotalys was also honored in its inaugural FoodTech 500 \$100 Million Club. A highly competitive event with thousands of nominations from 50+ countries, the FoodTech 500 ranks global entrepreneurial talent at the intersection of food, technology and sustainability.

### Regulatory update for Evoca

- **The U.S. Environmental Protection Agency (EPA)** has recently changed its review process and no longer sets dates for expected decisions to applicants. Biotalys continues to work with the EPA as it reviews the submitted regulatory dossier. Pending regulatory approval, Biotalys is preparing for the start of the market calibration with Evoca in 2024 and for the launch of the commercial version of the product in 2026.
- In **Europe**, the rapporteur Member State is The Netherlands where **the CTGB (College voor de Toelating Gewasbeschermingsmiddelen en Biociden)** is currently reviewing the regulatory dossier. Importantly, the authority has recently approved the sale of cucumbers treated with Evoca in greenhouse trials. While normally crops used in such trials have to be destroyed, as they are treated with products that are not yet authorized, the Dutch authority granted an exemption allowing sale of cucumbers treated with Evoca in greenhouse trials. This decision reinforces Biotalys’ confidence that the product is safe to use.

### Private placement

- In June 2023, Biotalys successfully [closed a private placement for €7 million](#). The company issued 1,135,257 new shares (approximately 3.67% of the company’s shares outstanding prior to the transaction) at €6.166 per share to deepen its relationship with existing shareholders, Agri Investment Fund BV (A.I.F.) and the Belgian Sovereign Wealth Fund (“Federale Participatie- en Investeringsmaatschappij NV” – SFPIM).

### New board member (post-period)

- Connected to the private placement, Biotallys nominated Agri Investment Fund BV (A.I.F.), represented by **Patrik Haesen**, to the Board of Directors, which was approved by the Special Shareholders Meeting of 21 August 2023. Patrik Haesen is currently Chief Executive Officer of A.I.F. and General Manager Investments at M.R.B.B., the holding company of the Farmers Union in Belgium. He has in-depth expertise in audit, finance and investment. He also is a director in Arvesta, Acerta and Iscal Sugar and in several other innovative AgTech companies. Mr. Haesen holds a Master's degree in commercial engineering (KU Leuven) and a European Master in public administration (KU Leuven and Corvinus University in Budapest), as well as a postgraduate degree in finance (EHSAL, Management School).

*\* 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.*

### Select financial information

In € thousands	June 30, 2023	June 30, 2022
Other operating income	1,318	1,140
Research and development expenses	(8,661)	(7,574)
General and administrative expenses	(2,771)	(2,596)
Marketing expenses	(741)	(718)
Other operating expenses	-	-
Operating loss	(10,855)	(9,748)
Loss of the period	(10,664)	(9,892)
Net cash used in operations	(8,516)	(9,559)
Net cash outflow of the period	(2,208)	(10,547)
Cash and cash equivalents	31,886	45,560

- **Other operating income** for the first half of 2023 amounted to €1.3 million and related to R&D tax incentives received and grants awarded to support R&D activities.
- **Research and development expenses** amounted to €8.7 million for the first half year, an increase of €1.1 million compared to the same period in 2022. These increases primarily related to higher costs for external consultants and wages (+€0.7 million), increased depreciations and maintenance costs for lab equipment, and additional IT costs.
- **General and administrative expenses** amounted to €2.8 million for the first half of 2023, compared to €2.6 million for the same period in 2022. The increase was mainly driven by higher wage costs related to the wage index increases and to a lesser extent the expansion of the team.
- **Net cash used in operating activities** decreased by €1.0 million, to €8.5 million for the six months ended 30 June 2023. This decrease was primarily caused by changes in working capital driven by advances received from various project grants.

## Outlook

- Biotalys expects to initiate the market calibration of **Evoca** in 2024 with Biobest in selected U.S. states upon registration of the product. In the meantime, the company is focusing its field trial program with Evoca in a broader number of crops such as blueberries and hemp where demand for safe and sustainable solutions is high.
- In addition, Biotalys is now conducting field trials with the **next generation of Evoca** on a wide variety of fruits and vegetables to work towards market introduction of a commercial version of the product in 2026.
- The company expects to advance the product pipeline in H2 2023, with the planned promotion of the **BioFun-6** program into development stage while progressing other current pipeline programs further in the discovery stage.
- Looking ahead, Biotalys plans to leverage the **AGROBODY Foundry™ platform** and pipeline to expand into new markets and crops, and will continue to explore strategic collaborations with the potential to create additional value.
- While maintaining the planned investment in the product pipeline and the technology platform, the company has decided to pause its sole bactericide program (BioBac-1) and **focus its activities on the fungicide and insecticide programs** where the commercial opportunity is higher.
- Excluding the funds raised in the private placement of June 2023, the company expects **cash burn** for FY 2023 to be slightly lower than in FY 2022 (2022: €22 million).

## Auditor statement

The condensed consolidated financial statements for the six-months' period ended 30 June 2023 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 2022. 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 2023 and the review opinion of the auditor are available on [www.biotalys.com](http://www.biotalys.com).

## Upcoming IR events

- 23 August 2023: Biotalys' management will host a webcast on the HY23 financial figures and business highlights (see below for details)
- 13 September 2023: Biotalys' management will meet with institutional investors at the Berenberg Food & Chemicals Conference in London (UK)
- 26-27 September 2023: Biotalys' management will meet with investors at the World AgriTech Conference in London (UK)
- 9 -10 October 2023: Biotalys' management will meet with institutional investors in Paris (France)
- 14 November 2023: Biotalys' management will meet with institutional investors at the AgTech Answers Conference organized by Roth MKM in New York (US)



- 16 November 2023: Biotalys' management will meet with institutional investors at the Global Agriculture Forum organized by Kepler Cheuvreux (virtual)
- 16 November 2023: Biotalys' management will present to retail investors at the VFB Biotech event in Ghent (Belgium)
- 30 November 2023: Biotalys' management will meet with institutional investors at the Canaccord Genuity AgriFood Tech conference (virtual)

### **Live webcast and conference call**

Company management will host a live webcast to discuss its half-year 2023 results and recent business performance today, 23 August 2023 at 15:00 CEST / 14:00 BST / 09:00 AM EDT.

**Webcast link:** <https://edge.media-server.com/mmc/p/4fyq6uyq>

**Dial-in details:** To ask questions live to the management, please also register for the conference call via <https://register.vevent.com/register/B1b590908b4b514a3c8cdadbeb329437d6>

### **About Biotalys**

Biotalys is an Agricultural Technology (AgTech) company developing protein-based biocontrol solutions for the protection of crops and food 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](http://www.biotalys.com).



### **For further information, please contact**

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### **Important Notice**

Biotalys, its business, prospects and financial position remain exposed and subject to risks and uncertainties. A description of and reference to these risks and uncertainties can be found in the 2022 [annual report](#) on the consolidated annual accounts and the full half-year report.

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 2023	31 December 2022
<b>Non-current assets</b>		<b>11,859</b>	<b>11,755</b>
Intangible assets		562	596
Property, plant and equipment	5	5,245	5,335
Right-of-use assets	5	3,638	3,667
Deferred tax assets		164	125
Other non-current assets		2,250	2,031
<b>Current assets</b>		<b>35,352</b>	<b>37,762</b>
Receivables		507	820
Other financial assets		2,108	2,100
Other current assets	6	851	746
Cash and cash equivalents	7	31,886	34,096
<b>TOTAL ASSETS</b>		<b>47,211</b>	<b>49,517</b>
<b>EQUITY AND LIABILITIES</b> (in thousands of euros)	<b>Note</b>	<b>30 June 2023</b>	<b>31 December 2022</b>
<b>Equity attributable to owners of the parent</b>		<b>35,187</b>	<b>38,114</b>
Share capital	8	46,198	44,548
Share premium	8	15,542	10,164
Accumulated losses		(30,326)	(19,661)
Other reserves		3,772	3,064
<b>Total equity</b>		<b>35,187</b>	<b>38,114</b>
<b>Non-current liabilities</b>		<b>6,414</b>	<b>5,443</b>
Borrowings	9	5,196	5,338
Employee benefits obligations		18	16
Provisions		90	89
Other non-current liabilities	10	1,110	-
<b>Current liabilities</b>		<b>5,610</b>	<b>5,960</b>
Borrowings	9	1,167	1,163
Trade and other liabilities		3,109	4,204
Other current liabilities	10	1,334	592
<b>Total liabilities</b>		<b>12,024</b>	<b>11,402</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>47,211</b>	<b>49,517</b>

The accompanying notes are an integral part of these condensed consolidated financial statements. Please see the full interim report available on [www.biotallys.com](http://www.biotallys.com).



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

<b>in € thousands</b>	<b>Note</b>	<b>2023</b>	<b>2022</b>
Other operating income	12	1,318	1,140
Research and development expenses	13	(8,661)	(7,574)
General and administrative expenses	13	(2,771)	(2,596)
Sales and marketing expenses	13	(741)	(718)
<b>Operating loss (EBIT)</b>		<b>(10,855)</b>	<b>(9,748)</b>
Financial income		422	141
Financial expenses		(191)	(269)
<b>Loss before taxes</b>		<b>(10,624)</b>	<b>(9,877)</b>
Income taxes		(40)	(15)
<b>LOSS FOR THE PERIOD</b>		<b>(10,664)</b>	<b>(9,892)</b>
<b>Other comprehensive income (OCI)</b>			
<i>Items of OCI that will be reclassified subsequently to profit or loss</i>			
Exchange differences on translating foreign operations		(3)	9
<b>TOTAL COMPREHENSIVE LOSS OF THE PERIOD</b>		<b>(10,667)</b>	<b>(9,883)</b>
Basic and diluted loss per share (in €)	14	(0.34)	(0.32)
Loss for the period attributable to the owners of the Company		(10,664)	(9,892)
Total comprehensive loss for the period attributable to the owners of the Company		(10,667)	(9,883)

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

	Attributable to equity holders of the Company					Total Equity
	Share capital	Share premium	Other reserves		Accumulated losses	
			Share-based payment reserve	Currency translation reserve		
<i>(in thousands of euros)</i>						
<b>Balance at 31 December 2022</b>	<b>44,548</b>	<b>10,164</b>	<b>3,035</b>	<b>29</b>	<b>(19,662)</b>	<b>38,114</b>
Share-based payments	-	-	723	-	-	723
Exercise of ESOP Warrants	16	12	(12)	-	-	16
Issuance of shares	1,634	5,366	-	-	-	7,000
Total comprehensive loss	-	-	-	(3)	(10,664)	(10,667)
<b>Balance at 30 June 2023</b>	<b>46,198</b>	<b>15,542</b>	<b>3,746</b>	<b>26</b>	<b>(30,326)</b>	<b>35,187</b>

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

in € thousands	Note	2023	2022
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Operating result		(10,855)	(9,748)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation, amortization and impairments		888	771
Share-based payment expense		723	855
Changes in provisions		-	4
R&D tax credit		(355)	(203)
Other		(41)	-
Changes in working capital:			
Receivables		447	(52)
Other current assets		(106)	(397)
Trade and other payables		(953)	(831)
Other current and non-current liabilities		1,861	62
<b>Cash used in operations</b>		<b>(8,392)</b>	<b>(9,539)</b>
Taxes paid		(124)	(20)
<b>Net cash used in operating activities</b>		<b>(8,516)</b>	<b>(9,559)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Interest received		251	-
Purchases of property, plant and equipment	5	(224)	(328)
Investments in other financial assets		(8)	-
<b>Net cash provided by / (used in) investing activities</b>		<b>20</b>	<b>(328)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings	9	(211)	(207)
Repayment of lease liabilities	9	(438)	(416)
Interests paid		(79)	(164)
Proceeds from issue of equity instruments of the Company	8	7,016	126
<b>Net cash provided by (used in) financing activities</b>		<b>6,289</b>	<b>(661)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(2,208)</b>	<b>(10,547)</b>
CASH AND CASH EQUIVALENTS at beginning of period		34,096	56,107
Effect of foreign exchange rates		(2)	-
CASH AND CASH EQUIVALENTS at end of period, calculated		31,886	45,560

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