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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, 2019;

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)

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   
Non-accelerated filer

Accelerated filer   
Smaller reporting company   
Emerging growth company

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 6th, 2019, there were 32,702,339 shares of common stock, \$0.0001 par value per share, outstanding.

**Securities registered or to be 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

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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.

The name and trademark, “Collectis®” and “TALEN”, and other trademarks, trade names and service marks of Collectis appearing in this Quarterly Report on Form 10-Q are the property of Collectis. We own the name and trademark, 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. 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 have made these forward-looking statements in reliance on the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. In some cases, you can identify these statements by forward-looking words such as “may,” “might,” “will,” “should,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “potential” or “continue,” the negative of these terms and other comparable terminology. These forward-looking statements, which are subject to risks, uncertainties and assumptions about us, may include projections of our future financial performance, our anticipated growth strategies and anticipated trends in our business. These statements are only predictions based on our current expectations and projections about future events.

There are important factors that could cause our actual results, level of activity, performance or achievements to differ materially from the results, level of activity, performance or achievements expressed or implied by the forward-looking statements, including, without limitation, factors relating to:

- Our limited operating history;
- The challenges associated with achieving operating scale following the launch of our initial commercial product;
- Our incurrence of significant losses since our inception and the likelihood that we will continue to incur significant losses for the foreseeable future;
- Significant competition from competitors with substantially greater resources than us;
- Uncertain and evolving regulatory requirements within and outside of the United States;
- Government policies and regulations affecting the agricultural sector and related industries;
- Commodity prices and other market risks facing the agricultural sector;
- Our reliance on gene-editing technologies that may become obsolete in the future;
- Our product development efforts use complex integrated technology platforms and require substantial time and resources;
- Our success in obtaining or maintaining necessary rights to product components and processes for our development pipeline through acquisitions and in-licenses;

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- Our need to raise additional funding and the availability of additional capital or capital on acceptable terms;
- Our reliance on third parties in connection with our field trials and research services;
- Our limited experience with the commercialization of product candidates;
- The recognition of value in our products by farmers and food processors, and the ability of farmers and food processors to work effectively with our crops;
- Our ability to secure third-party contractors necessary for the development and commercial launch of our products;
- Our reliance on contractual counterparties;
- Public perceptions of biotechnology; genetically engineered products; and ethical, legal, environmental, health and social concerns;
- Our ability to accurately forecast demand for our products;
- The needs of food manufacturers and the recognition of shifting consumer preferences;
- Adverse natural conditions and the highly seasonal and weather-sensitive nature of our business;
- Our exposure to product liability claims;
- The geographic concentration of our business activities;
- Our ability to use net operating losses to offset future taxable income;
- The adequacy of our patents and patent applications;
- Our licensing of intellectual property from Collectis and reliance on Collectis to prosecute, maintain, defend or enforce such intellectual property;
- Uncertainty relating to our patent positions that involve complex scientific, legal and factual analysis;
- The limited lifespan of our patents and limitations in intellectual property protection in some countries outside the United States;
- Developments in patent and other intellectual property law;
- Our ability to identify relevant third-party patents and to interpret the relevance, scope and expiration of third-party patents;
- Potential assertions of infringement, misappropriation or other violations of intellectual property rights, including licensing agreements;
- Loss or damage to our germplasm libraries and our ability to access and maintain competitive germplasm libraries;
- Our ability to attract and retain senior management and key employees;
- Our relationship with Collectis, our majority stockholder, and its ability to control the direction of our business;
- Our being a “controlled company” and, as a result, qualifying for, and intending to rely on, exemptions from certain corporate governance requirements;
- Our status as an emerging growth company; and
- Those factors discussed under the caption entitled “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2018, which was filed with the Securities and Exchange Commission (SEC) on March 12, 2019 (our Annual Report).

While the list of factors presented here is considered representative, no such list should be considered to be a complete statement of all potential risks and uncertainties. Unlisted factors may present significant additional obstacles to the realization of forward-looking statements. Any of these factors, in whole or in part, could materially and adversely affect our business, financial condition, results of operations and common stock.

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

### **Market Data**

Unless otherwise indicated, information contained in this Quarterly Report on Form 10-Q 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

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described in the section entitled “Risk Factors” in our Annual Report. 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 on Form 10-Q 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.

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

	March 31, 2019 (unaudited)	December 31, 2018
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 84,231	\$ 93,794
Restricted cash	381	381
Trade accounts receivable	124	-
Due from related parties	130	46
Inventory	379	-
Prepaid expenses and other current assets	1,778	1,301
Total current assets	87,023	95,522
Non-current restricted cash	1,120	1,113
Land, buildings, and equipment	21,854	21,850
Other non-current assets	674	306
<b>Total assets</b>	<b>\$ 110,671</b>	<b>\$ 118,791</b>
<b>Liabilities and stockholders' equity</b>		
Current liabilities:		
Accounts payable	\$ 724	\$ 818
Accrued expenses	1,610	2,007
Accrued compensation and benefits	887	1,305
Due to related parties	875	1,905
Current portion of financing lease obligations	264	258
Other current liabilities	290	711
Total current liabilities	4,650	7,004
Financing lease obligations	18,162	18,227
Other non-current liabilities	156	163
<b>Total liabilities</b>	<b>22,968</b>	<b>25,394</b>
<b>Stockholders' equity:</b>		
Common stock, \$0.0001 par value; 275,000,000 shares authorized; 32,707,725 shares issued and 32,692,189 shares outstanding as of March 31, 2019, and 32,664,429 shares issued and 32,648,893 shares outstanding as of December 31, 2018	3	3
Additional paid-in capital	177,750	176,069
Common stock in treasury, at cost; 15,536 shares	(230)	(230)
Accumulated deficit	(89,820)	(82,445)
<b>Total stockholders' equity</b>	<b>87,703</b>	<b>93,397</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 110,671</b>	<b>\$ 118,791</b>

See accompanying notes to these financial statements.

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

	<b>Three months ended March 31,</b>	
	<b>2019</b>	<b>2018</b>
<b>Revenue</b>	<b>\$ 157</b>	<b>\$ 11</b>
Operating expenses:		
Cost of revenue	34	-
Research and development	2,044	1,048
Selling, general and administrative	5,241	2,676
Management fees and royalties	361	583
Total operating expenses	7,680	4,307
<b>Loss from operations</b>	<b>(7,523)</b>	<b>(4,296)</b>
Interest, net	172	(68)
Foreign currency transaction loss	(24)	(6)
Loss before income taxes	(7,375)	(4,370)
Income taxes	-	-
<b>Net loss</b>	<b>\$ (7,375)</b>	<b>\$ (4,370)</b>
<b>Basic and diluted loss per share</b>	<b>\$ (0.23)</b>	<b>\$ (0.16)</b>
<b>Weighted average shares outstanding - basic and diluted</b>	<b>32,677,944</b>	<b>27,851,162</b>

See accompanying notes to these financial statements.

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

	Shares Outstanding	Common Stock	Additional Paid-In Capital	Shares in Treasury	Accumulated Deficit	Total Stockholders' Equity
Balances at December 31, 2018	32,648,893	\$ 3	\$ 176,069	\$ (230)	\$ (82,445)	\$ 93,397
Issuance of common stock		-				-
Shares purchased				-		-
Stock options exercised	43,296		125			125
Expense for all awards vesting in period, net of forfeitures and modifications			1,556			1,556
Net loss					(7,375)	(7,375)
<b>Balances at March 31, 2019</b>	<b>32,692,189</b>	<b>\$ 3</b>	<b>\$ 177,750</b>	<b>\$ (230)</b>	<b>\$ (89,820)</b>	<b>\$ 87,703</b>

	Shares Outstanding	Common Stock	Additional Paid-In Capital	Shares in Treasury	Accumulated Deficit	Total Stockholders' Equity
Balances at December 31, 2017	27,718,780	\$ 3	\$ 112,021	\$ -	\$ (54,548)	\$ 57,476
Issuance of common stock		-				-
Shares purchased				-		-
Stock options exercised	236,001		714			714
Expense for all awards vesting in period, net of forfeitures and modifications			40			40
Net loss					(4,370)	(4,370)
<b>Balances at March 31, 2018</b>	<b>27,954,781</b>	<b>\$ 3</b>	<b>\$ 112,775</b>	<b>\$ -</b>	<b>\$ (58,918)</b>	<b>\$ 53,860</b>

See accompanying notes to these financial statements.

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

	<b>Three months ended March 31,</b>	
	<b>2019</b>	<b>2018</b>
<b>Operating activities</b>		
Net loss	\$ (7,375)	\$ (4,370)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	342	156
Stock-based compensation	1,556	40
Unrealized foreign exchange gain	-	8
Changes in operating assets and liabilities:		
Trade accounts receivable	(124)	-
Due to/from related parties	(1,114)	(496)
Inventory	(379)	-
Prepaid expenses and other assets	(624)	(880)
Accounts payable	(94)	(310)
Accrued expenses	(397)	182
Accrued compensation and benefits	(418)	(456)
Other accrued liabilities	(708)	(439)
<b>Net cash used by operating activities</b>	<b>(9,335)</b>	<b>(6,565)</b>
<b>Investing activities</b>		
Purchases of land, buildings and equipment	(346)	(41)
<b>Net cash used by investing activities</b>	<b>(346)</b>	<b>(41)</b>
<b>Financing activities</b>		
Deferred offering costs	-	(69)
Proceeds from the exercise of stock options	125	714
<b>Net cash provided by financing activities</b>	<b>125</b>	<b>645</b>
Net decrease in cash, cash equivalents and restricted cash	(9,556)	(5,961)
Cash, cash equivalents and restricted cash - beginning of period	95,288	56,664
<b>Cash, cash equivalents and restricted cash - end of period</b>	<b>\$ 85,732</b>	<b>\$ 50,703</b>

See accompanying notes to these financial statements.

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

**1. BASIS OF PRESENTATION**

Our unaudited interim financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. In our opinion, the accompanying 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. 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.

The preparation of the 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 financial statements and during the reporting period. Actual results could materially differ from these estimates.

For further information, refer to the audited financial statements and notes thereto included in our Annual Report filed with the Securities and Exchange Commission (SEC) on March 12, 2019. The accompanying Balance Sheet as of December 31, 2018 was derived from the audited financial statements but it does not include all disclosures required by U.S. GAAP for a full set of financial statements. This Form 10-Q should be read in conjunction with the Company's financial statements and notes included in the Annual Report on Form 10-K filed on March 12, 2019, as referenced above. We are only highlighting in this Form 10-Q the material changes from our disclosures in our Annual Report.

***Inventory***

Inventories are recorded at the lower of cost or net realizable value and include all costs of seed production and grain we purchase as well as costs to transport and process the grain into finished products. Consideration we receive from our growers to purchase seed is reduction in the cost of inventory.

We evaluate inventory balances for obsolescence quarterly using projected selling prices for our products, market prices for the underlying agricultural markets, the age of products, and other factors considering our limited operating history.

Effective January 1, 2019, we designated all seed and grain production agreements as normal purchases and as a result no longer consider these agreements to be accounting derivatives. As a result, we no longer reflect these agreements at fair value. As of that date, any mark-to-market gains or losses were frozen on our balance sheet and will be reflected in inventory upon delivery as part of the cost of the associated grain.

Prior to the commercialization of our High Oleic Soybean Products in late February 2019, we expensed all costs associated with the production of seed and acquisition of grain, net of proceeds from seed sales, as research and development (R&D) expense.

***Revenue Recognition***

We recognize sales revenue at the point in time control transfers to the customer, which is based on shipping terms. Sales include shipping and handling charges if billed to the customer and are reported net of trade promotion and other costs, including estimated allowances for returns, unsalable product, and prompt pay discounts. Sales, use, value-added and other excise taxes are not recognized in revenue. Trade promotions are recorded based on estimated

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participation and performance levels for offered programs at the time of sale. We generally do not allow a right of return. However, on a limited case-by-case basis with prior approval, we may allow customers to return product.

We also recognize revenue from R&D agreements and license agreements. Revenues from R&D agreements may consist of nonrefundable up-front payments, milestone payments, royalties, and services. In addition, we may license our technology to third parties, which may or may not be part of an R&D agreement.

Nonrefundable up-front payments are deferred and recognized as revenue over the term of the R&D agreement. If an R&D agreement is terminated before the original term of the agreement is fulfilled, all remaining deferred revenue is recognized at termination.

Milestone payments represent amounts received from our R&D partners, the receipt of which is dependent upon the achievement of certain scientific, regulatory, or commercial milestones. We recognize milestone payments when the triggering event has occurred, there are no further contingencies or services to be provided with respect to that event, and the counterparty has no right to refund of the payment.

### ***Stock-Based Compensation***

We measure employee stock-based awards at grant-date fair value and record compensation expense over the vesting period of the award. Grants to nonemployees were previously remeasured each reporting period. Following the adoption of the new accounting pronouncement as discussed below, as of January 1, 2019, we no longer remeasure these awards as the fair value is determined on the grant date.

### ***Recently Adopted Accounting Pronouncements***

In the first quarter of 2019, we adopted new accounting requirements for recognition of revenue from contracts with customers. We adopted these requirements using the cumulative effect approach. The adoption did not have an impact on our financial statements.

In the first quarter of 2019, we adopted new accounting requirements for share-based payment transactions for acquiring goods and services from nonemployees. The adoption did not have an impact on our financial statements as each of the share-based payment awards granted to nonemployees had a measurement date upon grant, and thus no cumulative adjustment to retained earnings was required.

## **2. FINANCIAL INSTRUMENTS, FAIR VALUE, AND CONCENTRATIONS OF CREDIT RISK**

The carrying values of cash and cash equivalents, restricted cash, due from related parties, accounts payable, due to related parties, and all other current liabilities approximate fair value. The fair value of our financing lease obligations, including the current portion, are \$15.6 million as of March 31, 2019, and \$15.8 million as of December 31, 2018. The carrying amounts of our financing lease obligations, including the current portion, were \$18.4 million as of March 31, 2019, and \$18.5 million as of December 31, 2018. The fair value of our financing lease obligations was determined using discounted cash flow analysis based on market rates for similar types of borrowings. Financing lease obligations are a Level 2 liability in the fair value hierarchy.

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**Fair Value Measurements and Financial Statement Presentation**

As a result of the designation made on January 1, 2019, as described in Note 1 to these financial statements, our forward purchase contracts are no longer carried at fair value.

The fair values of our assets, liabilities, and derivative positions recorded at fair value and their respective levels in the fair value hierarchy as of December 31, 2018, were as follows:

In Thousands	December 31, 2018				December 31, 2018			
	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:								
Forward Purchase Contracts (a)	\$ -	\$ 1	\$ -	\$ 1	\$ -	\$ 248	\$ -	\$ 248
<b>Total</b>	<b>\$ -</b>	<b>\$ 1</b>	<b>\$ -</b>	<b>\$ 1</b>	<b>\$ -</b>	<b>\$ 248</b>	<b>\$ -</b>	<b>\$ 248</b>

(a) The fair value for forward purchase contracts is estimated based on commodity futures market prices.

**Commodity Price Risk**

We enter into purchase agreements for grain with settlement values based on commodity futures market prices. These agreements allow our counterparty to fix their sale prices to us at various times as defined in the contract. We do not currently hedge these floating or fixed rate exposures.

**Foreign Exchange Risk**

Foreign currency fluctuations affect our foreign currency cash flows related to payments to our Collectis and third-party purchases. Our principal foreign currency exposure is to the euro. We do not currently 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 short-term highly liquid investments and hold deposits at financial institutions that may exceed insured limits. We evaluate the credit worthiness of these institutions in determining the risk associated with these deposits. We have not experienced any losses on these deposits.

**3. RELATED-PARTY TRANSACTIONS**

We have several agreements that govern our relationship with Collectis. Pursuant to our management services agreement with Collectis, we also pay management fees for services they provide, primarily information technology, legal, human resources, finance and accounting, and communications services. We perform Collectis' U.S. operations payroll services. We incurred management fee expenses of \$0.4 million for the three months ended March 31, 2019, and \$0.6 million for the three months ended March 31, 2018.

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Collectis also has guaranteed our headquarters lease agreement. Collectis' guarantee of our obligations under the sale-leaseback transaction will terminate at the end of the second consecutive calendar year in which our tangible net worth exceeds \$300 million. We also license key technology from Collectis and owe them royalties on any revenue we generate from sales of product as well as a percentage of any sublicense revenues we generate. Any amounts borrowed from Collectis bear floating-rate interest at a rate of 12-month Euribor plus five percent per annum.

TALEN technology was invented by researchers at the University of Minnesota and Iowa State University and exclusively licensed to Collectis. We obtained from Collectis an exclusive license for the TALEN technology for commercial use in plants. TALEN technology is the primary gene-editing technology used by us today. We incurred nominal license fees under these agreements in the three-month periods ended March 31, 2019 and 2018.

#### 4. NET LOSS PER SHARE

Basic and diluted loss per share were calculated using the following:

All outstanding stock options and restricted stock units are excluded from the calculation since they are anti-dilutive.

<b>In Thousands, Except Share Data and Per Share Amounts</b>	<b>Three months ended March 31,</b>	
	<b>2019</b>	<b>2018</b>
Net loss	\$ (7,375)	\$ (4,370)
Average number of common shares—basic and diluted EPS	32,677,944	27,851,162
Loss per share—basic and diluted	\$ (0.23)	\$ (0.16)
	<b>2019</b>	<b>2018</b>
Anti-dilutive stock options and restricted stock units	4,385,595	4,917,164

We have not used the treasury method in determining the number of anti-dilutive stock options and restricted stock units in the table above.

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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 nonemployees and certain employees of Collectis.

In December 2014, we adopted the Calyxt, Inc. Equity Incentive Plan (the 2014 Plan), which allows for the grant of stock options, and in June 2017, we adopted the 2017 Omnibus Plan (the 2017 Plan).

As of March 31, 2019, 896,478 shares were registered and available for grant under effective registration statements, while, 4,159,660 shares were available for grant in the form of stock options, restricted stock, and restricted stock units under the 2017 Plan. Stock-based awards currently outstanding also include some 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:

	Three months ended March 31,	
	2019	2018
Estimated fair values of stock options granted	\$ 9.45	\$ 10.39
Assumptions:		
Risk-free interest rate	2.5%	2.5% - 2.7%
Expected volatility	78.9%	40.9% - 53.7%
Expected term (in years)	6.9 years	6.5 - 9.2 years

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

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

Information on stock option activity follows:

	Options Exercisable	Weighted- Average Exercise Price Per Share	Options Outstanding	Weighted- Average Exercise Price Per Share
Balance as of December 31, 2018	1,278,038	\$ 7.45	3,201,887	\$ 10.67
Granted			180,000	13.01
Exercised			(34,402)	3.63
Forfeited or expired			(2,205)	13.29
<b>Balance as of March 31, 2019</b>	<b>1,340,631</b>	<b>\$ 7.59</b>	<b>3,345,280</b>	<b>\$ 10.87</b>

Stock-based compensation expense related to stock option awards was \$0.8 million for the three months ended March 31, 2019, and \$0.1 million for the three months ended March 31, 2018. The aggregate intrinsic value of options outstanding and exercisable at March 31, 2019, was \$23.3 million and the weighted average remaining contractual term was 8.0 years as of that date.

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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:

<b>In Thousands</b>	<b>Three months ended March 31,</b>	
	<b>2019</b>	<b>2018</b>
Net cash proceeds	\$ 125	\$ 714
Intrinsic value of options exercised	\$ 353	\$ 3,260

### ***Restricted Stock Units***

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

Information on restricted stock unit activity follows:

	<b>Number of Restricted Stock Units Outstanding</b>	<b>Weighted-Average Grant Date Fair Value</b>
Unvested balance at December 31, 2018	1,051,414	\$ 10.15
Vested	(8,894)	14.91
<b>Unvested balance at March 31, 2019</b>	<b>1,042,520</b>	<b>\$ 9.64</b>

The total grant-date fair value of restricted stock unit awards that vested was \$0.1 million for three months ended March 31, 2019, and zero for three months ended March 31, 2018.

As of March 31, 2019, unrecognized compensation expense related to non-vested stock options and restricted stock units was \$10.2 million. This expense will be recognized over 51 months on average for stock options and over 45 months on average for restricted stock units, assuming no change in the remeasurement value of grants made to non-employees in this calculation.

We treat stock-based compensation awards granted to employees of Collectis as deemed dividends. We recorded deemed dividends of \$0.4 million for the three months ended March 31, 2019, and \$0.7 million for the three months ended March 31, 2018.

### ***Collectis Equity Incentive Plan***

Prior to 2018 Collectis granted stock options to our employees. Compensation costs related to these grants have been recognized in the statements of operations with a corresponding credit to stockholders' equity, representing Collectis' capital contribution to us. The fair value of each stock option was estimated at the grant date using the Black-Scholes option pricing model.

We recognized stock-based compensation expense related to Collectis' grants of \$0.1 million for the three months ended March 31, 2018. Expenses in 2019 were immaterial.

## **6. 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 financial statements.

As of March 31, 2019, there were no material changes to what we disclosed regarding tax uncertainties or penalties as of December 31, 2018.

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**7. 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. The lease term is twenty years and we hold four five-year options to extend the lease.

Rent expense from all operating leases was \$49 thousand for three months ended 2019, and \$81 thousand for three months ended 2018.

*Sale-Leaseback of Equipment*

In December 2018 we consummated a sale-leaseback transaction with a third party to finance equipment. The lease has a term of four years and we may add up to \$1.1 million of future equipment purchases to the financing agreement. We were required to deposit cash into a restricted account in an amount equal to the future rent payments required by the lease. At March 31, 2019, this restricted cash totaled \$1.5 million.

*Other Commitments*

As of March 31, 2019, we have committed to purchase grain from farmers at dates throughout 2019 and 2020 aggregating \$19.7 million using commodity futures market prices, other payments to growers and estimated yields per acre. This amount is not recorded in the financial statements because we have not taken delivery of the grain as of that date.

**8. EMPLOYEE BENEFIT PLAN**

We provide a 401(k) defined contribution plan for all regular full-time employees who have completed three months of service. We match employee contributions up to certain amounts and those matching contributions vest immediately. Our expense was \$56 thousand for the three months ended March 31, 2019, and \$49 thousand for the three months ended March 31, 2018.

**9. SUPPLEMENTAL INFORMATION**

Certain statements of operations amounts are as follows:

<b>In Thousands</b>	<b>Three months ended March 31,</b>	
	<b>2019</b>	<b>2018</b>
Stock compensation expense:		
Research and development	\$ 240	\$ (437)
Selling, general and administrative	1,316	369
Total	\$ 1,556	\$ (68)

<b>In Thousands</b>	<b>Three months ended March 31,</b>	
	<b>2019</b>	<b>2018</b>
Interest expense	\$ (370)	\$ (235)
Interest income	542	167
Interest, net	\$ 172	\$ (68)

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Certain statements of cash flows amounts are as follows:

<b>In Thousands</b>	<b>As of March 31,</b>	
	<b>2019</b>	<b>2018</b>
Cash, cash equivalents and restricted cash:		
Cash and cash equivalents	<b>\$84,231</b>	\$ 50,703
Restricted cash, current	<b>381</b>	-
Non-current restricted cash	<b>1,120</b>	-
<b>Total</b>	<b>\$85,732</b>	\$ 50,703

<b>In Thousands</b>	<b>As of March 31,</b>	
	<b>2019</b>	<b>2018</b>
Non-cash additions to land, buildings and equipment	\$ -	\$ 4,529
Deferred cost in accounts payable and accrued liabilities	-	\$ 417
<b>Total</b>	<b>\$ -</b>	<b>\$ 4,946</b>

**10. Segment Information**

We operate in a single reportable segment, food ingredients. Our current commercial focus is North America. Our major product categories are High Oleic Soybean Oil and High Oleic Soybean Meal.

## 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 financial statements and related notes, which are included elsewhere in this Quarterly Report on Form 10-Q. Our actual results could differ materially from those anticipated in the forward-looking statements included in this discussion as a result of certain factors, including, but not limited to, those discussed in "Risk Factors" in our Annual Report on Form 10-K filed on March 12, 2019.*

### EXECUTIVE OVERVIEW

We are a healthy food ingredient company. We leverage proprietary intellectual property, our technical expertise, and an end-to-end supply chain toward our mission of "Making the Food You Love a Healthier Choice™".

Using our proprietary technologies and expertise, including TALEN gene-editing technology exclusively licensed to us in the field of agriculture, we develop food crops with targeted traits quickly and more cost effectively than traditional methods. Our technologies enable precise cuts to DNA in a single plant cell using the plant's natural repair machinery. This allows us to make our desired genome edit and regenerate the single cell into a full plant that includes this gene edit. We believe that we are able to identify a consumer need and develop a product from "concept to fork" in cycles as short as six years by utilizing these proprietary technologies.

We believe that we are well-positioned to address consumer preferences that are evolving to demand healthier, more nutritionally rich foods. To bring our consumer-centric products to the marketplace, we intend to repurpose and leverage existing supply chain capacity by contracting, tolling or partnering with players in the existing supply chain, such as seed production companies, seed distributors, farmers, crushers, millers, and refiners. We expect this will allow us to apply our resources to maximizing innovation and product development while minimizing our capital expenditures and overhead. We intend to strategically out-license our intellectual property to maximize our market opportunity.

Our first commercial products are oil and meal derived from a High Oleic Soybean designed to produce a healthier oil that has increased heat stability with zero trans fats per serving. We completed our first sales of our High Oleic Soybean Oil and High Oleic Soybean Meal in the first quarter of 2019. Among our other product candidates are other soybean products and a High Fiber Wheat.

Our current commercial focus is North America. This may expand over time to other geographies, subject to customer demand and regulatory requirements, among other factors. We also intend to explore the ability to add value through our existing product candidates once they are commercialized by combining traits in the same crop, which may allow us to deliver products with additional benefits without adding significant cost.

We are an early-stage company and have incurred net losses since our inception. As of March 31, 2019, we had an accumulated deficit of \$89.8 million. Our net losses were \$7.4 million for the three months ended March 31, 2019, and \$4.4 million for the three months ended March 31, 2018. Costs incurred in connection with our R&D programs and to compensate our employees, including non-cash stock compensation expense, are the primary drivers of our net loss. As we continue to develop our product pipeline, we expect to continue to incur significant expenses and increasing operating losses for the foreseeable future and those expenses and losses may fluctuate significantly from quarter-to-quarter and year-to-year. We expect that our expenses will increase substantially as we:

- build out a sales, marketing and distribution infrastructure, including relationships across our supply chain, to commercialize products that have completed the development process;
- conduct additional breeding and field trials of our current and future product candidates;
- secure manufacturing arrangements for commercial production;
- continue to advance the R&D of our current and future product candidates;
- seek to identify and validate additional product candidates;
- acquire or in-license other product candidates, technologies, germplasm or other biological material;
- are required to seek regulatory and marketing approvals for our product candidates;
- make royalty and other payments under any in-license agreements;
- maintain, protect, expand and defend our intellectual property portfolio;

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- seek to attract and retain new and existing skilled personnel; and
- experience any delays or encounter issues with any of the above.

As of March 31, 2019, we had cash, cash equivalents and restricted cash of \$85.7 million. While we achieved commercialization in the three months ended March 31, 2019, we do not expect to generate significant revenue from product sales unless and until we are able to fully commercialize our High Oleic soybean and one or more other current or future product candidates, which may take a number of years and is subject to significant uncertainty. See “Capital Resources.”

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

We are a majority-owned subsidiary of Collectis. As of March 31, 2019, Collectis owns approximately 69.5% of our outstanding common stock. As a result, our historical financial information does not reflect the financial condition, results of operations or cash flows we would have achieved as a standalone company and not a subsidiary of Collectis during the periods presented or those we will achieve in the future. This is primarily the result of the following factors:

- our historical financial information reflects expense allocations for certain support functions that are provided on a centralized basis within Collectis pursuant to a management services agreement, such as expenses for technology, facilities, legal, finance, and human resources that may be higher or lower than the comparable expenses we would have actually incurred, or will incur in the future, as a standalone company and not a subsidiary of Collectis; and
- significant increases in our cost structure as a result of becoming a public company, including costs related to public company reporting, investor relations and compliance with the Sarbanes-Oxley Act, which expenses may increase at such time as we operate as a standalone company and not a subsidiary of Collectis.

Collectis also has certain contractual rights as long as it maintains threshold beneficial ownership levels in our shares. In addition, we entered into a license agreement with Collectis in 2017, or pursuant to which we hold an exclusive, worldwide license in plants to key intellectual property owned by Collectis.

### RESULTS OF OPERATIONS FOR THREE MONTHS ENDED MARCH 31, 2019 AND 2018

In the three months ended March 31, 2019, we commercialized our first products, High Oleic Soybean Oil and High Oleic Soybean Meal. We continued to incur costs associated with commercialization, including expanding our supply chain. Upon achieving commercialization, we started capitalizing purchases of grain as inventory. A summary of our results of operations for the three months ended March 31, 2019 and March 31, 2018 follows:

	Three Months Ended March 31,			
	2019	2018	\$ Change	% Change
	(In thousands, except percentage values)			
Revenue	\$ 157	\$ 11	\$ 146	nm
Cost of goods sold	34	—	34	nm
Research and development expense	2,044	1,048	996	95.0%
Selling, general and administrative expense	5,241	2,676	2,565	95.9%
Management fees and royalties	361	583	(222)	(38.1%)
Interest, net	172	(68)	240	nm
Other income and expense	(24)	(6)	(18)	nm
Net loss	\$ (7,375)	\$ (4,370)	\$(3,005)	68.8%

#### *Revenue and Cost of Goods Sold*

Revenue increased \$0.1 million in the three months ended March 31, 2019, compared to the same period a year ago. The increase in revenue was driven by the commercialization of our first products, High Oleic Soybean Oil and High Oleic Soybean Meal. Cost of goods sold in the period reflect supply chain costs associated with the processing and transportation of grain we purchased prior to commercialization. Because we previously expensed all costs, including

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grain, seed production costs and consideration received for seed, if applicable, as R&D expense prior to commercialization, as we incur costs associated with transporting and processing that grain, they will also be expensed as cost of goods sold. As a result, current margins are not representative of future margins.

### ***Research and Development Expenses***

Our R&D expenses consist primarily of:

- personnel costs, including salaries and related benefits, including non-cash stock option expense, for our employees engaged in scientific R&D functions;
- cost of third-party contractors and third-party contractors who support our product candidate development;
- seed costs for small-scale and large-scale testing of trait validation;
- purchases and manufacturing of biological materials;
- costs for and to operate facilities including laboratories and greenhouses;
- costs to acquire grains for R&D purposes prior to achieving commercial milestones; and
- costs of in-licensing or acquiring technology from third parties.

The \$1.0 million increase in R&D expenses for the three months ended March 31, 2019, compared to the same period a year ago was primarily due to increased headcount and an increase in non-cash stock compensation expense of \$0.6 million.

### ***Selling, General, and Administrative Expenses***

The \$2.6 million increase in the three months ended March 31, 2019, compared to the same period a year ago was due to \$0.9 million of incremental stock compensation expense, costs associated with hiring our executive team and adding three board members over the past nine months, and professional services costs associated with being a public company.

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

Interest, net is the result of interest income resulting from investments of cash and cash equivalents, partially offset by interest expense on our financing lease obligations. It has remained relatively constant over time, driven by balances, yields, and timing of our capital raises and financing activities.

## **LIQUIDITY AND CAPITAL RESOURCES**

### ***Liquidity***

As of March 31, 2019, we had cash, cash equivalents and restricted cash of \$85.7 million.

We incurred losses from operations of \$7.4 million for the three months ended March 31, 2019, and \$4.4 million for the three months ended March 31, 2018. As of March 31, 2019, we had an accumulated deficit of \$89.8 million and we expect to incur losses for the foreseeable future.

### ***Cash Flows from Operating Activities***

<b>In Thousands</b>	<b>Three months ended March 31,</b>	
	<b>2019</b>	<b>2018</b>
Net loss	\$ (7,375)	\$ (4,730)
Depreciation	342	156
Stock-based compensation	1,556	40
Unrealized transaction gain (loss) on related party activity	-	8
<b>Changes in operating assets and liabilities</b>	<b>(3,858)</b>	<b>(2,399)</b>
Net cash used by operating activities	\$ (9,335)	\$ (6,565)

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Net cash used by operating activities was \$9.3 million for the three months ended March 31, 2019, compared to net cash used by operating activities for the three months ended March 31, 2018 of \$6.5 million. The increase was due to expenses related to increased headcount and legal and professional fees associated with expanding our commercial infrastructure and investing in our R&D pipeline, including purchasing grain in advance of our commercialization of our first product candidate, High Oleic Soybean.

### *Cash Flows from Investing Activities*

In Thousands	Three months ended March 31,	
	2019	2018
Purchases of land, building, and equipment	\$ (346)	\$ (41)
Net cash used by investing activities	\$ (346)	\$ (41)

Net cash used by investing activities was \$346 thousand for the three months ended March 31, 2019, compared to net cash used by investing activities for the three months ended March 31, 2018 of \$41 thousand. The increase was due to purchases of lab equipment and furniture and fixtures for our new headquarters facility.

### *Cash Flows from Financing Activities*

In Thousands	Three months ended March 31,	
	2019	2018
Deferred offering costs	\$ -	\$ (69)
Proceeds from the exercise of stock options	125	714
Net cash provided by financing activities	\$ 125	\$ 645

Net cash provided by financing activities was \$0.1 million for the three months ended March 31, 2019, compared to net cash provided by financing activities for the three months ended March 31, 2018 of \$0.6 million. The decrease was due to lower proceeds from the exercise of stock options.

## **CAPITAL RESOURCES**

We have \$264 thousand of long-term financing obligations maturing in the next 12 months that is classified as current. Taking into account our anticipated cash burn rate, we believe our cash, cash equivalents and restricted cash as of March 31, 2019, will be sufficient to fund our operations through at least early 2021. The period of time through which our financial resources will be adequate to support our operations is a forward-looking statement and involves risks and uncertainties, and actual results could vary as a result of a number of factors, which are described in our Annual Report.

### *Operating Capital Requirements*

As of March 31, 2019, we had generated \$0.2 million in revenues from product sales. We anticipate that we will continue to generate losses for the foreseeable future, and we expect the losses to increase as we continue to incur substantial expenses related to our public company obligations, the continued development of our product candidates, and the commercialization of our product candidates that complete the development process. We anticipate that we will need additional funding in connection with our continuing operations, including for the further development of our existing product candidates and to pursue other development activities related to additional product candidates.

Until we can generate substantial revenue from sales of our products, if ever, we expect to finance a portion of future cash needs through cash on hand and public or private equity or debt financings, government or other third-party funding and licensing arrangements. However, additional capital may not be available on reasonable terms, if at all. If we are unable to raise additional capital in sufficient amounts or on terms acceptable to us, we may have to significantly delay, scale back or discontinue the development or commercialization of one or more of our product candidates. Failure to receive additional funding could cause us to cease operations, in part or in full. If we raise

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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 common shares. Any of these events could significantly harm our business, financial condition and prospects.

#### **CONTRACTUAL OBLIGATIONS, COMMITMENTS AND CONTINGENCIES**

There were no material changes in our commitments during the three months ended March 31, 2019, under contractual obligations as disclosed in our Annual Report.

#### **OFF BALANCE SHEET OBLIGATIONS**

As of March 31, 2019, we do not have any off-balance sheet arrangements as defined in Item 303(a)(4)(ii) of Regulation S-K.

#### **CRITICAL ACCOUNTING POLICIES**

The accompanying discussion and analysis of our financial condition and results of operations are based upon our financial statements and the related disclosures, which have been prepared in accordance with U.S. GAAP. The preparation of these financial statements requires us to make estimates, assumptions and judgments that affect the reported amounts in our 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 assumptions or conditions. We believe the following policies to be 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.

Except as disclosed in Note 1, Basis of Presentation and Summary of Significant Accounting Policies, 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 August 2017, the Financial Accounting Standards Board (FASB) issued new hedge accounting requirements. The new standard amends the hedge accounting recognition and presentation requirements to better align an entity’s risk management activities and financial reporting. The new standard also simplifies the application of hedge accounting guidance. The requirements of the new standard are effective for annual reporting periods beginning after December 15, 2018, and interim periods within those annual periods, which for us is the first quarter of fiscal 2020. Early adoption is permitted. We do not expect this guidance to have any impact on our financial statements.

In February 2016, the FASB issued new accounting requirements for accounting, presentation and classification of leases. This will result in most leases being capitalized as a right of use asset with a related liability on our balance sheets. The requirements of the new standard are effective for annual reporting periods beginning after December 15, 2018, and interim periods within those annual periods, which for us is the first quarter of 2020 because we are an emerging growth company. We are in the process of analyzing the impact of this standard on our results of operations and financial position.

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

Our primary exposures to market risk are commodity price and interest rate sensitivity.

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. Our exposure to market risk has not changed materially since December 31, 2018.

**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, 2019, to provide reasonable assurance that information required to be disclosed by us in reports that we file or submit under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms and (ii) accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

**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, 2019, that have materially affected, or that are reasonably likely to materially affect, our internal control over financial reporting.

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**PART II. OTHER INFORMATION**

**Item 1. Legal Proceedings**

We are not a party to any material pending legal proceeding as of March 31, 2019. From time to time, we may be involved in legal proceedings arising in the ordinary course of business.

**Item 1A. Risk Factors**

There were no material changes in risk factors for the Company in the period covered by this report. See the discussion of risk factors in our Annual Report.

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**Item 2. Exhibits**

(a) Index of Exhibits

<b><u>Exhibit Number</u></b>	<b><u>Description</u></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>
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*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document

\*Filed herewith

**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 7, 2019.

CALYXT, INC.

By: /s/ James A. Blome  
Name: James A. Blome  
Title: Chief Executive Officer

By: /s/ William F. Koschak  
Name: William F. Koschak  
Title: Chief Financial Officer

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

I, James A. Blome, certify that:

- I. 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 07, 2019

/s/ James A. Blome

James A. Blome

Chief Executive Officer

**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 7, 2019

/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, 2019, 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 7, 2019

/s/ James A. Blome

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James A. Blome  
Chief Executive Officer

/s/ William F. Koschak

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William F. Koschak  
Chief Financial Officer