

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2021;

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 001-38161



**Calyxt, Inc.**

(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)

2800 Mount Ridge Road  
Roseville, MN  
(Address of principal executive offices)

27-1967997  
(I.R.S. Employer  
Identification No.)

55113-1127  
(Zip Code)

(651) 683-2807  
(Registrant's telephone number, including area code)

N/A  
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act.

<b>Title of each class</b>	<b>Trading Symbol(s)</b>	<b>Name of each exchange on which registered</b>
Common Stock (0.0001 par value)	CLXT	The NASDAQ Global Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input checked="" type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  Yes  No

As of May 6, 2021, there were 37,200,473 shares of common stock, \$0.0001 par value per share, outstanding.

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## Terms

When we use the terms “we,” “us,” the “Company,” or “our” in this report, unless the context otherwise requires, we are referring to Calyxt, Inc. When we use the term “Collectis,” we are referring to Collectis S.A., our majority stockholder. Collectis is a clinical-stage biotechnology company employing its core proprietary technologies to develop best-in-class products in the field of immuno-oncology.

We own the names and trademarks Calyxt® and Calyno®; we also own or license other trademarks, trade names, and service marks of Calyxt appearing in this Quarterly Report on Form 10-Q. The names and trademarks “Collectis®” and “TALEN®”, and other trademarks, trade names, and service marks of Collectis appearing in the Company’s Annual Report on Form 10-K are the property of Collectis. This Quarterly Report on Form 10-Q also contains additional trade names, trademarks, and service marks belonging to other companies. We do not intend our use or display of other parties’ trademarks, trade names, or service marks to imply, and such use or display should not be construed to imply a relationship with, or endorsement or sponsorship of us by these other parties.

## Cautionary Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q contains “forward-looking statements” within the meaning of the federal securities laws, including Section 27A of the Securities Act of 1933, as amended (the Securities Act), and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act). We may also make forward-looking statements in other reports filed with the Securities and Exchange Commission, in materials delivered to stockholders, and in press releases. In addition, our representatives may from time to time make oral forward-looking statements.

We have made these forward-looking statements in reliance on the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. In some cases, you can identify these statements by forward-looking words such as “anticipates,” “believes,” “continue,” “estimates,” “expects,” “targets,” “intends,” “may,” “might,” “plans,” “potential,” “predicts,” “projects,” “should,” “will,” or the negative of these terms and other similar terminology. Forward-looking statements in this report include statements about the potential impact of the COVID-19 pandemic on our business and operating results; our future financial performance; product pipeline and development; our business model and principal strategy for commercialization and sales of commercial products; regulatory progression; potential collaborations, partnerships and licensing arrangements and their contribution to our financial results, cash usage, and growth strategies; and anticipated trends in our business. These and other forward-looking statements are predictions and projections about future events and trends based on our current expectations, objectives, and intentions and premised on current assumptions. Our actual results, level of activity, performance, or achievements could be materially different than those expressed, implied, or anticipated by forward-looking statements due to a variety of factors, including, but not limited to: the severity and duration of the evolving COVID-19 pandemic and the resulting impact on macro-economic conditions; the impact of increased competition; disruptions at our key facilities; changes in customer preferences and market acceptance of our products; competition for collaboration partners and licensees and the successful execution of collaborations and licensing agreements; the impact of adverse events during development, including unsuccessful field trials or developments trials or disruptions in seed production; the impact of improper handling of our product candidates by unaffiliated third parties during development, such as the improper aerial spraying of our high fiber wheat product candidate; failures by third-party contractors; inaccurate demand forecasting; the effectiveness of commercialization efforts by commercial partners or licensees; our ability to make grain sales on terms acceptable to us; the timing of our grain sales; our ability to collect accounts receivable; disruptions to supply chains, including transportation and storage functions; commodity price conditions; the impact of changes or increases in oversight and regulation; disputes or challenges regarding intellectual property; proliferation and continuous evolution of new technologies; management changes; dislocations in the capital markets; and other important factors discussed under the heading “Risk Factors” in our filings with the Securities and Exchange Commission (SEC), included in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2020, which was filed with the SEC on March 4, 2021 (our Annual Report) and our subsequent reports on Forms 10-Q and 8-K filed with the SEC.

Any forward-looking statements made by us in this Quarterly Report on Form 10-Q are based only on information currently available to us and speaks only as of the date of this report. Except as otherwise required by securities and other applicable laws, we do not assume any obligation to publicly provide revisions or updates to any forward-looking statements, whether as a result of new information, future developments or otherwise, should circumstances change, except as otherwise required by law.

## **Market Data**

Unless otherwise indicated, information contained in this Quarterly Report concerning our industry and the markets in which we operate is based on information from various sources, including independent industry publications. In presenting this information, we have also made assumptions based on such data and other similar sources, and on our knowledge of, and our experience to date in, the potential markets for our product. The industry in which we operate is subject to a high degree of uncertainty and risk due to a variety of factors, including those described in the section entitled “Risk Factors” in our Annual Report and other subsequent reports on Forms 10-Q and 8-K filed with the SEC. These and other factors could cause results to differ materially from those expressed in the estimates made by the independent parties and by us.

## **Website Disclosure**

We use our website ([www.calyxt.com](http://www.calyxt.com)), our corporate Twitter account (@Calyxt\_Inc) and our corporate LinkedIn account (<https://www.linkedin.com/company/calyxt-inc>) as routine channels of distribution of company information, including press releases, analyst presentations, and supplemental financial information, as a means of disclosing material non-public information and for complying with our disclosure obligations under Regulation FD. Accordingly, investors should monitor our website and our corporate Twitter and LinkedIn accounts in addition to following press releases, filings with the SEC, and public conference calls and webcasts.

Additionally, we provide notifications of announcements as part of our website. Investors and others can receive notifications of new press releases posted on our website by signing up for email alerts.

None of the information provided on our website, in our press releases or public conference calls and webcasts, or through social media is incorporated into, or deemed to be a part of, this Quarterly Report or in any other report or document we file with the SEC, and any references to our website or our corporate Twitter and LinkedIn accounts are intended to be inactive textual references only.

## PART I. FINANCIAL INFORMATION

## Item 1. Financial Statements

**CALYXT, INC.**  
**CONSOLIDATED BALANCE SHEETS**  
(In Thousands, Except Par Value and Share Amounts)

	March 31, 2021 (unaudited)	December 31, 2020
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 16,386	\$ 17,299
Short-term investments	3,045	11,698
Restricted cash	393	393
Accounts receivable	1,354	4,887
Inventory	4,532	1,383
Prepaid expenses and other current assets	3,347	3,930
<b>Total current assets</b>	<b>29,057</b>	<b>39,590</b>
Non-current restricted cash	597	597
Land, buildings, and equipment	22,549	22,860
Other non-current assets	225	280
<b>Total assets</b>	<b>\$ 52,428</b>	<b>\$ 63,327</b>
<b>Liabilities and stockholders' equity</b>		
Current liabilities:		
Accounts payable	\$ 959	\$ 929
Accrued expenses	3,058	2,891
Accrued compensation	1,764	1,950
Due to related parties	114	766
Current portion of financing lease obligations	372	364
Other current liabilities	45	45
<b>Total current liabilities</b>	<b>6,312</b>	<b>6,945</b>
Financing lease obligations	17,780	17,876
Long-term debt	1,518	1,518
Other non-current liabilities	1,213	113
<b>Total liabilities</b>	<b>26,823</b>	<b>26,452</b>
<b>Stockholders' equity:</b>		
Common stock, \$0.0001 par value; 275,000,000 shares authorized; 37,263,339 shares issued and 37,163,187 shares outstanding as of March 31, 2021, and 37,165,196 shares issued and 37,065,044 shares outstanding as of December 31, 2020	4	4
Additional paid-in capital	203,565	204,807
Common stock in treasury, at cost; 100,152 shares as of March 31, 2021, and December 31, 2020	(1,043)	(1,043)
Accumulated deficit	(176,921)	(166,893)
<b>Total stockholders' equity</b>	<b>25,605</b>	<b>36,875</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 52,428</b>	<b>\$ 63,327</b>

See accompanying notes to these consolidated financial statements.

**CALYXT, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(Unaudited and in Thousands Except Shares and Per Share Amounts)

	Three Months Ended March 31,	
	2021	2020
Revenue	\$ 4,402	\$ 2,377
Cost of goods sold	6,745	3,884
Gross margin	(2,343)	(1,507)
Operating expenses:		
Research and development	3,050	2,787
Selling, general, and administrative	4,258	6,298
Management fees and royalties	30	62
Total operating expenses	7,338	9,147
<b>Loss from operations</b>	<b>(9,681)</b>	<b>(10,654)</b>
Interest, net	(346)	(398)
Non-operating expenses	(1)	(11)
Loss before income taxes	(10,028)	(11,063)
Income taxes	—	—
<b>Net loss</b>	<b>\$ (10,028)</b>	<b>\$ (11,063)</b>
<b>Basic and diluted net loss per share</b>	<b>\$ (0.27)</b>	<b>\$ (0.34)</b>
<b>Weighted average shares outstanding - basic and diluted</b>	<b>37,136,338</b>	<b>32,988,141</b>
Anti-dilutive stock options, restricted stock units, and performance stock units	5,013,780	5,328,268

See accompanying notes to these consolidated financial statements.

**CALYXT, INC.**  
**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**  
(Unaudited and in Thousands Except Shares Outstanding)

Three months ended March 31, 2021	Shares Outstanding	Common Stock	Additional Paid-In Capital	Shares in Treasury	Accumulated Deficit	Accumulated Other Comprehensive Income	Total Stockholders' Equity
Balance at December 31, 2020	37,065,044	\$ 4	\$ 204,807	\$ (1,043)	\$ (166,893)	\$ —	\$ 36,875
Net loss	—	—	—	—	(10,028)	—	(10,028)
Stock-based compensation	—	—	(1,450)	—	—	—	(1,450)
Issuance of common stock	98,143	—	208	—	—	—	208
Shares withheld for net share settlement	—	—	—	—	—	—	—
<b>Balance at March 31, 2021</b>	<b>37,163,187</b>	<b>\$ 4</b>	<b>\$ 203,565</b>	<b>\$ (1,043)</b>	<b>\$ (176,921)</b>	<b>\$ -</b>	<b>\$ 25,605</b>

Three months ended March 31, 2020	Shares Outstanding	Common Stock	Additional Paid-In Capital	Shares in Treasury	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
Balance at December 31, 2019	32,951,329	\$ 3	\$ 185,588	\$ (1,043)	\$ (122,057)	\$ 17	\$ 62,508
Net loss	—	—	—	—	(11,063)	—	(11,063)
Stock-based compensation	—	—	1,271	—	—	—	1,271
Issuance of common stock	57,110	—	—	—	—	—	—
Shares withheld for net share settlement	(17,792)	—	—	—	—	—	—
Other comprehensive loss	—	—	—	—	—	(180)	(180)
<b>Balance at March 31, 2020</b>	<b>32,990,647</b>	<b>\$ 3</b>	<b>\$ 186,859</b>	<b>\$ (1,043)</b>	<b>\$ (133,120)</b>	<b>\$ (163)</b>	<b>\$ 52,536</b>

See accompanying notes to these consolidated financial statements.

**CALYXT, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited and in Thousands)

	<b>Three Months Ended March 31,</b>	
	<b>2021</b>	<b>2020</b>
<b>Operating activities</b>		
Net loss	\$ (10,028)	\$ (11,063)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation and amortization	585	452
Stock-based compensation	(1,450)	1,271
Changes in operating assets and liabilities:		
Accounts receivable	3,533	281
Due to/from related parties	(652)	(430)
Inventory	(3,149)	(604)
Prepaid expenses and other current assets	583	(786)
Accounts payable	30	8
Accrued expenses	167	(451)
Accrued compensation	(186)	(818)
Other non-current liabilities	1,100	(9)
Other	50	(89)
<b>Net cash used by operating activities</b>	<b>(9,417)</b>	<b>(12,238)</b>
<b>Investing activities</b>		
Sales and (purchases) of short-term investments, net	8,653	(38,620)
Purchases of land, buildings, and equipment	(269)	(317)
<b>Net cash provided by (used by) investing activities</b>	<b>8,384</b>	<b>(38,937)</b>
<b>Financing activities</b>		
Repayments of financing lease obligations	(88)	(45)
Proceeds from the exercise of stock options	208	—
<b>Net cash provided by (used by) financing activities</b>	<b>120</b>	<b>(45)</b>
Net decrease in cash, cash equivalents, and restricted cash	(913)	(51,220)
Cash, cash equivalents, and restricted cash - beginning of period	18,289	60,038
<b>Cash, cash equivalents, and restricted cash – end of period</b>	<b>\$ 17,376</b>	<b>\$ 8,818</b>

See accompanying notes to these consolidated financial statements.



**CALYXT, INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**(Unaudited)**

**1. BASIS OF PRESENTATION & SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Our unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States (U.S. GAAP or GAAP) for interim financial information and with the rules and regulations of the Securities and Exchange Commission (SEC) applicable to interim financial statements. In our opinion, the accompanying consolidated financial statements reflect all adjustments necessary for a fair presentation of our statements of financial position, results of operations, and cash flows for the periods presented but they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. Except as otherwise disclosed herein, these adjustments consist of normal recurring items. Operating results for interim periods are not necessarily indicative of results that may be expected for the fiscal year as a whole or any other interim period.

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses, and the related disclosures at the date of the consolidated financial statements and during the reporting period. Actual results could materially differ from these estimates.

Certain prior year amounts have been reclassified to conform to the current year presentation.

For further information, refer to the audited consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2020, filed with the SEC on March 4, 2021. The accompanying Balance Sheet as of December 31, 2020, was derived from the audited consolidated financial statements. This Quarterly Report on Form 10-Q should be read in conjunction with our consolidated financial statements and notes included in the Annual Report on Form 10-K for the year ended December 31, 2020.

***Net Loss Per Share***

All anti-dilutive stock options, restricted stock units, and performance stock units are excluded from the calculation of net loss per share. Due to our net loss position for the three months ended March 31, 2021 and March 31, 2020, all of our outstanding stock options, restricted stock units, and performance stock units are considered anti-dilutive and excluded from the calculation of net loss per share. Accordingly, the treasury method was not used in determining the number of anti-dilutive stock options and restricted stock units.

**2. FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE AND CONCENTRATIONS OF CREDIT RISK**

***Financial Instruments Measured at Fair Value and Financial Statement Presentation***

Financial instruments including cash and cash equivalents, restricted cash, accounts payable, and all other current liabilities have carrying values that approximate fair value. We measure short-term investments and commodity derivative contracts at fair value on a recurring basis. The accounting guidance establishes a three-tier hierarchy, which prioritizes the inputs used in the valuation methodologies in measuring fair value as of the measurement date as follows:

Level 1: Fair values are based on unadjusted quoted prices in active trading markets for identical assets and liabilities.

Level 2: Fair values are based on observable quoted prices other than those in Level 1, such as quoted prices for similar assets or liabilities in active markets or quoted prices for identical assets or liabilities in inactive markets.

Level 3: Fair values are based on at least one significant unobservable input for the asset or liability.

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**Fair Value Measurements and Financial Statement Presentation**

The fair values of our financial instruments measured at fair value and their respective levels in the fair value hierarchy as of March 31, 2021, and December 31, 2020, were as follows:

In Thousands	March 31, 2021				March 31, 2021			
	Fair Values of Assets				Fair Values of Liabilities			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Other items reported at fair value:								
Short-term investments	\$ 3,045	\$ —	\$ —	\$ 3,045	\$ —	\$ —	\$ —	\$ —
Commodity derivative contracts	266	—	—	266	—	—	—	—
<b>Total</b>	<b>\$ 3,311</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 3,311</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>

In Thousands	December 31, 2020				December 31, 2020			
	Fair Values of Assets				Fair Values of Liabilities			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Other items reported at fair value:								
Short-term investments	\$ 11,698	\$ —	\$ —	\$ 11,698	\$ —	\$ —	\$ —	\$ —
Commodity derivative contracts	467	—	—	467	—	—	—	—
<b>Total</b>	<b>\$ 12,165</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 12,165</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>

The non-current portion of our financing lease obligations are also considered a financial instrument, which we measure at fair value for disclosure purposes. It is a Level 2 liability and had a fair value of \$15.1 million as of March 31, 2021, and a fair value of \$15.2 million as of December 31, 2020.

The composition of our short-term investments as of March 31, 2021, and December 31, 2020 were as follows:

In Thousands	As of March 31,		As of December 31,	
	2021		2020	
Corporate debt securities	\$	3,045	\$	11,698

**Commodity Price Risk**

We enter into seed and grain production agreements with settlement values based on commodity futures market prices (Forward Purchase Contracts). These Forward Purchase Contracts allow the counterparty to fix their sales prices at various times as defined in the contract. Because we intend to take physical delivery under the Forward Purchase Contracts, we have grain inventory we will need to sell. We intend to sell these inventories at then-current market prices. As a result, when the Forward Purchase Contract counterparty fixes their grain prices, we enter hedging arrangements by selling futures contracts which converts our exposure to these fixed prices to floating prices. We expect to maintain these hedging relationships until such grain inventory is sold to help stabilize our margins. We do not account for these economic hedges as accounting hedges. We expect any gains or losses from these hedging arrangements to be offset by gains or losses on the grain inventories when such grain inventories are sold. As of March 31, 2021, we have \$3.0 million of unrealized commodity derivative losses from hedging contracts sold to convert our fixed price grain inventories and fixed price Forward Purchase Contracts to floating prices. As of March 31, 2021, we held commodity contracts with a notional amount of \$10.4 million.

We previously designated all our commodity derivative contracts as cash flow hedges based on the nature of our business activities under the prior go-to-market strategy. As a result, all gains or losses associated with recording those commodity derivative contracts at fair value were recorded as a component of accumulated other comprehensive income (loss) (AOCI). We reclassify amounts from AOCI to cost of goods sold when we sell the underlying products to which those hedges relate. For the three months ended March 31, 2020, we reclassified an immaterial amount from AOCI to cost of goods sold, and there were no such reclassifications in the same period in 2021.

**Foreign Exchange Risk**

Foreign currency fluctuations affect our foreign currency cash flows related primarily to payments to Collectis. Our principal foreign currency exposure is to the euro. We do not hedge these exposures, and we do not believe that the current level of foreign currency risk is significant to our operations.

### **Concentrations of Credit Risk**

We invest our cash, cash equivalents, and restricted cash in highly liquid securities and investment funds. We diversify this risk by allocating our investments to a diverse portfolio of short-dated, high investment-grade securities we classify as short-term investments that are recorded at fair value in our consolidated financial statements. We ensure the credit risk in this portfolio is in accordance with our internal policies and if necessary, make changes to investments to ensure credit risk is minimized. We have not experienced any counterparty credit losses.

### **3. RELATED-PARTY TRANSACTIONS**

We have several agreements that govern our relationship with Collectis, some of which require us to make payments to Collectis. Pursuant to our management services agreement with Collectis, we incurred nominal management fee expenses for the three months ended March 31, 2021 and March 31, 2020.

Collectis has also guaranteed the lease agreement for our headquarters. Collectis' guarantee of our obligations under the lease will terminate at the end of the second consecutive calendar year in which our tangible net worth exceeds \$300 million.

TALEN® is our primary gene editing technology, and it is the foundation of our technology platform. TALEN® technology was invented by researchers at the University of Minnesota and Iowa State University and exclusively licensed to Collectis. We obtained an exclusive license for the TALEN® technology for commercial use in plants from Collectis. We also license other technology from Collectis. We owe Collectis royalties on any revenue we generate from sales of products less certain amounts as defined in the license agreement, as well as a percentage of any sublicense revenues. We have incurred nominal license and royalty fees for the three months ended March 31, 2021 and March 31, 2020.

We have entered into various agreements with the University of Minnesota, pursuant to which we have been granted both exclusive and non-exclusive license agreements that carry annual license fees, milestone payments, royalties, and associated legal fees. These agreements primarily relate to gene-editing tools, enabling technologies and germplasm. We incurred nominal expenses pursuant to these agreements for the three months ended March 31, 2021 and March 31, 2020.

### **4. STOCK-BASED COMPENSATION**

We use broad-based stock plans to attract and retain highly qualified officers and employees and to help ensure that management's interests are aligned with those of our shareholders. We have also granted equity-based awards to directors, nonemployees, and certain employees of Collectis.

In December 2014, we adopted the Calyxt, Inc. Equity Incentive Plan (2014 Plan), which allowed for the grant of stock options, and in June 2017, we adopted the 2017 Omnibus Plan (2017 Plan), which allowed for the grant of stock options, restricted stock units, performance stock units and other types of equity awards.

On February 19, 2021, James Blome ceased serving as our Chief Executive Officer. We recorded a benefit to earnings from a \$2.5 million recapture of non-cash stock compensation expense from the forfeiture of certain of Mr. Blome's unvested stock options, restricted stock units, and performance stock units.

As of March 31, 2021, 1,902,128 shares were registered and available for grant under effective registration statements, while 6,202,032 shares were available for grant in the form of stock options, restricted stock, restricted stock units, and performance stock units under the 2017 Plan. Stock-based awards currently outstanding also include awards granted under the 2014 Plan, under which no further awards will be granted.

#### **Stock Options**

The estimated fair values of stock options granted, and the assumptions used for the Black-Scholes option pricing model were as follows:

	<b>Three Months Ended March 31,</b>	
	<b>2021</b>	<b>2020</b>
Estimated fair values of stock options granted	\$ 5.85	\$ 5.19
Assumptions:		
Risk-free interest rate	0.6%	1.7%
Expected volatility	85.0%	77.4%
Expected term (in years)	5.7 - 6.2	6.9

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We estimate the fair value of each option on the grant date, or other measurement dates if applicable, using a Black-Scholes option-pricing model, which requires us to make predictive assumptions regarding employee exercise behavior, future stock price volatility, and dividend yield. Our expected term represents the period that options granted are expected to be outstanding determined using the simplified method. We estimate our future stock price volatility using the historical volatility of comparable public companies over the expected term of the option. We estimate the risk-free interest rate based on the United States Treasury zero-coupon yield curve at the date of grant for the expected term of the option. We do not nor do we expect to pay dividends.

Option strike prices are set at 100 percent or more of the closing share price on the date of grant, and generally vest over three to six years following the grant date. Options generally expire 10 years after the date of grant.

Information on stock option activity is as follows:

	Options Exercisable	Weighted- Average Exercise Price Per Share	Options Outstanding	Weighted- Average Exercise Price Per Share
Balance as of December 31, 2020	2,347,663	\$ 10.15	4,621,173	\$ 10.30
Granted			270,800	8.07
Exercised			(56,372)	3.71
Forfeited or expired			(456,450)	10.03
<b>Balance as of March 31, 2021</b>	<b>2,369,997</b>	<b>\$ 10.38</b>	<b>4,379,151</b>	<b>\$ 10.27</b>

Stock-based compensation expense related to stock option awards is as follows:

In Thousands	Three Months Ended March 31,	
	2021	2020
Stock-based compensation expense	\$ (396)	\$ 1,006

As of March 31, 2021, options outstanding and exercisable had an aggregate intrinsic value of \$2.2 million and the weighted average remaining contractual term was 6.0 years.

Net cash proceeds from the exercise of stock options less shares used for minimum withholding taxes and the intrinsic value of options exercised were as follows:

In Thousands	Three Months Ended March 31,	
	2021	2020
Net cash proceeds	\$ 208	\$ —
Intrinsic value of options exercised	\$ 331	\$ —

As of March 31, 2021, unrecognized compensation expense related to non-vested stock options was \$6.9 million. This expense will be recognized over 30 months on average.

**Restricted Stock Units**

Units settled in stock subject to a restricted period may be granted under the 2017 Plan. Restricted stock units generally vest and become unrestricted over three to five years after the date of grant.

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Information on restricted stock unit activity is as follows:

	Number of Restricted Stock Units Outstanding	Weighted- Average Grant Date Fair Value
Unvested balance at December 31, 2020	547,807	\$ 9.49
Granted	68,000	8.05
Vested	(27,386)	9.18
Forfeited	(126,178)	12.89
<b>Unvested balance at March 31, 2021</b>	<b>462,243</b>	<b>\$ 8.37</b>

The total grant-date fair value of restricted stock unit awards that vested is as follows:

In Thousands	Three Months Ended March 31,	
	2021	2020
Grant-date fair value	\$ 251	\$ 510

Stock-based compensation expense related to restricted stock units is as follows:

In Thousands	Three Months Ended March 31,	
	2021	2020
Stock-based compensation expense	\$ (749)	\$ 155

As of March 31, 2021, unrecognized compensation expense related to restricted stock units was \$1.7 million. This expense will be recognized over 27 months on average.

We treat stock-based compensation awards granted to employees of Collectis as deemed dividends. We recorded deemed dividends as follows:

In Thousands	Three Months Ended March 31,	
	2021	2020
Deemed dividends from grants to Collectis employees	\$ 79	\$ 224

### *Performance Stock Units*

In June 2019, we granted 311,667 performance stock units under the 2017 Plan to three executive officers. The performance stock units will vest at 50%, 100% or 120% of the shares under the award at the end of a three-year performance period based upon increases in the value of our common stock from the grant price of \$12.48. The performance stock units will be settled in restricted stock upon vesting, with restrictions on transfer lapsing on the second anniversary of the restricted stock issuance date. During the three months ended March 31, 2021, we recognized a benefit from the forfeiture of 166,667 performance stock units held by Mr. Blome, our former chief executive officer.

Stock-based compensation expense related to performance stock units is as follows:

In Thousands	Three Months Ended March 31,	
	2021	2020
Stock-based compensation expense	\$ (305)	\$ 110

As of March 31, 2021, unrecognized compensation expense related to performance stock units was \$0.7 million. This expense will be recognized over 39 months on average.

## 5. INCOME TAXES

We provide for a valuation allowance when it is more likely than not that we will not realize a portion of the deferred tax assets. We have established a full valuation allowance for deferred tax assets due to the uncertainty that enough taxable income will be generated in the taxing jurisdiction to utilize the assets. Therefore, we have not reflected any benefit of such deferred tax assets in the accompanying consolidated financial statements.

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As of March 31, 2021, there were no material changes to what we disclosed regarding tax uncertainties or penalties as of December 31, 2020.

## 6. LEASES, OTHER COMMITMENTS, AND CONTINGENCIES

### *Litigation and Claims*

We are not currently a party to any material pending legal proceeding.

### *Leases*

We lease our headquarters facility, office equipment, and other items. Our headquarters lease involved the sale of land and improvements to a third party who then constructed the facility. This lease is considered a financing lease.

We also have an equipment financing arrangement that is considered a financing lease. This arrangement has a term of four years for each draw. We were required to deposit cash into a restricted account in an amount equal to the future rent payments required by the lease. As of March 31, 2021, restricted cash totaled \$1.0 million. We have the option to request the return of excess collateral annually in December, and the amount we expect to receive is reflected as a current asset.

Rent expense from operating leases was as follows:

In Thousands	Three Months Ended March 31,	
	2021	2020
Rent expense from operating leases	\$ 13	\$ 24

### *Other Commitments*

As of March 31, 2021, we have noncancelable commitments to purchase grain and seed from growers at dates throughout 2021 aggregating \$11.7 million based on current commodity futures market prices, other payments to growers, and estimated yields per acre. This commitment is not recorded in the consolidated financial statements because we have not taken delivery of the seed or grain as of March 31, 2021.

## 7. SUPPLEMENTAL INFORMATION

Certain balance sheet amounts are as follows:

In Thousands	As of March 31,	As of December 31,
	2021	2020
Accounts Receivable:		
Accounts receivable	\$ 1,107	\$ 4,317
Receivables from growers	247	570
Allowance for doubtful accounts	—	—
Total	\$ 1,354	\$ 4,887

We carry receivables related to amounts we are owed by growers from their purchases of seed. These amounts reduce the cost of the grain we ultimately purchase from the grower and are repaid either on current terms or on an extended payment basis. If a grower has elected extended payment terms, they will pay a higher price per unit and grant us the right to deduct the amount we are owed from the payment we make upon the purchase of their grain. As of March 31, 2021 and December 31, 2020 all of the receivables from growers were on extended payment terms.

Certain statements of operations amounts are as follows:

In Thousands	Three Months Ended March 31,	
	2021	2020
Stock compensation expense:		
Research and development	\$ 392	\$ 319
Selling, general, and administrative	(1,842)	952
Total	\$ (1,450)	\$ 1,271

In Thousands	Three Months Ended March 31,	
	2021	2020
Interest, net:		
Interest expense	\$ (360)	\$ (372)
Interest income	14	(26)
Total	\$ (346)	\$ (398)

Certain statements of cash flows amounts are as follows:

In Thousands	As of March 31,	
	2021	2020
Cash, cash equivalents, restricted cash, and short-term investments:		
Cash and cash equivalents	\$ 16,386	\$ 7,385
Restricted cash	393	388
Non-current restricted cash	597	1,045
Total cash, cash equivalents, and restricted cash	17,376	8,818
Short-term investments	3,045	38,620
Total	\$ 20,421	\$ 47,438

## 8. SEGMENT INFORMATION

We operate in a single reportable segment, agricultural products. Our current commercial focus is North America. Our major product categories are high oleic soybean seed, grain, oil, and meal. In the three months ended March 31, 2021 we only sold grain. In the three months ended March 31, 2020, we only sold oil and meal.

## 9. LONG-TERM DEBT

Our long-term debt is comprised of a \$1.5 million promissory note pursuant to the Paycheck Protection Program (the Paycheck Protection Program loan) established by the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act) implemented by the U.S. Small Business Administration (SBA). We received the funds under the Paycheck Protection Program loan on April 19, 2020. The Paycheck Protection Program loan matures in April 2022 and bears interest at a per annum rate of one percent. The Paycheck Protection Program loan may be prepaid at any time prior to maturity with no prepayment penalties. The Paycheck Protection Program loan contains customary events of default relating to, among other things, payment defaults and breaches of representations and warranties. Subject to certain conditions, the Paycheck Protection Program loan and accrued interest may be forgiven in whole or in part by applying for forgiveness pursuant to the CARES Act and the Paycheck Protection Program. In order to be eligible for forgiveness, the proceeds of the Paycheck Protection Program loan must be applied to certain eligible expenses, including payroll costs, interest on certain mortgage obligations, rent payments on certain leases, and certain qualified utility payments, with not more than 40 percent of the amount applied to non-payroll costs.

We have applied the proceeds from the Paycheck Protection Program loan toward qualifying expenses. On October 21, 2020, as modified December 29, 2020, we applied for forgiveness of the full principal amount and all accrued interest, and on April 8, 2021, we were notified by the SBA that the full amount of our Paycheck Protection Program loan had been forgiven. We expect to record income in the second quarter of 2021 for the full amount of the loan and the associated accrued interest.

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

*The following discussion and analysis of our financial condition and results of operations should be read together with our consolidated financial statements and related notes, which are included elsewhere in this Quarterly Report on Form 10-Q and with our 2020 Form 10-K, including the Consolidated Financial Statements and Notes incorporated therein.*

### EXECUTIVE OVERVIEW

We are a technology company focused on delivering plant-based innovations and solutions with substantial disruption potential across multiple industries. We are a leader in gene editing with exclusive access to proprietary TALEN® technology for use in plants, which we used to successfully commercialize the first gene edited food product in the United States. We have a robust development pipeline that spans multiple crops and that is focused on several important trends, including functional nutrition, regenerative agriculture, sustainability, plant-based protein, animal nutrition, and industrial uses.

Our capital-efficient business model comprises three differentiated go-to-market strategies, as follows:

- **Trait Development and Licensing Arrangements:** Through development and licensing agreements with downstream partners with respect to traits we develop in exchange for negotiated upfront, milestone, or annual payments and potential royalties upon the licensees' commercial sale of products.
- **Seed Sale Arrangements:** Through agreements for traited seed we have produced.
- **Technology Licensing Arrangements:** Through technology licensing agreements with third parties in exchange for negotiated upfront and annual payments, and potential royalties upon the licensees' commercial sale of products.

While we will opportunistically engage in arrangements under each of these strategies, we have determined to pursue trait development and licensing arrangements with respect to all of the products currently under development.

For technology and trait licensing arrangements, we expect that our customers will primarily be seed companies, biotechnology companies, germplasm providers, large agricultural processors, others in the relevant crop's supply chain, and growers, who would, in each case, utilize our technology for their own trait development in specified crops. We will seek to develop relationships with strategic customers where our product candidates are most likely to benefit from the counterparty's deep agronomy, product management, and commercialization expertise. Placing our products and traits with such strategic customers will reduce our expenses and downstream risk exposure, while allowing us to pursue diversified growth across multiple revenue streams.

We believe that our primary focus on trait development and licensing provides a capital-efficient, lower-cost, and highly scalable approach. Our strategy is based on focusing on our core strengths in research and development, including gene editing, plant breeding, and trait development. We will continue to focus on advancing our technologies toward developing high value innovations and plant-based solutions with substantial disruption potential, while leveraging our partners and licensees to manage commercialization and the associated costs and risks. We believe that focusing our efforts on our technology and trait development expertise, while contracting with commercialization partners or licensees for downstream execution strikes a balance where we are best positioned for cost-efficient paths to market.

We are currently exploring product and partnership opportunities in various crops for potential applications across a variety of industries, including food, nutraceuticals, energy, and agriculture. Focusing primarily on our trait development and licensing go-to-market strategies, we are well positioned to nimbly develop plant-based input solutions for specific downstream issues, including consumer preferences, sustainability, cost, quality, and regulatory compliance. As of the date of this report, we have eight projects in later stage development, including two in Phase 3.



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A summary of our product development as of March 31, 2021 is as follows:

PRODUCT <sup>1</sup>	DEVELOPMENT PHASE	CROP	TARGET COMMERCIAL PLANTING YEAR
Improved Digestibility	Phase 3	Alfalfa	2021
High Fiber	Phase 3	Wheat	2023
High Oleic, Low Linolenic (HOLL)	Phase 2	Soybean	2023
Marketable Yield	Phase 1	Hemp	2023
Low THC for Food, Fiber, & Nutraceutical	Phase 1	Hemp	2024
Winter (Cold Tolerant)	Phase 1	Oat	2026
High Saturated Fat	Phase 1	Soybean	2026
Enhanced Protein Flavor	Phase 1	Soybean	2027

<sup>1</sup> The agronomic and functional quality of our product candidates and the timing of development are subject to a variety of factors and risks, which are described in Part I, Item 1A, "Risk Factors" of our 2020 Form 10-K.

During the quarter we stopped development of our improved oil HOLL product, which was being developed with a target of higher HOLL oil content that was intended to reduce costs per pound of oil under our prior go-to-market strategy. During the quarter, we also determined to pursue trait development and licensing arrangements as our baseline go-to-market strategy. While we will opportunistically engage in seed sale arrangements, our intention is to license all products under development as traits. We intend to move our current high oleic soybean product to this go-to-market strategy in 2022 and we are currently in discussions with potential licensors. This transition further reduces our capital requirements for these products and is expected to deliver high margin royalty revenue streams when those traits are commercialized by the licensors in future years.

### *Select Recent Achievements and Developments:*

- Completed preliminary composition analysis of our next generation soybean product's fatty acid profile. We intend to partner with third parties to bring this product to market as an alternative to other premium oilseeds.
- Achieved the successful completion of transformation of the hemp genome. The ability to transform hemp will enable further advancements, including trait delivery, gene editing, and advanced plant breeding, and is expected to accelerate hemp variety development.
- Executed new seed sale agreement with an affiliate of a current grain customer, a continuation of the relationship established through their purchases of grain.
- Sold more than 50 percent of the 2020 grain crop to Archers Daniels Midland (ADM), with the remaining grain projected to be sold throughout 2021 under existing contracts.
- Promoted Sarah Reiter to Chief Business Officer, effective May 1, 2021. In this role Ms. Reiter will be responsible for all our commercial activities including finding partners for the development and commercialization of our traits and products, and she will also be responsible for communications activities, including corporate communications, public relations, and product marketing.
- Appointed world-renowned plant-biochemistry experts to new Scientific Advisory Board chaired by our Co-Founder Dan Voytas, Ph.D. Appointees include including Anne Osbourn, Ph.D., Group Leader at the John Innes Center; Elizabeth Sattely, Ph.D., HHMI Investigator and Associate Professor of Chemical Engineering at Stanford University; and Paul Bernasconi, Ph.D., Former Global Function Head for Molecular Biology at BASF Biosciences. The Calyxt Scientific Advisory Board will focus on the identification of high value targets for development and commercialization.
- On February 19, 2021, James Blome ceased serving as our Chief Executive Officer. Mr. Blome was entitled to compensation and benefits as part of this termination without cause, and in the first quarter of 2021 we recorded \$2.3 million of cash expense for separation-related payments as well as an additional non-cash charge of \$0.1 million from the acceleration of expense recognition of sign-on bonus paid to Mr. Blome in a prior period. The cash payments to Mr. Blome will be made over a period of 24 months, which began in March 2021. We recorded a benefit to earnings from a \$2.5 million recapture of non-cash stock compensation expense from the forfeiture of certain of Mr. Blome's unvested stock options, restricted stock units, and performance stock units.

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We are an early-stage company and have incurred net losses since our inception. As of March 31, 2021, we had an accumulated deficit of \$176.9 million. Our net losses were \$10.0 million for the three months ended March 31, 2021. We expect to continue to incur significant expenses and operating losses for the next several years. Those expenses and losses may fluctuate significantly from quarter-to-quarter and year-to-year. We expect that our expenses will be driven by:

- continuing to advance the R&D of our current and future products;
- conducting additional breeding and field trials of our current and future products;
- seeking regulatory and marketing approvals for our products;
- acquiring or in-licensing other products, technologies, germplasm, or other biological material;
- maintaining, protecting, expanding, and defending our intellectual property portfolio;
- making royalty and other payments under any in-license agreements;
- seeking to attract and retain new and existing skilled personnel;
- identifying strategic partners and licensees and negotiating agreements under the applicable go-to-market strategy;
- addressing the impacts of the ongoing COVID-19 pandemic, including implementing expense reduction efforts and seeking to bolster our liquidity position considering changing business needs and uncertain macro-economic conditions; and
- experiencing any delays or encountering issues with any of the above, including due to COVID-19 and its impacts.

## **OUR RELATIONSHIP WITH COLLECTIS AND COMPARABILITY OF OUR RESULTS**

We are a majority-owned subsidiary of Collectis. As of March 31, 2021, Collectis owned 64.5% of our issued and outstanding common stock. Collectis has certain contractual rights as well as rights pursuant to our certificate of incorporation and bylaws, in each case, as long as it maintains threshold beneficial ownership levels in our shares.

We hold an exclusive license from Collectis that broadly covers the use of engineered nucleases for plant gene editing. This intellectual property covers methods to edit plant genes using “chimeric restriction endonucleases,” which include TALEN®, CRISPR/Cas9, zinc finger nucleases, and some types of meganucleases.

Collectis has also guaranteed the lease of our headquarters facility.

## **FINANCIAL OPERATIONS OVERVIEW**

### ***Revenue***

For the three months ended March 31, 2021, we recognized revenue from the sales of high oleic soybean seed grain.

### ***Cost of Goods Sold and Inventory***

Certain grain costs, net of the benefit from our seed activity, are capitalized to inventory. Additional costs or benefits are recognized as incurred. Any valuation adjustments to inventory are recognized as incurred. Until the fourth quarter of 2020, cost of goods sold included crush and refining losses that are expensed as incurred since they do not add to the value of the finished products. Gains and losses resulting from commodity derivative contracts sold to convert our fixed price grain inventories and fixed price Forward Purchase Contracts to floating prices are recorded in current period cost of goods sold. Because we expect to sell grain at market prices, the economic effects of the hedges being recognized currently are expected to be fully offset when we sell the grain in a future period.

### ***Research and Development Expense***

Research and development (R&D) expenses consist of the costs of performing activities to discover and develop products and advance our intellectual property. We recognize R&D expenses as they are incurred.

Our R&D expenses consist primarily of employee-related costs for personnel who research and develop our product candidates, fees for contractors who support product development and breeding activities, expenses for trait validation, purchasing material and supplies for our laboratories, licensing, an allocation of facility and information technology expenses, and other costs associated with owning and operating our own laboratories. R&D expenses also include costs to write and support the research for filing patents.

### ***Selling, General, and Administrative Expense***

Selling, general, and administrative (SG&A) expenses consist primarily of employee-related expenses for selling and licensing our products and employee-related expenses for our executive, legal, intellectual property, information technology, finance, and human resources functions. In periods prior to 2021, these expenses also included employee-related and other expenses for selling soybean oil and meal, soybean acreage acquisition, and managing the soybean product supply chain. Other SG&A expenses include facility and

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information technology expenses not otherwise allocated to R&D expenses, professional fees for auditing, tax and legal services, expenses associated with maintaining patents, consulting costs and other costs of our information systems, and costs to market our products.

### ***Interest, net***

Interest, net is comprised of interest income resulting from investments of cash and cash equivalents, short-term investments, unrealized gains and losses on short-term investments, and interest expense on our financing lease obligations. It is also driven by balances, yields, and timing of financing and other capital raising activities.

### ***Non-operating expenses***

Non-operating expenses are expenses that are not directly related to our ongoing operations and are primarily comprised of gains and losses from foreign exchange-related transactions and disposals of land, buildings, and equipment.

### ***Anticipated Changes Between Revenues and Costs***

As we execute upon our streamlined business model, we expect the composition of our revenues and costs to evolve. Future cash and revenue-generating opportunities are expected to primarily arise from seed sales, trait development and licensing activities, and licensing arrangements. Under trait development and licensing activities, revenues are expected to arise from up-front, annual or milestone, and royalty payments upon the licensees' commercial sale of products. Under licensing arrangements, revenues are expected to arise from up-front, annual, and royalty payments upon the licensees' commercial sale of products.

Because our strategy is based on focusing on our core strengths in research and development, gene editing, and trait development, we expect R&D expenses to be the primary area of increase in our expenses. At the same time, because our streamlined business model relies on third parties assuming responsibility for agronomy infrastructure, product management, and commercialization, we expect that SG&A expense will decline as the new models are fully implemented.

### ***Recent Developments – COVID-19 Update***

As previously reported, our operations in Minnesota are classified as critical sector work under the State of Minnesota's COVID-19 executive orders. Accordingly, most of our laboratory workers have continued to work onsite at our headquarters throughout the pandemic, and our R&D programs and seed distribution activities have not experienced material delays. In accordance with our COVID-19 Preparedness Plan, Minnesota executive order requirements, and guidelines promoted by the Centers for Disease Control and Prevention, we have implemented health and safety measures for the protection of our onsite workers, have maintained remote work arrangements for our non-laboratory personnel, and have implemented, as necessary, appropriate self-quarantine precautions for potentially affected laboratory personnel.

During the quarter ended March 31, 2021, the COVID-19 pandemic did not have a material impact on our operations. However, a resurgence or prolonging of the COVID-19 pandemic, governmental response measures, and resulting disruptions could rapidly offset such improvements. Moreover, the effects of the COVID-19 pandemic on the financial markets remain substantial and broader economic uncertainties persist, which may make obtaining capital challenging and have exacerbated the risk that such capital, if available, may not be available on terms acceptable to us. There continues to be significant uncertainty relating to the COVID-19 pandemic and its impact, and many factors could affect our results and operations, including, but not limited to, those described in Part I, Item 1A, "Risk Factors" of our 2020 Form 10-K.

**RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED MARCH 31, 2021 COMPARED TO THE THREE MONTHS ENDED MARCH 31, 2021**

A summary of our results of operations for the three months ended March 31, 2021 and 2020 follows:

	Three Months Ended March 31,			
	2021	2020	\$ Change	% Change
Revenue	\$ 4,402	\$ 2,377	\$ 2,025	85%
Cost of goods sold	6,745	3,884	2,861	74%
Gross margin	(2,343)	(1,507)	(836)	(55)%
Research and development expense	3,050	2,787	263	9%
Selling, general, and administrative expense	4,258	6,298	(2,040)	(32)%
Management fees and royalties	30	62	(32)	(52)%
Interest, net	(346)	(398)	52	13%
Non-operating expenses	(1)	(11)	10	91%
Net loss	\$ (10,028)	\$ (11,063)	\$ 1,035	9%
Basic and diluted net loss per share	\$ (0.27)	\$ (0.34)	\$ 0.07	21%
Adjusted EBITDA <sup>1</sup>	\$ (6,827)	\$ (8,237)	\$ 1,410	17%

<sup>1</sup> See "Use of Non-GAAP Financial Information" elsewhere in this report for a discussion of Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) and a reconciliation of Adjusted EBITDA to Net loss, the most comparable GAAP measure.

**Revenue**

Revenue was \$4.4 million in the first quarter of 2021, an increase of \$2.0 million, or 85 percent, from the first quarter of 2020. The increase was driven by sales of a portion of the 2020 grain crop as compared to the first quarter of 2020, when we were selling soybean oil and meal. As of March 31, 2021, we had sold over 50 percent of the 2020 grain crop.

**Cost of Goods Sold**

Cost of goods sold were \$6.7 million in the first quarter of 2021, an increase of \$2.9 million, or 74 percent, from the first quarter of 2020. The increase was driven by higher volumes of product sold, higher average prices paid for grain as a result of increases in commodity market prices for soybeans, and \$0.2 million of unrealized commodity derivative losses from hedging contracts sold to convert our fixed price grain inventory and fixed price Forward Purchase Contracts to floating prices to link them to market, consistent with how we expect to sell the grain. These increases were partially offset by the benefits resulting from the advancement of our soybean product line go-to-market strategy.

**Gross Margin and Adjusted Gross Margin**

Gross margin was a negative \$2.3 million, or negative 53 percent, in the first quarter of 2021, a decrease of \$0.8 million or 55 percent from the first quarter of 2020, driven by higher volumes of product sold, higher cost of product sold as a result of increases in commodity prices for soybeans, and \$0.2 million of unrealized commodity derivative losses from futures contracts sold to hedge our fixed price grain inventory and fixed price Forward Purchase Contracts. These increases were partially offset by higher selling prices and benefits from the advancement of our soybean product line go-to-market strategy.

Adjusted gross margin, a non-GAAP measure, was negative \$1.3 million, or negative 31 percent, in the first quarter of 2021, compared to negative \$1.2 million, or negative 49 percent, in the first quarter of 2020. The improvement on a percentage basis was driven by benefits resulting from the advancement of our soybean product line go-to-market strategy.

See below under the heading "Use of Non-GAAP Financial Information" for a discussion of adjusted gross margin and a reconciliation of gross margin, the most comparable GAAP measure, to adjusted gross margin.

**Research and Development Expense**

R&D expenses were \$3.1 million in the first quarter of 2021, an increase of \$0.3 million, or nine percent, from the first quarter of 2020. The increase was driven by an increase in non-cash stock compensation and third-party R&D expenses.

**Selling, General, and Administrative Expense**

SG&A expenses were \$4.3 million in the first quarter of 2021, a decrease of \$2.0 million, or 32 percent, from the first quarter of 2020.

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The decrease was driven by lower non-cash stock compensation expense of \$2.8 million from the recapture of non-cash stock compensation from forfeitures of unvested stock awards, lower personnel costs as a result of the reduction in cost following the advancement of the go-to-market strategy for our soybean product line, and other cash expenses also decreased from the first quarter of 2020. These decreases were partially offset by an increase of \$2.4 million in Section 16 officer transition expenses and increase in certain insurance costs.

### ***Management Fees and Royalties***

Management fees and royalties were \$30,000 in the first quarter of 2021, a decrease of \$32,000, or 52 percent.

### ***Interest, net***

Interest, net for the first quarter of 2021 was essentially flat compared to the first quarter of 2020.

### ***Net Loss and Adjusted Net Loss***

Net loss was \$10.0 million in first quarter of 2021, an improvement of \$1.0 million, or nine percent, from the first quarter of 2020. The improvement in net loss was driven by \$2.7 million of lower non-cash stock compensation expenses as a result of a recapture of non-cash stock compensation expense from the forfeiture of unvested stock awards, fewer stock awards granted, and lower stock award values, partially offset by a \$2.4 million increase in Section 16 officer transition expenses and a \$0.8 million decrease in gross margin.

Adjusted net loss was \$8.8 million in the first quarter of 2021, an improvement of \$2.0 million, or 18 percent, from the first quarter of 2020. The improvement in adjusted net loss was driven by the benefits resulting from the advancement of our soybean product line go-to-market strategy and other reductions in operating expenses.

See below under the heading “Use of Non-GAAP Financial Information” for a discussion of adjusted net loss and a reconciliation of net loss, the most comparable GAAP measure, to adjusted net loss.

### ***Net Loss Per Share and Adjusted Net Loss Per Share***

Net loss per share was \$0.27 in the first quarter of 2021, an improvement of \$0.07 per share, or 21 percent, from the first quarter of 2020. The improvement in net loss per share was driven by the change in net loss.

Adjusted net loss per share was \$0.24 in the first quarter of 2021, an improvement of \$0.09 per share, or 27 percent, from the first quarter of 2020. The improvement in adjusted net loss per share was driven by the change in adjusted net loss.

See below under the heading “Use of Non-GAAP Financial Information” for a discussion of adjusted net loss per share and a reconciliation of net loss per share, the most comparable GAAP measure, to adjusted net loss per share.

### ***Adjusted EBITDA***

Adjusted EBITDA loss was \$6.8 million in the first quarter of 2021, an improvement of \$1.4 million, or 17 percent, from the first quarter of 2020. The improvement was driven by the benefits resulting from the advancement of our soybean product line go-to-market strategy and other reductions in operating expenses.

See below under the heading “Use of Non-GAAP Financial Information” for a discussion of adjusted EBITDA and a reconciliation of net loss, the most comparable GAAP measure, to adjusted EBITDA.

## **LIQUIDITY AND CAPITAL RESOURCES**

### ***Liquidity***

Our primary source of liquidity is our cash and cash equivalents, with additional liquidity accessible, subject to market conditions and other factors, from the capital markets. As of March 31, 2021, we had a total of \$20.4 million of cash, cash equivalents, short-term investments, and restricted cash. Short-term investments consist of corporate debt securities and commercial paper with more than 90 days to maturity at issuance. All of these amounts are convertible to cash within 90 days except for \$1.0 million of restricted cash associated with our financing leases. Current liabilities were \$6.3 million as of March 31, 2021. Accordingly, we have cash, cash equivalents, and short-term investments sufficient to fund all short-term obligations as of that date.

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Our liquidity funds our non-discretionary cash requirements and our discretionary spending. Working capital is our principal non-discretionary funding requirement. In addition, we have contractual obligations related to our recurring business operations, primarily related to lease obligations. Our principal discretionary cash spending includes capital expenditures.

Gene editing is a highly regulated activity, and we incur significant expense related to our monitoring of, and compliance with, applicable regulatory requirements in the United States. To the extent that we opportunistically pursue business arrangements that bring innovations developed for North America to new territories, we would be required to incur significant additional regulatory costs in order to comply with applicable regulatory requirements outside the United States.

We incurred losses from operations of \$9.7 million for the three months ended March 31, 2021, and \$10.7 million for the three months ended March 31, 2020. As of March 31, 2021, we had an accumulated deficit of \$176.9 million and expect to continue to incur losses in the future.

We have \$1.5 million outstanding under our Paycheck Protection Program loan as of March 31, 2021. We have applied the proceeds from the Paycheck Protection Program loan toward qualifying expenses and on October 21, 2020, as modified December 29, 2020, applied for forgiveness of the full principal amount and all accrued interest. On April 8, 2021, we were notified by the SBA that the full amount of our Paycheck Protection Program loan had been forgiven. We expect to record income in the second quarter of 2021 for the full amount of the loan and the associated accrued interest.

### *Cash Flows from Operating Activities*

In Thousands	Three Months Ended March 31,			
	2021	2020	\$ Change	% Change
Net loss	\$ (10,028)	\$ (11,063)	\$ 1,035	9%
Depreciation and amortization expense	585	452	133	29%
Stock-based compensation	(1,450)	1,271	(2,721)	(214)%
Changes in operating assets and liabilities	1,476	(2,898)	4,374	151%
Net cash used by operating activities	\$ (9,417)	\$ (12,238)	\$ 2,821	23%

Net cash used by operating activities decreased by \$2.8 million, primarily driven by a \$4.4 million improvement in cash used by operating assets and liabilities primarily due to the severance recorded following the departure of Mr. Blome and \$1.0 million decrease in net loss. These were partially offset by a \$2.7 million change in the impact from non-cash stock compensation expense, primarily the result of the forfeiture of unvested stock awards.

We expect net cash used by operating activities over the remainder of 2021 to be lower than 2020 as a result of expense reductions following the advancement of the business model for our soybean product line.

### *Cash Flows from Investing Activities*

In Thousands	Three Months Ended March 31,			
	2021	2020	\$ Change	% Change
Sales and (purchases) of short-term investments, net	\$ 8,653	\$ (38,620)	\$ 47,273	122%
Purchases of land, buildings, and equipment	(269)	(317)	48	15%
Net cash provided by (used by) investing activities	\$ 8,384	\$ (38,937)	\$ 47,321	122%

Net cash provided by investing activities increased by \$47.3 million. This was driven by changes in purchases and sales of short-term investments. In the first quarter of 2020, we invested cash and cash equivalents in short-term investments to diversify counterparty credit risk.

We expect net cash used for purchases of land, buildings, and equipment in the remainder of 2021 to be comparable to 2020, and proceeds from short-term investments to continue during 2021 as we continue to use those investments to fund operations.

**Cash Flows from Financing Activities**

In Thousands	Three Months Ended March 31,			
	2021	2020	\$ Change	% Change
Repayments of financing lease obligations	\$ (88)	\$ (45)	\$ (43)	(96)%
Proceeds from the exercise of stock options	208	—	208	NM
Net cash provided by (used by) financing activities	\$ 120	\$ (45)	\$ 165	367%

NM – not meaningful

Net cash provided by financing activities increased by \$0.2 million, primarily driven by proceeds from stock option exercises.

We expect net cash from financing activities in 2021 to be less than 2020 due to the cash inflows from the \$1.5 million Paycheck Protection Program loan received in 2020. On April 8, 2021, we were notified by the SBA that the full amount of our Paycheck Protection Program loan had been forgiven.

**CAPITAL RESOURCES****Operating Capital Requirements**

Considering factors such as cash raised in October 2020, our anticipated cash burn rate, our anticipated expense reduction efforts, our expectations regarding an effective advancement of our go-to-market soybean strategy, and anticipated cash receipts from our product development and technology licensing efforts with partners, we believe our cash, cash equivalents, short-term investments, and restricted cash as of March 31, 2021, will be enough to fund our operations for at least the next twelve months and into the second half of 2022.

We anticipate that we will continue to generate losses for the next several years before revenue is enough to support our operating capital requirements. Until we can generate substantial cash flow, we expect to finance a portion of future cash needs through cash on hand, public or private equity or debt financings, government or other third-party funding, and commercialization activities, which may result in various types of revenue streams from seed sales and future development agreements, trait licenses, and technology licenses, including upfront and milestone payments, annual license fees, and royalties. However, additional capital may not be available on reasonable terms, if at all. If we are unable to raise additional capital in enough amounts or on terms acceptable to us, we may have to significantly delay, scale back, or discontinue the development or commercialization of our activities. Failure to receive additional funding could cause us to cease operations, in part or in full. If we raise additional funds through the issuance of additional debt or equity securities, it could result in dilution to our existing stockholders and increased fixed payment obligations, and these securities may have rights senior to those of our shares of common stock. Any of these events could significantly harm our business, financial condition, and prospects.

Our financing needs are subject to change depending on, among other things, the success of our product development efforts, the effective execution of our streamlined business model, our revenue, and our efforts to effectively manage expenses. The effects of the COVID-19 pandemic on the financial markets and broader economic uncertainties may make obtaining capital through equity or debt financings more challenging and have exacerbated the risk that such capital, if available, may not be available on terms acceptable to us.

In response to current economic conditions, we have postponed non-essential capital expenditures and undertaken other efficiency efforts. In addition, the headcount reductions undertaken in connection with our business model advancement will contribute to our cost-saving initiatives. We will continue to review our operating expenses and to take actions that support efficient operations, financial flexibility, and optimized liquidity.

**CONTRACTUAL OBLIGATIONS, COMMITMENTS AND CONTINGENCIES**

As of March 31, 2021, there were no material changes in our commitments under contractual obligations as disclosed in our Annual Report, except that our Forward Purchase Contracts, which consist of commitments to purchase grain and seed, have decreased to \$11.7 million from \$21.2 million. During the quarter, we recorded \$2.3 million of cash expense for separation-related payments to Mr. Blome, our former chief executive officer. The cash payments to Mr. Blome will be made over a period of 24 months, which began in March 2021.

**CRITICAL ACCOUNTING POLICIES**

The preceding discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements and the related disclosures, which have been prepared in accordance with U.S. GAAP. The preparation of these consolidated financial statements requires us to make estimates, assumptions, and judgments that affect the reported amounts in our consolidated financial statements and accompanying notes. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different



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assumptions or conditions. We believe the policies discussed in Note 1, Basis of Presentation and Summary of Significant Accounting Policies, are the most critical to an understanding of our financial condition and results of operations because they require us to make estimates, assumptions, and judgments about matters that are inherently uncertain.

As of March 31, 2021, there have been no significant changes to our critical accounting policies disclosure reported in “Critical Accounting Estimates” in our Annual Report.

### RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standard Update (ASU) No. 2016-02, “Leases (Topic 842)” (ASU 2016-02). Under ASU 2016-02, an entity will be required to recognize assets and liabilities for the rights and obligations created by leases on the entity’s balance sheet for both finance and operating leases. For leases with a term of 12 months or less, an entity can elect to not recognize lease assets and lease liabilities and expense the lease over a straight-line basis for the term of the lease. Because we are an emerging growth company, the requirements of the new standard are effective for annual reporting periods beginning after December 15, 2021, and interim periods within those annual periods. We are in the process of analyzing the impact of this standard on our results of operations and financial position.

In June 2016, the FASB issued ASU No. 2016-13, “Financial Instruments – Credit Losses (Topic 326)” (ASU 2016-13). ASU 2016-13 creates accounting requirements on how to account for credit losses on most financial assets and certain other instruments. This will require the estimation of lifetime expected credit losses and corresponding recognition of allowance for losses on trade and other receivables, loans, and other instruments held at amortized cost. The ASU requires certain recurring disclosures and is effective for annual periods, and interim periods within those annual periods, beginning on or after December 15, 2023. We are in the process of analyzing the impact of this standard on our results of operations.

### USE OF NON-GAAP FINANCIAL INFORMATION

To supplement our audited financial results prepared in accordance with GAAP, we have prepared certain non-GAAP measures that include or exclude special items. These non-GAAP measures are not meant to be considered in isolation or as a substitute for financial information presented in accordance with GAAP and should be viewed as supplemental and in addition to our financial information presented in accordance with GAAP. Investors are cautioned that there are material limitations associated with the use of non-GAAP financial measures. In addition, other companies may report similarly titled measures, but calculate them differently, which reduces their usefulness as a comparative measure. Management utilizes these non-GAAP metrics as performance measures in evaluating and making operational decisions regarding our business.

We present adjusted gross margin, a non-GAAP measure that excludes the effects of commodity derivatives entered into to hedge the change in value of fixed price grain inventories and fixed price Forward Purchase Contracts as the expected impact from these contracts will be fully offset when the underlying grain is sold and excludes the impact of any net realizable value adjustments to inventories occurring in the period, which would otherwise have been recorded as an adjustment to value in a prior period or would have been recorded in a future period as the underlying products are sold.

We provide in the table below a reconciliation of gross margin, which is the most directly comparable GAAP financial measure, to adjusted gross margin. We provide adjusted gross margin because we believe that this non-GAAP financial metric provides investors with useful supplemental information at this stage of commercialization as the amounts being adjusted affect the period-to-period comparability of our gross margins and financial performance.

The table below presents a reconciliation of gross margin to adjusted gross margin:

In Thousands	Three Months Ended March 31,	
	2021	2020
Gross margin (GAAP measure)	\$ (2,343)	\$ (1,507)
Gross margin percentage	(53)%	(63)%
Non-GAAP adjustments:		
Unrealized mark-to-market loss	211	—
Net realizable value adjustment to inventories	787	334
<b>Adjusted gross margin</b>	<b>\$ (1,345)</b>	<b>\$ (1,173)</b>
<b>Adjusted gross margin percentage</b>	<b>(31)%</b>	<b>(49)%</b>

We present adjusted net loss, a non-GAAP measure, and define it as net loss excluding the effects of commodity derivatives entered into to hedge the change in value of fixed price grain inventories and fixed price Forward Purchase Contracts as the expected impact from these contracts will be fully offset when the underlying grain is sold, any net realizable value adjustments to inventories occurring in the period, which would otherwise have been recorded as an adjustment to value in a prior period or would have been recorded in a



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future period as the underlying products are sold, Section 16 officer transition expenses, the recapture of non-cash stock compensation expense primarily associated with Section 16 officers, and non-operating expenses, which are primarily gains and losses on foreign exchange transactions and losses on the disposals of land, buildings, and equipment.

We provide in the table below a reconciliation of net loss, which is the most directly comparable GAAP financial measure, to adjusted net loss. We provide adjusted net loss because we believe that this non-GAAP financial metric provides investors with useful supplemental information at this stage of commercialization as the amounts being adjusted affect the period-to-period comparability of our net losses and financial performance.

The table below presents a reconciliation of net loss to adjusted net loss:

In Thousands	Three Months Ended March 31,	
	2021	2020
Net loss (GAAP measure)	\$ (10,028)	\$ (11,063)
Non-GAAP adjustments:		
Unrealized mark-to-market loss	211	—
Net realizable value adjustment to inventories	787	334
Section 16 officer transition expenses	2,721	360
Recapture of non-cash stock compensation	(2,540)	(471)
Non-operating expenses	1	11
<b>Adjusted net loss</b>	<b>\$ (8,848)</b>	<b>\$ (10,829)</b>

We present adjusted net loss per share, a non-GAAP measure, and define it as net loss per share excluding the effects of commodity derivatives entered into to hedge the change in value of fixed price grain inventories and fixed price Forward Purchase Contracts as the expected impact from these contracts will be fully offset when the underlying grain is sold, any net realizable value adjustments to inventories occurring in the period, which would otherwise have been recorded as an adjustment to value in a prior period or would have been recorded in a future period as the underlying products are sold, Section 16 officer transition expenses, the recapture of non-cash stock compensation expense primarily associated with Section 16 officers, and non-operating expenses, which are primarily gains and losses on foreign exchange transactions and losses on the disposals of land, buildings, and equipment.

We provide in the table below a reconciliation of net loss per share, which is the most directly comparable GAAP financial measure, to adjusted net loss per share. We provide adjusted net loss per share because we believe that this non-GAAP financial metric provides investors with useful supplemental information at this stage of commercialization as the amounts being adjusted affect the period-to-period comparability of our net losses per share and financial performance.

The table below presents a reconciliation of net loss per share to adjusted net loss per share:

	Three Months Ended March 31,	
	2021	2020
Net loss per share (GAAP measure)	\$ (0.27)	\$ (0.34)
Non-GAAP adjustments:		
Unrealized mark-to-market loss	0.01	—
Net realizable value adjustment to inventories	0.02	0.01
Section 16 officer transition expenses	0.07	0.01
Recapture of non-cash stock compensation	(0.07)	(0.01)
Non-operating expenses	—	—
<b>Adjusted net loss per share</b>	<b>\$ (0.24)</b>	<b>\$ (0.33)</b>

We present adjusted EBITDA, a non-GAAP measure, and define it as net loss excluding interest, net, depreciation and amortization expenses, stock-based compensation expenses including the recapture of non-cash stock compensation expense primarily associated with Section 16 officers, the effects of commodity derivatives entered into to hedge the change in value of fixed price grain inventories and fixed price Forward Purchase Contracts as the expected impact from these contracts will be fully offset when the underlying grain is sold, any net realizable value adjustments to inventories occurring in the period, which would otherwise have been recorded as an adjustment to value in a prior period or would have been recorded in a future period as the underlying products are sold, Section 16 officer transition expenses, and non-operating expenses, which are primarily gains and losses on foreign exchange transactions and losses on the disposals of land, buildings, and equipment.

We provide in the table below a reconciliation of net loss, which is the most directly comparable GAAP financial measure, to adjusted EBITDA. Because adjusted EBITDA excludes non-cash items and discrete or infrequently occurring items, we believe that adjusted

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EBITDA provides investors with useful supplemental information about the operational performance of our business and facilitates the period-to-period comparability of our financial results where certain items may vary significantly independent of our business performance.

The table below presents a reconciliation of net loss to adjusted EBITDA:

<b>In Thousands</b>	<b>Three Months Ended March 31,</b>	
	<b>2021</b>	<b>2020</b>
Net loss (GAAP measure)	\$ (10,028)	\$ (11,063)
Non-GAAP adjustments:		
Interest, net	346	398
Depreciation and amortization expenses	585	452
Stock-based compensation expenses	(1,450)	1,271
Unrealized mark-to-market loss	211	—
Net realizable value adjustment to inventories	787	334
Section 16 officer transition expenses	2,721	360
Non-operating expenses	1	11
<b>Adjusted EBITDA</b>	<b>\$ (6,827)</b>	<b>\$ (8,237)</b>

### **Item 3. Quantitative and Qualitative Disclosures About Market Risk**

For quantitative and qualitative disclosures about market risk that affect us, see “Quantitative and Qualitative Disclosures About Market Risk” in Item 7A of Part II of the Annual Report. There have been no material changes in information that would have been provided in the context of Item 3 from the end of the preceding year until March 31, 2021. However, we do provide risk management discussion in various places in this Quarterly Report on Form 10-Q, primarily in Note 2. Financial Instruments, Fair Value, Hedging Activities, and Concentrations of Credit Risk.

### **Item 4. Controls and Procedures**

#### **Management’s Evaluation of Disclosure Controls and Procedures**

Based on an evaluation under the supervision and with the participation of our management, our principal executive officer and principal financial officer have concluded that our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, were effective as of March 31, 2021.

#### **Changes in Internal Control over Financial Reporting**

There were no changes in our internal control over financial reporting that occurred during the three months ended March 31, 2021, that have materially affected, or that are reasonably likely to materially affect, our internal control over financial reporting.

**PART II. OTHER INFORMATION**

**Item 1. Legal Proceedings**

We are not a party to any material pending legal proceedings as of March 31, 2021. From time to time, we may be involved in legal proceedings arising in the ordinary course of business.

**Item 1A. Risk Factors**

There have been no material changes in risk factors in the period covered by this report. See the discussion of risk factors in Part I, Item 1A “Risk Factors” of our Annual Report on Form 10-K for the year ended December 31, 2020.

**Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.**

In the three months ended March 31, 2021, the Company did not repurchase any shares of stock or have any unregistered sales of equity securities.

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### Item 6. Exhibits

(a) Index of Exhibits

<b>Exhibit Number</b>	<b>Description</b>
3.1	<a href="#">Amended and Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q filed on September 1, 2017)</a>
3.2	<a href="#">Amended and Restated Bylaws (incorporated by reference to Exhibit 3.2 of the Company's Quarterly Report on Form 10-Q filed with the SEC on May 7, 2018)</a>
10.1†	<a href="#">Calyxt, Inc. 2021 Short Term Incentive Plan (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed with the SEC on March 18, 2021)</a>
10.2†	<a href="#">Calyxt, Inc. 2021 Executive Severance Plan (incorporated by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K filed with the SEC on March 18, 2021)</a>
10.3*†	<a href="#">Notice of Compensation to Executive Chair of the Board, dated March 18, 2021</a>
10.4*†	<a href="#">Separation Agreement between Calyxt, Inc. and James Blome, dated March 18, 2021</a>
10.5*†	<a href="#">Employment Agreement between Calyxt, Inc. and Ms. Sarah Reiter, dated October 13, 2020</a>
31.1*	<a href="#">Certification of the Chief Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) of the Exchange Act</a>
31.2*	<a href="#">Certification of the Chief Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) of the Exchange Act</a>
32*	<a href="#">Certification of the Chief Executive Officer and Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>
101.INS*	Inline XBRL Instance Document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104*	The cover page for the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2021, has been formatted in Inline XBRL

\*Filed herewith

† Indicates management contract or compensatory plan.

**SIGNATURE**

Pursuant to the requirements of the Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on May 6, 2021.

CALYXT, INC.

By: /s/ Yves J. Ribeill, Ph.D.

Name: Yves J. Ribeill, Ph.D.

Title: Executive Chair of the Board of Directors  
(Principal Executive Officer)

By: /s/ William F. Koschak

Name: William F. Koschak

Title: Chief Financial Officer  
(Principal Financial and Accounting Officer)



March 18, 2020

Dr. Yves Ribeill  
c/o Calyxt, Inc.  
2800 Mount Ridge Road  
Roseville, Minnesota 55113

Dear Yves:

On behalf of Calyxt, Inc., (the "**Company**"), I am pleased to notify you of the compensation adopted by the Board of Directors of the Company in connection with your service as Executive Chair of the Board of Directors (the "**Executive Chair**"), which commenced on February 19, 2021 (the "**Effective Date**") and will end on the date you cease to serve as the Company in an executive officer capacity (such period, the "**Term**").

As compensation for your service, on the 1<sup>st</sup> day of each calendar month during the Term, commencing with April 1, 2021, the Company shall grant you Restricted Stock Units ("**RSUs**") with a grant date value of \$50,000.00 per month and subject to the vesting conditions described below. The first RSU award on April 1, 2021 will include the pro rata February 2021 and March 2021 \$50,000.00 value in addition to the \$50,000.00 value. In addition, as an incentive bonus, the Company will grant you RSUs with a grant date value of \$200,000.00, with the grant date of such RSUs being the effective date of an employment agreement appointing a permanent Chief Executive Officer of the Company (the "**CEO Start Date**") and subject to the vesting conditions described below.

The vesting schedule for all RSUs granted as set forth in the immediately preceding paragraph shall be as follows:

- One-third (1/3) shall vest on the CEO Start Date;
- One-third (1/3) shall vest on the six-month anniversary of the CEO Start Date; and
- The remainder shall vest on the one-year anniversary of the CEO Start Date.

All terms and conditions of such RSUs not otherwise set forth in this notice will be governed by the Company's equity incentive plan.

While you will not receive a cash salary, you will be eligible for a cash bonus (a "**Cash Bonus**"), as follows. In the event that the Company's balance of cash and cash equivalents as of December 31, 2021, is between \$36 million (inclusive) and \$55 million (exclusive), you will receive a cash bonus of \$250,000.00. In the event that the Company's balance of cash and cash equivalents as of December 31, 2021, is greater than, or equal to, \$55 million, you will receive a cash bonus of \$500,000.00 (the "**Target**"). If either of

preceding conditions are satisfied as of December 31, 2021, the applicable Cash Bonus would be payable regardless of whether December 31, 2021 falls within the Term.

If a Change in Control occurs prior to the one-year anniversary of the CEO Start Date, the RSUs granted as set forth above will vest in accordance with the applicable award agreement. If a Change in Control occurs prior to December 31, 2021, the Cash Bonus will be paid at the Target level of \$500,000.00.

The Company shall have sole discretion to modify any compensation terms described in this letter at any time.

**“Change of Control”**– means the occurrence of any of the following after the Effective Date:

- i. a sale, transfer or disposition of all or substantially all of the Company’s assets other than to (A) a corporation or other entity of which at least a majority of its combined voting power is owned directly or indirectly by the Company, (B) a corporation or other entity owned directly or indirectly by the holders of capital stock of the Company in substantially the same proportions as their ownership of Common Stock, or (C) an Excluded Entity (as defined in subsection (ii) below); or
- ii. any merger, consolidation or other business combination transaction of the Company with or into another corporation, entity or person, other than a transaction with or into another corporation, entity or person in which the holders of at least a majority of the shares of voting capital stock of the Company outstanding immediately prior to such transaction continue to hold (either by such shares remaining outstanding in the continuing entity or by their being converted into shares of voting capital stock of the surviving entity) a majority of the total voting power represented by the shares of voting capital stock of the Company (or the surviving entity) outstanding immediately after such transaction (an **“Excluded Entity”**); or
- iii. any direct or indirect purchase or other acquisition by any Person or “group” (as defined in or under Section 13(d) of the Exchange Act), other than a Current Parent or another Person that is controlled by a Current Parent, of more than fifty percent (50%) of the total outstanding equity interests in or voting securities of the Company, excluding any transaction that is determined by the Board in its reasonable discretion to be a bona fide capital raising transaction.

Notwithstanding anything stated herein, a transaction shall not constitute a Change in Control if its sole purpose is to change the state of the Company’s incorporation, or to

create a holding company that will be owned in substantially the same proportions by the persons who hold the Company's securities immediately before such transaction.

Sincerely,

/s/ Chris Neugent, Chair of Compensation Committee





February 19, 2021

James A. Blomevia  
email only  
[\*\*\*]

Re: Separation and Release Agreement  
Dear Jim,

This letter (this "Agreement") describes our agreement regarding the separation of your employment with Calyxt, Inc. (the "Company") effective February 19, 2021, and specifies the terms of the release you are obligated to provide in order to receive the severance and other benefits described in Section 8(b) of the offer Letter Agreement between you and the Company dated September 17, 2018 (the "Letter Agreement").

1. Separation of Employment and Payments. Your employment with the Company ends effective February 19, 2021 without further action by either you or the Company. For purposes of the Letter Agreement, the separation of your employment effective February 19, 2021 will be considered a termination by the Company without Cause pursuant to Section 8(b) of the Letter Agreement. The Company will pay you, in accordance with its policies, all earned base salary; \$259,556, which amount is your 2020 Annual Performance Bonus; and all reimbursable expenses. As of your termination, you have no authority to act on behalf of the Company.

2. Severance and Benefits. The Company will pay you the severance and provide the other benefits described in Section 8(b) of the Letter Agreement if you: (a) sign and deliver, after your employment ends on February 19<sup>th</sup> but on or before the 21<sup>st</sup> day thereafter (*i.e.*, March 12, 2021) this Agreement and the Release attached hereto as Exhibit A (the "Release"); (b) are complying and continue to comply with the obligations set forth in the Letter Agreement; and (c) you do not rescind or revoke any part of the Release. If you meet these requirements, you will receive the following payments in the gross amount of Two Million Two Hundred Eight-Six Thousand Four Hundred Thirty-Five Dollars and no/100ths (\$2,286,435) pursuant to the Letter Agreement ("Severance Pay"), payable as set forth below:

- a. \$1,270,000, which amount is equal to 24 months of your base pay, payable over a period of 24 months in accordance with the Company's usual payroll procedures;
- b. \$952,500, which amount represents your maximum Annual Performance Bonus Target for a period of 24 months, payable one-half of said amount (\$476,250) on or before March 15, 2022 and the remainder on or before March 15, 2023; and
- c. \$63,935, which amount is your 2021 Annual Performance Bonus on a pro-rata basis, payable in a lump sum payment.

Payment of your Severance Pay will commence with the Company's first regularly scheduled payroll following the date of expiration of any right you have to rescind or revoke the properly executed, delivered and accepted Release. Severance Pay is subject to taxes withholding.

In consideration for the benefits outlined above, you agree to the following:

3. Incentive Awards. Pursuant to the terms of the Company 2017 Omnibus Incentive Plan (the "Plan"), you entered into an Equity Incentive Plan (as amended) Stock Option Agreement with a Date of Grant of October 8, 2018 (the "October 2018 Option Agreement"), a second Stock Option Agreement with a Date of Grant of June 28, 2019 (the "June 2019 Option Agreement") and a third Stock Option Agreement with Date of Grant of August 4, 2020 (the "August 2020 Option Agreement"); (the October 2018 Option Agreement, June 2019 Option Agreement and August 2020 Option Agreement collectively referred to as the "Option Agreements"); a Restricted Stock Unit Agreement with a Date of Grant of September 17, 2018 (the "September 2019 RSU Agreement") and a second Restricted Stock Unit Agreement with a Date of Grant of June 28, 2019 (the "June 2019 RSU Agreement"); (the September 2019 RSU Agreement and the June 2019 RSU Agreement collectively referred to as the "RSU Agreements"); and a Performance Stock Unit Award Agreement with a Date of Grant of June 28, 2019 (the "PSU Agreement"). In accordance with said Agreements, you were granted and are vested in the incentive awards set forth on Schedule A, which incentive awards are vested and exercisable at the exercise price set forth on Schedule A. Notwithstanding any term or condition of the Plan or the Option Agreements to the contrary, your right to exercise any of the vested option awards granted to you pursuant to the Option Agreements must be exercised within 90 days of the termination of your employment. For the purpose of clarity, any such vested option award must be exercised by May 20, 2021. The manner and method of exercise shall be pursuant to the terms in the applicable Option Agreement and the exercise price shall be as set forth on Schedule A hereto.

4. Consideration Period. You may review this Agreement with an attorney of your choosing and are hereby advised to do so. You have 21 calendar days from the date you receive this Agreement to consider whether you wish to sign it. You acknowledge that if you sign this Agreement before the end of the 21 calendar day period, it is your voluntary decision to do so, and you waive the remainder of the 21 calendar day period.

5. Survival of Terms of Letter Agreement. You acknowledge and agree that the respective rights and obligations of the parties intended to survive the termination of your employment pursuant to the Letter Agreement shall survive as set forth in Section 13 of the Letter Agreement, including but not limited to the provisions of Section 9 thereof, *Competitive Activity; Confidentiality, Non-Solicitation; Discoveries and Inventions; Works Made for Hire*.

6. Non-Disparagement. You agree you will not defame or disparage the reputation, character, image, products or services of the Company, or the reputation or character of the Company's past or present directors, officers, employees, owners or agents. The Company will direct its officers and directors not to defame or disparage your reputation or character. Nothing in this Section will be construed to limit or restrict you or the Company from taking any action that such party in good faith reasonably believes is necessary to fulfill such party's fiduciary obligations to the Company or from providing truthful information in connection with any legal proceeding, government investigation or other legal matter.

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7. No Admissions. This Agreement shall not in any way be construed as an admission by the Company of any liability or unlawful conduct whatsoever.

8. Severability. In the event that any provision of this Agreement is found to be illegal or unenforceable, such provision shall be severed or modified to the extent necessary to make it enforceable, and as so severed or modified, the remainder of this Agreement shall remain in full force and effect. This Agreement shall be governed and construed in accordance with laws of the state of Minnesota, other than its law dealing with conflicts of law.

9. Amendments. No amendment or modification of this Agreement will be effective unless made in writing and signed by you and the Company. This Agreement, the Release, the Letter Agreement, the Plan, the Option Agreements, the RSU Agreement, the PSU Agreement, and the employee benefit plans sponsored by the Company in which you are a participant are intended to define the full extent of the legally enforceable undertakings of the parties, and no promises or representations, written or oral, that are not set forth or referenced explicitly in this Agreement, such other agreements, or such other plans are intended by either party to be legally binding. You are not eligible for any other payment or benefits except for those expressly described in this Agreement, provided that you sign this Agreement and the Release and do not rescind any portion of the Release.

By signing this Agreement, you acknowledge that you have read this Agreement and the Release. By signing, you also acknowledge and agree that you have entered into this Agreement knowingly and voluntarily and knew that you could consult with any attorney regarding this Agreement.

If you agree to the terms and conditions of this Agreement, please sign and return the signed Agreement to me, keeping a copy for yourself.

Sincerely,  
Calyxt, Inc.  
/s/ Yves Ribeill  
Yves Ribeill  
Executive Chair

---

I, James A. Blome, have read and understand and agree to the terms and conditions set forth above and have signed this Agreement voluntarily and with full knowledge and understanding of its meaning.

Dated March 8, 2021

s/ James A. Blome

James A. Blome

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**EXHIBIT A**

**RELEASE BY JAMES A. BLOME**

THIS RELEASE AGREEMENT (the "Release Agreement" or the "Release") is entered into as of the date indicated below by James A. Blome for the benefit of Calyxt and the Company (each as defined below).

**Definitions.** I intend all words used in this Release to have their plain meanings in ordinary English. Specific terms that I use in this Release have the following meanings:

- A. I, me, and my include both me and anyone who has or obtains any legal rights or claims through me.
  - B. Calyxt means Calyxt, Inc. any company related to Calyxt, Inc. in the present or past (including, without limitation, its predecessors, parents, subsidiaries, affiliates, and divisions), and any successors of Calyxt, Inc.
  - C. Company means Calyxt; the present and past officers, directors, committees, shareholders, and employees of Calyxt; any company providing insurance to Calyxt in the present or past; the present and past employee benefit plans sponsored or maintained by Calyxt and the present and past fiduciaries of such plans; the attorneys for Calyxt; and anyone who acted on behalf of Calyxt or on instructions from Calyxt.
  - D. Letter Agreement means the Letter Agreement between Calyxt and me dated by me as of September 17, 2018.
  - E. Separation Agreement means the Agreement between Calyxt and me dated by Calyxt as of February 19, 2021.
  - F. My Claims means all of my rights that I now have to any relief of any kind from the Company, including without limitation:
    - 1. all claims arising out of or relating to my employment with Calyxt, the termination of that employment, or otherwise, including, without limitation, all claims arising out of or relating to the Letter Agreement;
    - 2. all claims arising out of or relating to the statements, actions, or omissions of the Company;
    - 3. all claims I may have for wages, bonuses, deferred compensation, commissions, penalties, vacation pay, separation pay and/or benefits, defamation, improper discharge or retaliation (based on contract, common law, or statute, including any federal, state or local statute or ordinance prohibiting discrimination or retaliation in employment), alleged violation of the Minnesota Human Rights Act, Title VII of the Civil Rights Act of 1964 as amended, the Older Workers Benefit Protection Act and Age
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Discrimination in Employment Act, the Americans with Disabilities Act, the Family and Medical Leave Act, and any claim for discrimination, harassment, retaliation, or reprisal based on a protected class under local, state or federal law;

4. all claims for alleged wrongful discharge; breach of contract; breach of implied contract; failure to keep any promise; breach of a covenant of good faith and fair dealing; breach of fiduciary duty; estoppel; my activities, if any, as a “whistleblower”; defamation; infliction of emotional distress; fraud; misrepresentation; negligence; harassment; retaliation or reprisal; constructive discharge; assault; battery; false imprisonment; invasion of privacy; interference with contractual or business relationships; any other wrongful employment practices; and violation of any other principle of common law;
5. all claims for compensation of any kind, including without limitation, basesalary, bonuses, commissions, incentive compensation (whether payable in cash or equity and whether performance or time based), equity compensation of any kind (including stock options or restricted stock), vacation pay, perquisites, relocation expenses, and expense reimbursements;
6. all claims for back pay, front pay, reinstatement, other equitable relief, compensatory damages, damages for alleged personal injury, liquidated damages, and punitive damages;
7. all claims that a past unlawful decision has or has had a continuing effect on my compensation; and
8. all claims for attorneys’ fees, costs, and interest.

However, My Claims does not include any claims that the law does not allow to be waived; any claims that may arise after the date on which I sign this Release; any claims for breach of the Separation Agreement to which this Release is an Exhibit; any rights I have under any written stock option or restricted stock award agreement with Calyxt; my right to benefits under any employee benefit plan sponsored by Calyxt in which I am currently a participant; or any rights that I may have to a defense, attorneys’ fees, and indemnification from Calyxt as a current or former officer, director, or employee of Calyxt, including without limitation indemnification rights under applicable laws, the Articles of Incorporation or Bylaws of Calyxt, or any liability insurance policy maintained by Calyxt.

Notwithstanding the foregoing, I understand that nothing contained in this Release Agreement shall be construed to prohibit me from seeking recourse through a government agency exercising any rights that are not allowed to be released by law or to testify, assist, or participate in an investigation, hearing or proceeding conducted by a state or federal governmental agency regarding a charge or claim of alleged discrimination, harassment or retaliation filed with the governmental agency. I understand, however, that this Release includes a release of my right to

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file a court action or to seek individual remedies or damages in any proceeding or in a court action filed by any such government agency and my release of these rights shall apply with full force and effect to any proceedings arising from or relating to such recourse including, but not limited to, the right to monetary damages or other individual legal or equitable relief awarded by any governmental agency or in connection with any such proceedings.

Further, I understand that nothing contained in this Release shall prevent me from providing a copy of this Release to a human rights agency including, but not limited to, the Equal Employment Opportunity Commission (“EEOC”), to demonstrate that I have knowingly and voluntarily executed a general release of claims or from providing information to the EEOC or any similar government agency regarding any employee disputes (including, but not limited to, my own).

**Release of My Claims.** I acknowledge that I will receive consideration from Calyxt as set forth in the Separation Agreement if I sign and do not rescind or revoke any portion of this Release as provided below. I understand and acknowledge that that consideration is in addition to anything of value that I would be entitled to receive from Calyxt if I did not sign this Release or if I rescinded or revoked any portion of this Release. In exchange for that consideration, I hereby release, agree not to sue, and forever discharge the Company from all of My Claims to the full extent allowed by law. I will not make any demands or claims against the Company for compensation or damages relating to My Claims. The consideration that I am receiving is a fair consideration for the release of My Claims.

**Additional Agreements and Understandings.** Even though Calyxt will provide consideration for me to settle and release My Claims, the Company does not admit that it is responsible or legally obligated to me. In fact, the Company denies that it is responsible or legally obligated to me for My Claims, denies that it engaged in any unlawful or improper conduct toward me, and denies that it treated me unfairly.

**Advice to Consult with an Attorney.** I understand and acknowledge that I am hereby being advised by the Company to consult with an attorney prior to signing this Release. My decision whether to sign this Release is my own voluntary decision made with full knowledge that the Company has advised me to consult with an attorney.

**Period to Consider the Release.** I understand that I have 21 days from the day that I receive this Release, not counting the day upon which I receive it, to consider whether I wish to sign this Release. If I sign this Release before the end of the 21-day period, it will be my voluntary decision to do so and I waive any remaining days in the 21-day period.

**My Right to Rescind/Revoke this Release.** I understand that I have 7 calendar days from signing this Release to revoke it as to federal claims under the Age Discrimination in Employment Act and that I have 15 calendar days from signing this Release to revoke it as to claims arising under the Minnesota Human Rights Act. This Release will not become effective or enforceable unless and until the 7-day or 15-day revocation or rescission period has expired without my revoking or rescinding any part of it as provided for above. In the event I revoke any portion of this Release, the Separation Agreement is voidable at the option of Calyxt.

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**Procedure for Accepting or Rescinding/Revoking the Release.** To accept the terms of this Release, I must deliver the Release, after I have signed and dated it, to Calyxt by hand or by mail no later than the last day of the 21-day period that I have to consider this Release. To rescind or revoke my acceptance of any portion of this Release that is subject to rescission or revocation, I must deliver a written, signed statement that I rescind or revoke my acceptance to Calyxt by hand or by mail within the applicable rescission or revocation period. All deliveries must be made to Calyxt at the following address:

2800 Mount Ridge Road  
Roseville, MN 55113 Attn:  
General Counsel

If I choose to deliver my acceptance or the rescission/revocation of my acceptance by mail, it must be:

- (1) postmarked within the period stated above; and
- (2) properly addressed to Calyxt at the address stated above.

**Interpretation of the Release.** This Release should be interpreted as broadly as possible to achieve my intention to resolve all of My Claims against the Company. If this Release is held by a court to be inadequate to release a particular claim encompassed within My Claims, this Release will remain in full force and effect with respect to all the rest of My Claims.

**My Representations.** I am legally able and entitled to receive the consideration being provided to me in settlement of My Claims. I have not been involved in any personal bankruptcy or other insolvency proceedings at any time since I began my employment with Calyxt. No child support orders, garnishment orders, or other orders requiring that money owed to me by Calyxt be paid to any other person are now in effect.

I have read this Release carefully. I understand all of its terms. In signing this Release, I have not relied on any statements or explanations made by the Company except as specifically set forth in the Separation Agreement. I am voluntarily releasing My Claims against the Company. I intend this Release and the Separation Agreement to be legally binding.

s/ James A. Blome

James A. Blome

March 8, 2021

Date

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**SCHEDULE A**

<b>Grant Type</b>	<b>Grant Date</b>	<b>Strike Price</b>	<b>Total</b>	<b>Unvested</b>	<b>Vested</b>
Options	10/6/2018	\$14.24	200,000	140,000	60,000
Options	6/28/2019	\$12.48	125,000	106,250	18,750
Options	8/4/2020	\$4.55	175,000	175,000	0
RSUs	9/17/2018	N/A	180,000	63,000	117,000
RSUs	6/28/2019	N/A	50,000	42,500	7,500
PSUs	6/28/2019	N/A	166,667	166,667	0

October 13, 2020

Sarah Reiter

[\*\*\*]  
[\*\*\*]

Dear Sarah,

On behalf of Calyxt, Inc., (the "Company"), I am pleased to offer you a position with the Company as Vice President, Business Development. This offer letter agreement (this "Letter") sets forth the terms of your offer which, if you accept, will govern your employment with the Company.

1. Certain Definitions. Certain words or phrases used in this Letter with initial capital letters will have the meanings set forth in paragraph 12 hereof.
2. Employment. If you accept the terms of this Letter by October 15, 2020, the Company will employ you beginning on October 19, 2020 (the "Effective Date") at the latest, upon the terms and conditions set forth in this Letter, and ending as provided in paragraph 6 hereof. Notwithstanding anything in this Letter to the contrary, you will be an at-will employee of the Company and you or the Company may terminate your employment with the Company for any reason or no reason at any time. The period during which you are employed by the Company is referred to in this Letter as the "Employment Term."
3. Position and Duties. You shall serve as Vice President, Business Development of the Company and shall have the duties, responsibilities and authority consistent with an executive serving in such position, subject to the Company's sole right to expand or reduce such duties, responsibilities and authority, either generally or in specific instances. You shall devote your full-time business time and attention to the performance of your duties under this Letter and will not engage in any other business activities or serve on boards of directors or similar bodies of other organizations without the prior consent of the Company's Board of Directors. Notwithstanding the foregoing, you will be permitted to purchase and own less than five percent (5%) of the publicly-traded securities of any corporation, provided that such ownership represents a passive investment and that you are not a controlling person of, or a member of a group that controls such corporation, and provided further that this ownership does not interfere with the performance of your duties and responsibilities to the Company, including but not limited to the duties and responsibilities set forth in

2800 Mount Ridge Road, Roseville, MN 55113(651) 683-  
2803  
www.calyxt.com

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this Section 3. As of the Effective Date, you will report to the Chief Executive Officer of the Company, which is subject to the Company's sole right to change.

4. Place of Employment. The principal place of your employment will be your home office in Woodland, California. You may move job location to another U.S. locale after receiving a written consent from the Company.

Given the responsibilities of your position at the Company, you will be expected to spend at least three days each month in the Company headquarters, currently based in Roseville, MN. This is in addition to attending Company and industry meetings, as required or beneficial by your role. All business travel must be in accordance with the Company's policies and subject to expense reimbursement in accordance therewith.

You agree to shift your normal working hours to align with the Central Time Zone. In addition, within 30 days of the Effective Date and annually thereafter, you will identify the key management practices related to distance management, such as regular, scheduled interaction with members of your direct team and members of Calyxt leadership team, and in-person attendance of leadership team meetings at least once per month.

At the one-year service anniversary, you will have an opportunity to communicate to the Company your intent to relocate to Minneapolis and accept the relocation package terms (Exhibit A). If you choose to maintain your remote work arrangement in California and decline the relocation package, the status quo will remain in place and you will continue to bear the responsibilities of such an arrangement.

5. Compensation and Benefits.

- a. Salary. The Company shall pay you an annualized salary of \$290,000 (the "Base Salary") during the Employment Period in periodic installment in accordance with the Company's payroll practices as may be in effect from time to time, but not less frequently than monthly. Your Base Salary will be subject to review at least annually by the Board and the Board may, but will not be required to, increase your Base Salary during the Employment Term.
- b. Cash Sign-On Bonus. The Company will give you a one-time Cash Sign-On Bonus in the amount of twenty thousand dollars (\$20,000), minus all appropriate deductions for local, state, federal and payroll tax withholdings. This Bonus will be paid in a single payment with your first Company paycheck. If you voluntarily terminate your employment with the Company or your employment is terminated by the Company for Cause one (1) year after the

Effective Date, you agree to repay the entire gross amount of the Cash Sign-On Bonus to the Company. The reimbursement will be made by certified or bank check no later than thirty (30) days following your Termination Date. In the event of a repayment, the Company will make appropriate adjustments to your tax withholdings, reflecting the fact of said repayment.

- c. Annual Performance Bonus. For each calendar year of the Employment Term, you will be eligible to receive an annual performance bonus ("Annual Performance Bonus") from the Company, with an amount of such bonus equal up to thirty-five percent (35%) of your Base Salary and a multiplier on Annual Target of 0.7 to 1.5x. You are eligible to earn a prorated Annual Performance Bonus for your individual contribution and the Company's performance between the Effective Date and December 31, 2020. Your Annual Performance Bonus will be based on achievement of individual and/or Company performance goals that are established by the Board in its sole discretion at the beginning of each calendar year. Following the close of each calendar year, the Board shall determine whether you have earned an Annual Performance Bonus, and the amount of any such bonus, based on the goals established at the beginning of the year. Payment of the Annual Performance Bonus is expressly conditioned upon your employment with the Company on the date the Annual Performance Bonus is paid. The Annual Performance Bonus will be paid within seventy-five (75) days after the end of the calendar year to which it relates. Your target Annual Performance Bonus will be subject to periodic review and adjustment by the Board, in its sole discretion, from time to time.
- d. Equity Award. Not later than sixty days after the Effective Date, subject to the Board and majority shareholder approval as may be required, you will be granted a stock option (the "Option") to purchase up to 75,000 shares of the Company's Common Stock, pursuant to the Company's Stock Incentive Plan (the "Plan"). You will be eligible to participate in and receive additional stock option or equity award grants under the Company's equity incentive plan from time to time in the sole discretion of the Board and majority shareholder, as applicable, and in accordance with the terms and conditions of such plans.
- e. Executive Benefits Package. You will be entitled during your employment to participate in the Company's Executive Benefits Package. The Company's "Executive Benefits Package" means those benefits (including benefits for which substantially all of the employees of the Company are from time to time generally eligible), as determined from time to time by the Company's Board of Directors (the "Board"). The Company reserves the right to amend or cancel any employee benefit plans, programs, or practices at any time in its sole

discretion, subject to the terms of the employee benefit plan and applicable law.

- f. Vacation. During the Employment Period, you will be entitled to take paid vacation pursuant to the Company's existing policies and applicable law regarding paid vacations. You will be entitled to twenty (20) days of paid vacation per calendar year, pro rated for 2020.

6. Termination Events. Your employment with the Company will continue until terminated upon the occurrence of any of the following events:

- a. Your death;
- b. Your Permanent Disability;
- c. Your written notice of your termination of your employment to the CEO;
- d. The termination of your employment by the Company at any time Without Cause (as defined in below) with the termination to take effect as determined by the Company; or
- e. The termination of your employment by the Company For Cause (as defined in below), with the termination to take effect immediately upon written notice by the Company to the Employee or upon a date determined by the Company.

7. Consequences of Termination.

- a. Compensation upon Termination by Company – For Cause. Upon the termination of your employment For Cause, you will cease to have any rights to Base Salary, bonus awards, expense reimbursements, fringe benefits or any other compensation or benefits of any nature, except that you will be entitled to receive any Base Salary that has accrued but is unpaid, any reimbursable expenses that have been incurred but are unpaid as of your Termination Date, and any other amounts required by law, which will be paid in accordance with Company's usual payroll procedures (collectively, the "Accrued Amounts").
- b. Compensation upon Termination by Company – Not For Cause. Upon the Termination Without Cause of your employment provided for in paragraph 6(d), you will cease to have any rights to Base Salary, bonus awards, expense reimbursements, fringe benefits or any other compensation or benefits of any nature, except that you will be entitled to receive the Accrued Amounts. Upon the Termination Without Cause of your employment provided for in paragraph

6(d), so long as you are complying with the non-compete and other applicable obligations set forth in this Agreement, the Company shall continue to pay you Severance Pay in an amount equal to six (6) months of Base Salary at a rate in effect on the date of termination, reduced by any required federal, state and local taxes and any other applicable withholdings or deductions, with the Company's payment of such salary continuation payable in periodic installments in accordance with the Company payroll practices. You agree and acknowledge that the Company may condition the receipt of any Severance Pay due to you pursuant to this paragraph upon: (i) you entering into a full release of claims in favor of the Company, its affiliates and subsidiaries and their respective officers and directors and separation agreement in such form as to be provided by the Company and (ii) such general release becomes effective within twenty-one (21) business days after the day it is provided to you for execution, and is not thereafter revoked by you, and provided further that you comply with all terms and conditions of such separation agreement, you will receive the benefit to which you are entitled. In the event the Company invokes its non-compete option as provided below, your Severance Pay will end and the other terms and conditions of said separation agreement will continue.

- c. Compensation upon Termination – By You. Upon your voluntary termination of your employment provided for in paragraph 6(c), you will cease to have any rights to Base Salary, bonus awards, expense reimbursements, fringe benefits or any other compensation or benefits of any nature, except that you will be entitled to receive the Accrued Amounts.
- d. Compensation Upon Termination – Death or Permanent Disability. In the event your employment is terminated because of death or Permanent Disability, you will cease to have any rights to Base Salary, bonus awards, expense reimbursements, fringe benefits or any other compensation or benefits of any nature, except that you will be entitled to receive the Accrued Amounts. In the event your employment is terminated as a result of your death, your spouse or, if you are not married at the time of your death, your estate will be entitled to the Accrued Amounts.

8. Competitive Activity.

- a. Acknowledgements and Agreements. You hereby acknowledge and agree that in the performance of your duties to the Company, you will be brought into frequent contact with existing Customers and Potential Customers of the Company throughout the world. You agree that trade secrets and confidential information of the Company, more fully described below, gained by you during your association with the Company, have been developed by the Company

through substantial expenditures of time, effort and money and constitute valuable and unique property of the Company. You further understand and agree that the foregoing makes it necessary for the protection of the Company's Business that you do not compete with the Company during your employment with the Company and that you do not compete with the Company for a reasonable period thereafter, as further provided herein.

- b. Competitive Activity. While employed by the Company, and for a period of one (1) year following your Termination Date, you are obligated to provide notice to Company of future activity and responsibilities prior to starting a new position. Upon receipt of such notice, the Company will have a 10-day window to exercise a non-compete for a period not to exceed 12 months from the Termination Date. In such event, and only if your employment terminates pursuant to a Termination Without Cause, the Company will pay you, during the 12-month period, your base salary according to the Company payroll schedule less applicable withholdings, so long as you are not otherwise employed. In the event (i) your employment is termination as a Termination Without Cause by the Company, (ii) the Company is paying Severance Pay to you, and (iii) the Company invokes its non-compete option, your Severance Pay will end and the non-compete payment will begin for a period not to exceed one year from Termination Date. In the event you breach this clause, you agree to reimburse immediately all severance and non-compete payments you received from the Company. You agree and understand that should the Company exercise its non-compete option under this paragraph, you will be bound by the terms of this Competitive Activity/non-compete provision, even if you are terminated for cause or you voluntarily terminate, and thus do not receive the non-compete payments described herein.
- c. Direct or Indirect Competition. You will be in violation of this paragraph 8 if you engage in any or all of the activities set forth herein directly as an individual on your own account, or indirectly as a partner, joint venturer, employee, agent, salesperson, consultant, officer and/or director of any firm, association, partnership, corporation or other entity, or as a stockholder of any corporation in which you or your spouse, child or parent owns, directly or indirectly, individually or in the aggregate, more than five percent of the outstanding stock.
- d. If it is judicially determined that you have violated this paragraph 8, then the period applicable to each obligation that you have been determined to have violated will automatically be extended from the date of judicial determination by a period of time equal in length to the period during which such violation(s) occurred.

- e. For purposes of this paragraph 8, the Company will include any and all direct and indirect subsidiary, parent, affiliated, or related companies of the Company for which you worked or had responsibility at the time of termination of your employment and at any time during the two-year period prior to such termination.

9. Non-Solicitation.

- a. Of Customers. You will not, directly or indirectly, at any time during the period of your employment or for a period of twenty-four (24) months following your Termination Date solicit, divert, or take away or supervise any other person, firm, or other entity in soliciting, diverting, or taking away any Customer or Prospective Customer of the Company for the purpose of selling, performing or providing Business Services to that Customer or Prospective Customer.
- b. Of Employees. You will not, directly or indirectly, at any time during the period of your employment or for a period of twenty-four (24) months following your Termination Date solicit, hire, employ, engage, affiliate with for profit, retain (or assist any other person or entity in soliciting, hiring, employing, engaging, affiliating for profit or retaining) any person who was a Company employee or consultant or independent contractor at any time during the one (1)-year period prior to your soliciting, hiring, employing, engaging, affiliating for profit or retaining, whether for your benefit or the benefit of any other person or organization other than the Company, or solicit, induce, or encourage any such person to terminate or leave the Company's employ, engagement, or other remunerative relationship with the Company. You acknowledge that this covenant is necessary to enable the Company to maintain a stable workforce and remain in business.

10. Confidentiality.

- a. You will keep in strict confidence, and will not, directly or indirectly, at any time, during or after your employment with the Company, disclose, furnish, disseminate, make available or, except in the course of performing your duties of employment, use any trade secrets or confidential business and technical information of the Company or its Customers, suppliers or vendors, without limitation as to when or how you may have acquired such information. Such confidential information will include, without limitation, all information belonging to the Company, its affiliates, subsidiaries, or any other person or entity that has entrusted information to the Company in confidence, technology, computer programs or programming, systems, software, software codes, designs, data bases, trade secrets, know-how, research, methods, manuals, records, product or service ideas or plans, work-in-progress, results,



algorithms, inventions, developments, original works of authorship, discoveries, experimental processes, experimental results, unpublished patent applications, laboratory notebooks, processes, formulas, investigation or research techniques, engineering designs and drawings, hardware configuration information, regulatory information, medical reports, clinical data and analysis reagents, cell lines, biological materials, chemical formulas, financial information including but not limited to price lists, pricing methodologies, cost data, financial forecasts, historical financial data, and budgets, marketing information, including but not limited to market share data, marketing plans, licenses, business plans, lists of the needs and preferences of Customers and Prospective Customers, promotional materials, training courses and other training and instructional materials, vendor and product information, all agreements with third parties and terms of agreements, transactions and potential transactions, negotiations, information relating to employees and consultants of the Company, including names, contact information, and expertise, lists of or information relating to suppliers and vendors and other business information disclosed by the Company (whether by oral, written, graphic or machine-readable format) which confidential information is designated in writing to be confidential or proprietary, or if given orally, is confirmed in writing as having been disclosed as confidential or proprietary within a reasonable time (not to exceed 30 days after the oral disclosure), or which information would, under the circumstances appear to a reasonable person to be confidential or proprietary.

- b. You specifically acknowledge that all such confidential information, whether reduced to writing, maintained on any form of electronic media, or maintained in your mind or memory and whether compiled by the Company, and/or you, derives independent economic value from not being readily known to or ascertainable by proper means by others who can obtain economic value from its disclosure or use, that reasonable efforts have been made by the Company to maintain the secrecy of such information, that such information is the sole property of the Company and that any retention and your use of such information during your employment with the Company (except in the course of performing your duties and obligations to the Company) or after the termination of your employment will constitute a misappropriation of the Company's confidential information and/or trade secrets.
- c. The U.S. Defend Trade Secrets Act of 2016 ("**DTSA**") provides that an individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (A) is made in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or

investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. In addition, the DTSA provides that an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual files any document containing the trade secret under seal and does not disclose the trade secret, except pursuant to court order.

- d. You agree that upon termination of your employment with the Company, for any reason, you will return to the Company, in good condition, all property of the Company, including without limitation, the originals and all copies of any documents in whatever form (electronic, hard copy, etc.) or materials which contain, reflect, summarize, describe, analyze or refer or relate to any items of information listed in paragraph 10. You agree that all confidential information, as listed in paragraph 10 is the sole property of the Company and you have no right, title or interest to this property. In the event that such items are not so returned, the Company will have the right to charge you for all reasonable damages, costs, attorneys' fees and other expenses incurred in searching for, taking, removing and/or recovering such property.
- e. Notwithstanding the above, you will have no liability to the Company with regard to any confidential information you can prove was in the public domain at the time it was disclosed or entered the public domain through no fault of yours.

11. Discoveries and Inventions; Work Made for Hire.

- a. You agree that upon conception and/or development of any idea, discovery, invention, improvement, software, writing or other material or design that: (A) relates to the business of the Company, or (B) relates to the Company's actual or demonstrably anticipated research or development, or (C) results from any work performed by you for the Company, you will assign to the Company the entire right, title and interest in and to any such idea, discovery, invention, improvement, software, writing or other material or design (together, "Discoveries and Inventions"). Subject to the requirements of applicable state law, if any, you understand that Discoveries and Inventions will not include, and the provisions of this Letter will not apply to any idea, discovery, invention, improvement, software, writing or other material or design that qualifies fully for exclusion under the provisions of applicable state law. You also agree that any idea, discovery, invention, improvement, software, writing or other material or design that relates to the business of the Company or relates to the Company's actual or demonstrably anticipated research or development which

is conceived or suggested by you, either solely or jointly with others, within one year following termination of your employment under this Letter or any successor agreements will be presumed to have been so made, conceived or suggested in the course of such employment with the use of the Company's equipment, supplies, facilities, and/or trade secrets.

- b. You agree that during your employment, and for one year after termination of your employment under this Letter or any successor agreements, you will disclose immediately and fully to the Company any Discovery and Invention conceived, made or developed by you solely or jointly with others. The Company agrees to keep any such disclosures confidential. You also agree to record descriptions of all work in the manner directed by the Company, agree that all such records and copies, samples and experimental materials will be the exclusive property of the Company, and agree not to remove these records from the Company's place of business except as expressly permitted by Company policy which may, from time to time, be revised at the sole election of the Company for the purpose of furthering the Company's business. You agree that at the request of and without charge to the Company, but at the Company's expense, you will execute a written assignment of the idea, discovery, invention, improvement, software, writing or other material or design to the Company and will assign to the Company any application for letters patent or for trademark registration made thereon, and to any common-law or statutory copyright therein; and that you will do whatever may be necessary or desirable to enable the Company to secure any patent, trademark, copyright, or other property right therein in the United States and in any foreign country, and any division, renewal, continuation, or continuation in part thereof, or for any reissue of any patent issued thereon. In the event the Company is unable, after reasonable effort, and in any event after ten business days, to secure your signature on a written assignment to the Company of any application for letters patent or to any common-law or statutory copyright or other property right therein, whether because of your physical or mental incapacity or for any other reason whatsoever, you irrevocably designate and appoint the General Counsel of the Company as your attorney-in-fact to act on your behalf to execute and file any such application and to do all other lawfully permitted acts to further the prosecution and issuance of such letters patent, copyright or trademark. Any assignment of the rights to an idea, discovery, invention, improvement, software, writing or other material or design includes all rights of attribution, paternity, integrity, modification, disclosure and withdrawal, any other rights throughout the world that may be known or referred to as "moral rights," "artists rights," "droit moral," or the like. ("Moral Rights") To the extent that Moral Rights cannot be assigned under applicable law, you hereby waive and agree not to enforce any and all

Moral Rights, including, without limitation, any limitation on subsequent modification, to the extent permitted under applicable law.

- c. You acknowledge that, to the extent permitted by law, all work papers, reports, documentation, drawings, photographs, negatives, tapes and masters therefor, prototypes and other materials (hereinafter, "items"), including without limitation, any and all such items generated and maintained on any form of electronic media, generated by you during your employment with the Company will be considered a "work made for hire" and that ownership of any and all copyrights in any and all such items will belong to the Company. The item will recognize the Company as the copyright owner, will contain all proper copyright notices, e.g., "(creation date), All Rights Reserved," and will be in condition to be registered or otherwise placed in compliance with registration or other statutory requirements throughout the world.
- d. Communication of Contents of Letter. While employed by the Company and for one year thereafter, you will communicate the contents of paragraphs 8-12 of this Letter to any person, firm, association, partnership, corporation or other entity that you intend to be employed by, associated with, or represent.
- e. Confidentiality Agreements. You agree that you will not disclose to the Company or induce the Company to use any secret or confidential information belonging to your former employers. Except as indicated, you warrant that you are not bound by the terms of a confidentiality agreement or other agreement with a third party that would preclude or limit your right to work for the Company and/or to disclose to the Company any ideas, inventions, discoveries, improvements or designs or other information that may be conceived during employment with the Company. You agree to provide the Company with a copy or summary of obligations of any and all agreements with a third party that preclude or limit your right to make disclosures or to engage in any other activities contemplated by your employment with the Company.
- f. Relief. You acknowledge and agree that the remedy at law available to the Company for breach of any of your obligations under this Letter would be inadequate. You therefore agree that, in addition to any other rights or remedies that the Company may have at law or in equity, temporary and permanent injunctive relief may be granted in any proceeding which may be brought to enforce any provision contained paragraphs 8-12 of this Letter, without the necessity of proof of actual damage or the need to post a bond.
- g. Reasonableness. You acknowledge that your obligations under paragraphs 8-12 are reasonable in the context of the nature of the Company's Business and the competitive injuries likely to be sustained by the Company if you were to

violate such obligations. You further acknowledge that this Letter is made in consideration of, and is adequately supported by the agreement of the Company to perform its obligations under this Letter and by other consideration, which you acknowledge constitutes good, valuable and sufficient consideration.

## 12. Definitions.

- a. "Customer" means any client, customer or account, including, but not limited to any person, firm, corporation, association or other business entity of any kind to which the Company has provided or is providing products or services.
- b. "Company's Business" means the research, development, and/or commercialization of products and services based on gene-editing technologies in the field of agriculture, food and plant sciences, which is to be construed to include all research, development, and/or commercialization of products and services as may hereinafter evolve within the gene editing field or is in planning or developmental stages at the Company.
- c. "Permanent Disability" means that, because of accident, disability, or physical or mental illness, you are deemed permanently incapable of performing your duties to the Company or any subsidiary, as determined in accordance with the Company's then current disability insurance policy.
- d. "Prospective Customer" means any prospective client, customer or account, including, without limitation, any person, firm, corporation, association or other business entity of any kind with which the Company had any negotiations or substantial discussions regarding the possibility of providing products or services within the one (1) year period preceding your Termination Date.
- e. "Section 409A" means Section 409A of the Internal Revenue Code of 1986, as amended, and any guidance issued thereunder.
- f. "Termination Date" means the effective date of your termination of employment with the Company.
- g. "Termination For Cause" means the termination by the Company of your employment with the Company or any subsidiary as a result of (i) your conviction of or plea of guilty or nolo contendere to a crime that constitutes a felony or a crime that constitutes a misdemeanor involving moral turpitude; (ii) your engagement in an act of fraud, dishonesty, or unauthorized disclosure of Confidential Information (as defined in this Letter); (iii) your willful failure or refusal to comply with any valid and legal directive of the Board of Directors or

the CEO; (iv) your gross negligence or willful misconduct with respect to the Company or any subsidiary or affiliate of the Company; (v) your failure or refusal to perform your duties and responsibilities as Vice President, Business Development, (other than such failure resulting from incapacity due to physical or mental illness or temporary or permanent disability) which is not cured within five (5) days after written notice thereof to you; (vi) your material failure to comply with the Company's written policies or rules, as they may be in effect from time to time during your employment, which is not cured within five (5) days after written notice thereof to you; (vii) your willful misconduct which has, or can reasonably be expected to have, a direct and material adverse monetary effect on the Company or (viii) your material breach of this Letter or any other agreement with the Company, which is not cured within thirty (30) days after written notice thereof to you.

- h. "Termination Without Cause" means the termination by the Company of your employment with the Company for any reason other than a termination for Permanent Disability, death, or a Termination for Cause.

13. Section 409(A).

- a. General Compliance. This Letter is intended to comply with Section 409(A) or an exemption thereunder and will be construed and administered in accordance with Section 409(A). Notwithstanding any other provision of this Letter, payments provided under this Letter may only be made upon an event and in a manner that complies with Section 409(A) or an applicable exemption. Any payments under this Letter that may be excluded from Section 409(a) either as separation pay provided due to an involuntary separation from service or as a short-term deferral will be excluded from Section 409(A) to the maximum extent possible. For purposes of Section 409(A), each installment payment provided under this Letter will be treated as a separate payment. Any payments to be made under this Letter upon a termination of employment will only be made upon a "separation from service" under Section 409A. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Letter comply with Section 409A and in no event will the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by you on account of non-compliance with Section 409A.
- b. Specified Employees. Notwithstanding any other provision of this Letter, if any payment or benefit provided to you in connection with your termination of employment is determined to constitute "non-qualified deferred compensation" within the meaning of Section 409A and you are determined to be a "specified employee" at that time as defined in Section 409A(a)(2)(b)(i), then such

payment or benefit will not be paid until the first payroll date to occur following the six-month anniversary of the Termination Date (the "Specified Employee Payment Date") or, if earlier, on your death. The aggregate of any payments that would otherwise have been paid before the Specified Employee Payment Date (and interest on such amounts calculated based on the applicable federal rate published by the Internal Revenue Service for the month in which your separation from service occurs shall be paid to the you in lump sum on the specified Employee Payment date and thereafter, any remaining payments will be paid without delay in accordance with their original schedule.

14. Representations. As of the Effective Date, you represent and warrant to the Company that:
- a. Your acceptance of employment with the Company and your performance of the duties and responsibilities under this Letter will not conflict with or result in a violation of, a breach of, or a default under any contract, agreement or understanding to which he is a party or otherwise bound.
  - b. Your acceptance of employment with the Company and the performance of your duties and responsibilities under this Letter will not violate any non-solicitation, non-competition or other similar covenant or agreement of a prior employer.
15. Survival. Upon the termination of this Letter, the respective rights and obligations of the parties hereto will survive this termination to the extent necessary to carry out the intention of the parties to this Letter.
16. Taxes. The Company may withhold from any amounts payable under this Letter all federal, state, city or other taxes as the Company is required to withhold pursuant to any applicable law, regulation or ruling. Notwithstanding any other provision of this Letter, the Company will not be obligated to guarantee any particular tax result for you with respect to any payment provided to you hereunder, and you will be responsible for any taxes imposed on you with respect to any such payment.
17. Notices. Any notice provided for in this Letter will be in writing, with a copy to respective individual email addresses, and will be either personally delivered, sent by reputable overnight carrier or mailed by first class mail, return receipt requested, to the recipient at the address below indicated:

Notices to You:  
Sarah Reiter  
[\*\*\*]  
[\*\*\*]

Notices to the Company:  
Calyxt, Inc.  
2800 Mount Ridge Road  
Roseville, MN 55113  
Attention: CEO, with copy to General Counsel at same address

or such other address or to the attention of such other person as the recipient party will have specified by prior written notice to the sending party. Any notice under this Letter will be deemed to have been given when so delivered.

18. Severability. Whenever possible, each provision of this Letter will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Letter is held to be invalid or unenforceable in any respect under any applicable law, such invalidity or unenforceability will not affect any other provision, but this Letter will be reformed, construed and enforced as if such invalid or unenforceable provision had never been contained herein. Should a determination be made by a court of competent jurisdiction that the character, duration, or geographical scope of restrictive covenant of the Letter is unreasonable in light of the circumstances as they then exist, then it is the intention and the agreement of the parties to the Letter that the provision be construed by the Court in such a manner as to impose only those restrictions on the parties that are reasonable in light of the circumstances as they then exist and as are necessary to assure the parties of the intended benefit of the Letter. If, in any judicial proceeding, the Court refuses to enforce all of the separate provisions included in the Letter because, taken together, they are more extensive than necessary to assure the parties of the intended benefit of the Letter, those provisions which, if eliminated, would permit the remaining separate provisions to be enforced in such proceeding, will, for the purpose of such proceeding, be deemed eliminated from the Letter.
19. Complete Agreement. This Letter embodies the complete agreement and understanding between the parties with respect to the subject matter hereof and effective as of its date supersedes and preempts any prior understandings, agreements or representations by or between the parties, written or oral, which may have related to the subject matter hereof in any way.
20. Counterparts. This Letter may be executed in separate counterparts, each of which will be deemed to be an original and both of which taken together will constitute one and the same agreement.
21. Successors and Assigns. This Letter will bind and inure to the benefit of and be enforceable by you, the Company and your and the Company's respective heirs,



executors, personal representatives, successors and assigns, except that neither party may assign any rights or delegate any obligations hereunder without the prior written consent of the other party. You hereby consent to the assignment by the Company of all of its rights and obligations hereunder to any successor to the Company by merger or consolidation or purchase of all or substantially all of the Company's assets, provided such transferee or successor assumes the liabilities of the Company hereunder.

22. Governing Law. This Letter will be governed by, and construed in accordance with, the internal, substantive laws of the State of Minnesota. You agree that the state and federal courts located in the State of Minnesota, without regard to or application of conflict of laws principles, will have jurisdiction in any action, suit or proceeding against you based on or arising out of this Letter and you hereby: (a) submit to the personal jurisdiction of such courts; (b) consent to service of process in connection with any action, suit or proceeding against you; and (c) waive any other requirement (whether imposed by statute, rule of court or otherwise) with respect to personal jurisdiction, venue or service of process.
23. Amendment and Waiver. The provisions of this Letter may be amended or waived only with the prior written consent of you and the Company, and no course of conductor failure or delay in enforcing the provisions of this Letter will affect the validity, binding effect or enforceability of this Letter.
24. Acknowledgement of Full Understanding. I acknowledge and agree that I have fully read and understand this Letter, and I have had the opportunity to ask questions and consult with an attorney of my choice before signing this Letter.

If these terms are acceptable to you, please sign and date this Letter in the appropriate space below and return it to me as soon as possible. We look forward to you becoming a part of our team.

Please call me with any questions.  
Sincerely,

/s/ Jim Blome  
Jim Blome, CEO

Date: 10/14/2020

Agreed and Accepted:

/s/ Sarah Reiter  
Sarah Reiter

Date: 10/14/2020

## EXHIBIT A

The following terms of the relocation package will be available to you immediately, provided that you communicate to the Company in writing the intent to relocate to within fifty (50) miles of the Company's headquarters 60 days in advance. You will have twelve

(12) months to complete the relocation once commenced, not to extend beyond October 31, 2022.

In the event you do not complete your relocation by October 31, 2022, you will continue to be eligible for a Company supported relocation benefits until October 31, 2024 in alignment with the Company prevailing relocation policy at that time. You will need to communicate the intent to relocate to Minneapolis in writing and, upon confirmation of specific benefits, you will have six (6) months to complete the relocation not to extend beyond April 30, 2025.

If you relocate your primary residence to within fifty (50) miles of the Company's headquarters, on or before October 31, 2022, the Company will provide the following relocation reimbursement expenses described below, upon satisfaction of the additional conditions described in paragraphs (3) and (4) below and in compliance with all other terms set forth in this Letter.

1. Reimbursement of Relocation Expenses. The Company will reimburse to you up to a maximum of fifty thousand dollars (\$50,000) for documented reasonable and customary expenses incurred by you in relocating pursuant to this paragraph
  - a. Home Sale Assistance: The expenses incurred in disposing of your current residence, including the legal fees, document preparation fees, re-conveyance or recording fees, real estate transfer taxes, realtor fees and commissions (up to 6% of home sale price), title policy, mortgage prepayment penalties and other closing costs. Reimbursement will not be provided for loss of value on sale of the home, fixing up and repair costs, prorated taxes after its sale, principal on any mortgage or costs normally paid by buyer.
  - b. House Hunting Trip. The expenses incurred for you for up to seven (7) days of travel to the area near the Company's headquarters to locate a new residence which will include air or ground transportation, mileage, meals, lodging, and use of a rental car for you and spouse.
  - c. Temporary Living and Transition Expenses: For up to six months following initiation of relocation and prior to moving household goods to new residence in or near the Company's headquarters:
    - i. The Company will pay for rental car and lease/fees for two-bedroom unit in furnished corporate long-term stay facility (a Residence Inn style facility), condominium, or townhome near the Company's headquarters.

- ii. Duplicate housing costs to include mortgage interest, property taxes, and homeowner insurance (up to \$2,500 per month) for your then- current residence if you have purchased home or executed a long- term lease on residence in reasonable daily commuting distance from the Company's headquarters.
    - iii. Airfare, mileage, and parking for 4 trips per month (on weekends) to current location prior to relocation.
  - d. Home Purchase Closing Costs. Closing costs related to the acquisition of a residence. Eligible costs would include survey and appraisal fees, legal fees and normal closing costs (such as certification of title fee, loan origination fees and expenses, costs of inspections, filing fees, credit report) and any other typical residential acquisition transaction costs excluding actual mortgage costs or purchase price.
  - e. Movement of Household Goods. The actual cost of preparation, packing, loading, transport, and unloading of household goods for relocation to a new residence. Reimbursable costs include storage costs for your household goods and personal effects either at the destination or point of departure (not both) until a new permanent residence is available, for up to sixty (60) days, travel costs to move you to the new residence, and actual expenses for temporary lodging and meals (for up to three (3) days) for you while and after household goods are being and have been moved.
  - f. Final move. Lodging, meals, and mileage (or airfare) to new residence and for initial 3 days after household goods move for employee.
2. Tax assistance. In addition, you will receive a tax assistance up to \$15,000 as a gross-up to substantially cover federal and state taxes related to relocation program upon submittal of requisite documentation with a payment made no later than April 1st of the year in which taxes are due.
3. Reimbursement of Relocation Expenses. You agree that should your employment terminate pursuant to Section 6(c) or 6(e) within thirty (36) months of the Effective Date, you will be required to repay relocation costs on a pro-rata basis.
4. Relocation timeline. If you have not substantially completed relocation of your full- time residence to within no less fifty (50) miles of the Company headquarters within 12 months following notice of intent to relocate, then you will repay any of the above payments you have received. This payment shall be made to Calyxt, Inc. in a single sum on or before 90 days following the 12-month relocation deadline.

**CERTIFICATION PURSUANT TO RULES 13a-14(a) AND 15d-14(a)  
UNDER THE SECURITIES EXCHANGE ACT, AS AMENDED**

I, Yves Ribeill, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Calyxt, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 6, 2021

/s/ Yves Ribeill

Yves Ribeill

Executive Chair

**CERTIFICATION PURSUANT TO RULES 13a-14(a) AND 15d-14(a)  
UNDER THE SECURITIES EXCHANGE ACT, AS AMENDED**

I, William F. Koschak, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Calyxt, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(t) and 15d-15(t)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 6, 2021

/s/ William F. Koschak  
William F. Koschak  
Chief Financial Officer

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Calyxt, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned hereby certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to his knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 6, 2021

/s/ Yves Ribeill

Yves Ribeill

Executive Chair

/s/ William F. Koschak

William F. Koschak

Chief Financial Officer