

Evolve Full-year 2021 results presentation

10 March 2022

Christian Wichert, CEO
Carsten Däweritz, CFO

EVOLVΛ

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Agenda

1. Introduction & first impressions

Christian Wichert

2. Business highlights

Christian Wichert

3. FY 2021 results

Carsten Däweritz

4. Outlook

Christian Wichert



Christian Wichert

- 48 years of age
- German, Global citizen
- Husband
- Father of three daughters
- Runner, Skier, Windsurfer



Passionate



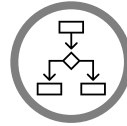
People-driven



Providing transparency



Commercially minded



Results-oriented: **focus & deliver!**

***Make Evolva a place where results count
and people matter.*** “ ”

My first impressions after four weeks as CEO

Positive aspects



Good people: Open, willing, experienced, flexible



Markets: Addressing megatrends, Attractive segments and customers



Operations: Substantially improved, products available



Knowledge: Good content, spread across the organization

Improvement potential



Business model: How to maximize value creation and value capture?



Sales effectiveness: Sales pipeline and process management, negotiation skills



Go-to-market: Value propositions, channel-mix



Cost discipline: What is needed and what can we afford?

“ Evolva is an early-stage company with great purpose, people and technologies. I am very excited to be on board, boost our commercial performance and reach our full potential together with the entire team. ”

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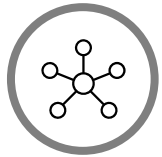
4. Outlook

Christian Wichert

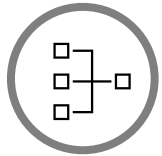
Evolve is continuing its transformation to a commercial-stage biotech company



From R&D to product revenues
at the core of three megatrends
(health, wellness, sustainability)

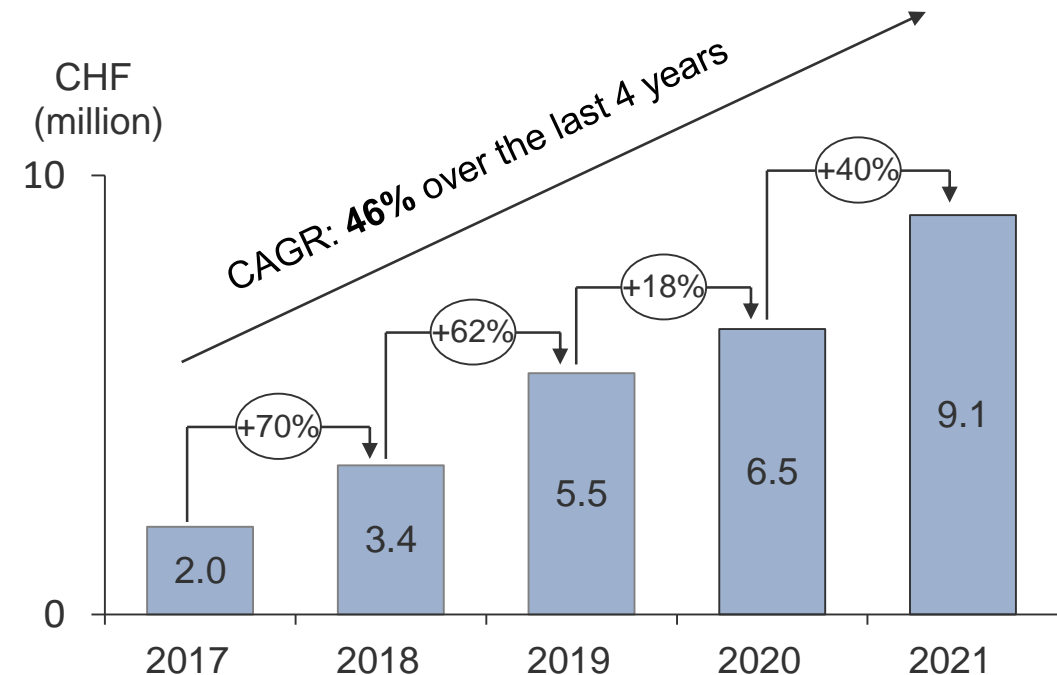


On the market with
six products including EverSweet™



Strengthened operations capabilities: higher capacity and delivery quality at lower costs

Growing product-related revenues:



Evolve is active in three promising business segments

	Core business segments		Developing business segments
Segment	 <p>Flavors & Fragrances</p>	 <p>Health Ingredients</p>	 <p>Health Protection</p>
Value Proposition	Nature-based F&F ingredients that help solve nature's supply chain & resource bottlenecks.	Nature-based ingredients for dietary supplements and cosmetics that contribute to health and wellness.	Nature-based products with high efficacy to protect humans and pets against insects and corresponding illnesses.
Products*	<ul style="list-style-type: none"> • Valencene • Nootkatone • Vanillin • L-Arabinose 	<ul style="list-style-type: none"> • Resveratrol • L-Arabinose • EverSweet™ 	<ul style="list-style-type: none"> • NootkaShield

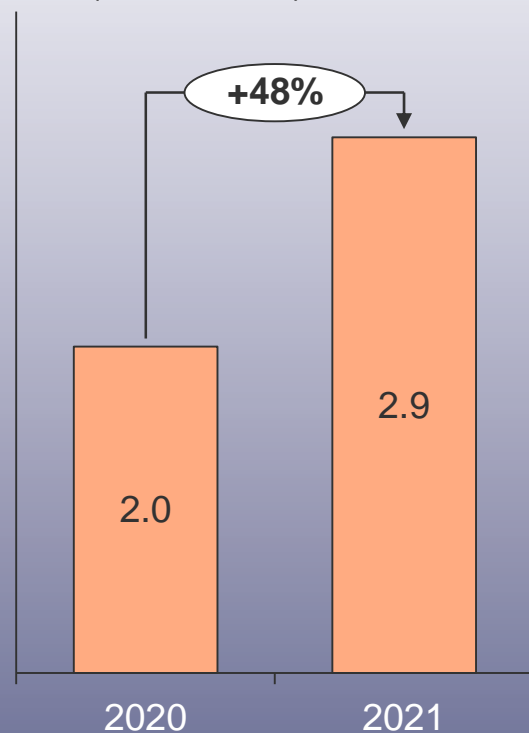
*Current revenue drivers **bold**

” *Evolve capitalizes on global megatrends health, wellness and sustainability* “

Business highlights

Flavors & Fragrances: 48% growth and increased customer activity

Sales (CHF million)



Main developments 2021

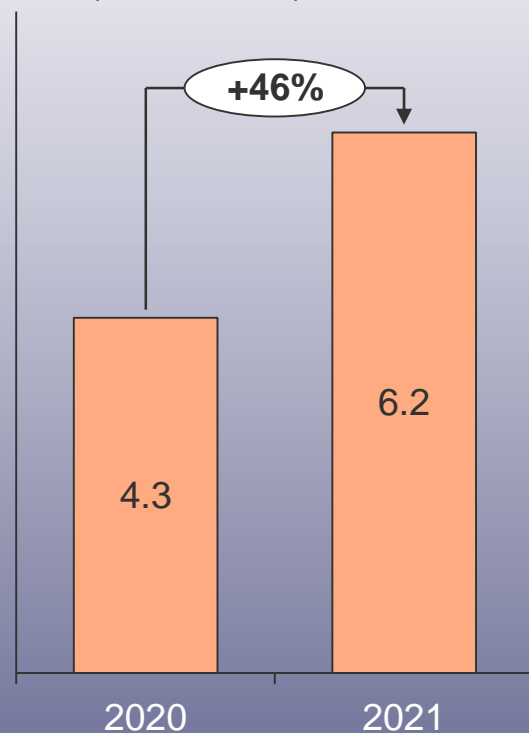
- New product development projects restarted after COVID-19 related slowdown in 2020
- Increased number of product approvals at key accounts
- Recurring business picking up
- Broadened customer base

Key drivers 2022

- Expand direct customer base
- Developing Vanillin sales with key account IFF
- Increased focus on launch activities for natural Nootkatone

Health Ingredients: 46% growth on the back of proven benefits

Sales (CHF million)



Main developments 2021

- Secure production of resveratrol as of Q2 2021
- Global interest in new product development with Veri-te trademark (Co-branding)
- Interest in Resveratrol for immune health
- Publication of the RESHAW study in Women's Health space

Key drivers 2022

- Expand direct customer base
- New product development projects with new key customers in the US and Europe
- Two ongoing clinical studies: skin health, mental performance & stress
- Penetrate animal health market
- Increased launch activities for L-Arabinose
- Growing EverSweet™ royalties expected

Business highlights

Award-winning RESHAW study reveals Veri-te's great benefits and high potency for diverse applications



Results:

- ↗ Cognitive health
- ↗ Well being
- ↗ Bone mineral density
- ↘ Risk of fractures
- ↘ Pain perception

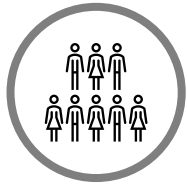
In the **RESHAW Study***, the effects of Veri-te™ Resveratrol were examined.

▶ **Veri-te** Resveratrol is an **effective specialty ingredient** for women's health.

*the largest clinical trial investigating resveratrol supplementation in postmenopausal women.

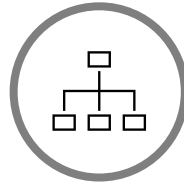
Operations capabilities significantly strengthened

People



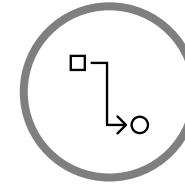
- Onboarded **Gerhard Lobmaier**, COO (Chief Operations Officer)
- **New operations team** built as of 2021

Structure



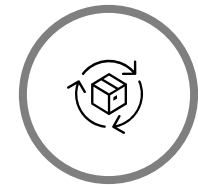
- **CMO network** further **strengthened** & expanded
- **Cost structure improved**; visible in development of gross contribution in Q4/2021

Processes



- Main **production processes stabilized** and optimized
- **Elimination of 2020's production issues**, especially regarding Resveratrol

Products



- **Products on stock** for customer deliveries
- First significant amount of **Resveratrol API** grade produced in specification
- First commercial batches of **L-Arabinose** produced
- **Valencene** value chain products all available, incl. Valencene 94% and Nootkatone
- **Vanillin**: Cooperation with IFF to further expand development and commercialization

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3. **FY 2021 results**

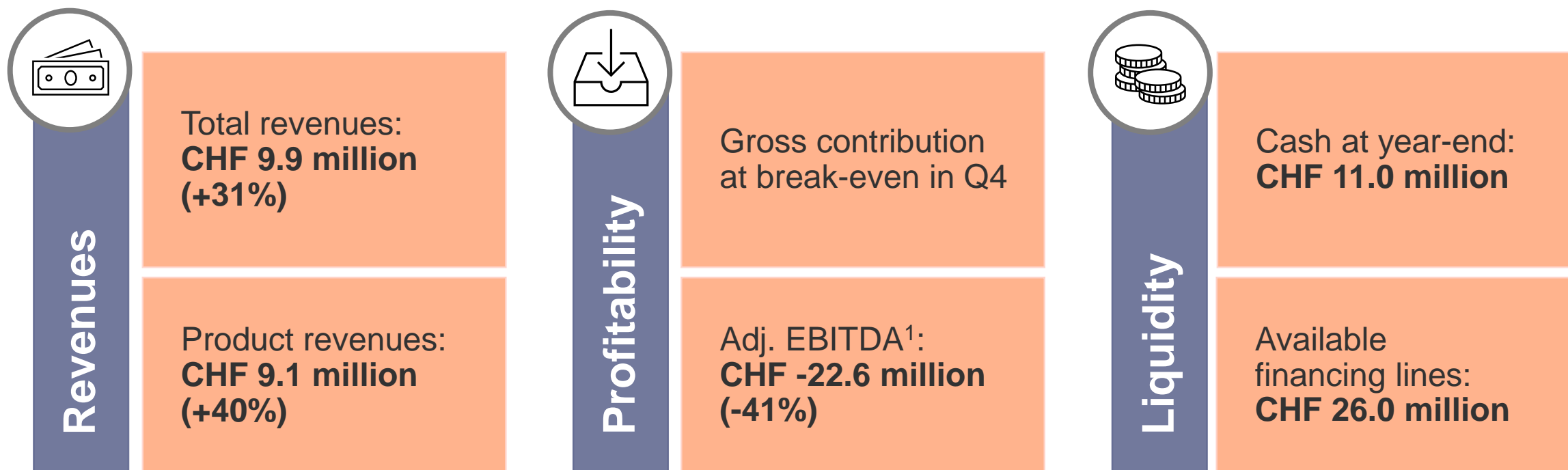
Carsten Däweritz

4. Outlook

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FY 2021 results

Financial highlights: product revenue growth continued and financing secured



FY 2021 results

P&L highlights: Product revenue +40%

CHF million	2021	2020
Product-related revenue	9.1	6.6
Research & development revenue	0.7	1.0
Total revenue	9.9	7.5
Gross Profit	(9.3)	(2.2)
recurring operating expenses	(22.4)	(22.0)
extraordinary impairment	(9.6)	0
extraordinary operating expenses	(0.7)	(0.7)
Total operating expenses	(32.7)	(22.7)
EBIT	(42.0)	(24.9)
Adjusted EBIT ¹	(31.2)	(24.2)
EBITDA	(23.8)	(16.7)
Adjusted EBITDA ¹	(22.6)	(16.0)

- Continued shift from R&D to commercial revenue with 40% product-related growth
- Gross Profit and adjusted EBITDA are mainly impacted by start-up related costs (CHF 5.6 million)
- Recurring operating expenses virtually flat (+2%) vs. prior year
- Extraordinary impairment charge related to patents and patent applications

Gross contribution as key performance measure



Sales



- Direct production costs → Declining unit costs due to efficiency gains

= **Gross contribution** → Going forward: Positive and increasing



- Operational costs



- Operational staff

} Largely fix (around CHF 2.5 million)



- D&A

→ Mainly capitalized R&D expenses

= **Gross profit**



Positive (increasing) gross contribution and sales growth
key to become profitable

Key balance sheet items - Assets

CHF million	2021	2020
Assets		
Intangible assets	113.3	123.9
Property, plant and equipment	6.0	6.9
Financial assets	3.4	2.5
Total non-current assets	122.6	133.3
Inventories	16.3	9.1
Prepayments & accrued income	1.8	2.4
Trade and other receivables	4.5	2.3
Cash and Cash equivalents	11.0	19.7
Total current assets	33.6	33.6
Total assets	156.2	166.9

- Intangible assets reduction through CHF 9.6 million extraordinary impairment of patents and patent applications
- Net Working Capital increased mainly due to CHF 6.8 million build-up of finished products safety stock
- Cash Position at CHF 11 million at year-end 2021
- Additional financing line of CHF 26 million from Nice & Green available

Key balance sheet items – Equity and liabilities

CHF million	2021	2020
Equity and liabilities		
Total equity	131.8	145.1
Total non-current liabilities	9.2	6.7
Total current liabilities	15.2	15.1
Total Equity and Liabilities	156.2	166.9

- Equity increase through placements to Nice & Green CHF 20 million and Veraison by CHF 7.5 million, reduction through net loss of CHF 41.3 million
- Non-current liabilities increased mainly due to settlement agreement for government contract (shift from current liabilities)
- Current liabilities include increase of convertible loan

FY 2021 results

Operating free cash flow

CHF million	2021	2020
Cash Flow		
Cash position at beginning	19.7	39.9
Cash flow from operating activities	-29.8	-23.4
Cash flow from investing activities	-4.6	-5.6
Cash flow from financing activities	25.7	8.8
Cash position end of period	11.0	19.7

- Operating activities include CHF 5.6 million start-up related expenses and an increase in Net Working Capital (CHF 7.5 million)
- Investing activities include capitalized development expenses of CHF 3.4 million, loan to manufacturing partner CHF 1.9 million and reduction of rent deposit by CHF 1.1 million
- Financing activities reflect 4 subscriptions with Nice & Green and capital created in Q4 for new anchor shareholder Veraison

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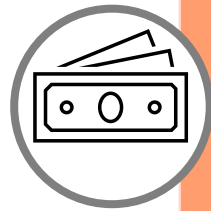
Christian Wichert

Immediate focus on three levers



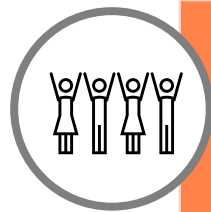
Boost commercial performance:
Focus and deliver

Focus on **target customers** with clear **value propositions**, managing opportunities through the sales process towards closing deals



Cost discipline:
Run a tight ship

Allocate **capital** to focus areas **with substantial impact**, executing with spending discipline



Culture as enabler:
All hands on deck

Change our **culture to be entrepreneurial**, fast, agile, collaborate cross-functionally, team approach

In addition: explore potential strategic partnerships to further strengthen operational and commercial capabilities (proposed creation of 20% conditional capital at AGM to allow for strategic and financial flexibility)

Strengthened transparency and accountability

Transparency

- Transparency on business performance and underlying value drivers
- Commitment to visibility on commercial and operational progress

Accountability

- Clearer yearly guidance
- Skin in the game: Commitment from CEO to buy and hold Evolva shares worth at least one yearly salary

Governance

- Board evaluates to propose several measures to strengthen shareholder rights at the next AGM



Walk the talk: We are strongly committed to deliver on our promises.

2022 and beyond

Outlook 2022

- Revenue growth of 50% to CHF 15 million at constant currencies
- Positive, double-digit gross contribution margin

Mid-term

- Strategy and mid-term targets are currently being reviewed
- To be presented at the latest with half year report in August 2022

Summary

1. **Capitalizing on global megatrends** health, wellness and sustainability
2. **Precision-fermentation platform** with proprietary technology
3. **Operations capabilities** strengthened (including CMO network)
4. **Positive gross contribution margins** going forward
5. **Governance and leadership** reinforced



Evolve - Resolving the Supply Chain & Resource Limitations of Nature

Q&A

We are happy to
answer your questions.

Financial Calendar

Annual General Meeting

April 12, 2022

Half-year 2022 results

August 25, 2022

Investora Zurich

September 21-22, 2022