

Evolva Holding SA in liquidation publishes liquidation interim financial statements and agenda for 2024 annual general meeting; reports positive purchase price adjustment of CHF 1,929,000 under SPA; gives update on expected liquidation dividend

Reinach, Switzerland, 22 March 2024 – Evolva Holding SA in liquidation (SIX: EVE) announced on 28 December 2023 the closing of the sale of 100% of the shares in Evolva AG (including its subsidiaries) to Danstar Ferment AG, a Swiss affiliate of Lallemand Inc. Today, the company published the first liquidation interim financial statements (as of 31 December 2023) and the agenda for the annual general meeting (AGM) to be held on 12 April 2024. Moreover, the company reports, under the share purchase agreement with Danstar Ferment AG, a positive (upward) adjustment of the initial purchase price (set at CHF 20 million) by (at least) CHF 1,929,000. Finally, the company gives an update on the currently expected liquidation dividend.

Liquidation interim financial statements (as of 31 December 2023)

The company today published the liquidation interim financial statements as of 31 December 2023. Key takeaways are:

- On 31 December 2023, Evolva Holding SA had a remaining cash balance of CHF 5.8 million and short-term receivables of CHF 4.0 million which comprise mainly CHF 2 million in an escrow account (of which CHF 1.4 million have subsequently been released to the company) and CHF 1.9 million purchase price adjustment received in March 2024 (see more on the adjustment amount below);
- Accrued and other current and non-current liabilities of CHF 3.5 million include the projected operating costs until completion of the liquidation (currently contemplated in 1Q 2026) in the amount of CHF 1.8 million;
- Equity balance stands at CHF 5.6 million;
- The earn-out agreement provides for two separate earn-out payments calculated on the basis of global sales of Evolva products and technologies (including third-party research and development services and royalty income) above an agreed floor (i.e., CHF 17.5 million in 2024 and CHF 10.29 million in the first half of 2025): The first earn-out payment will be calculated on the basis of sales during the 2024 year, the second one on the basis of sales in the first half of 2025, in each case subject to certain exceptions; the aggregate amount that may be paid under both earn-out payments is capped at CHF 10 million; if the relevant sales floors are not met, then no earn-out will be paid for the respective period;

Based on the principle of prudence, no earn-out is reflected in the balance sheet. A potential earn-out is considered an upside;

- Except if decided otherwise by the shareholders at the AGM (see more on the AGM below), the finalizing and distribution of a liquidation dividend is planned for 1Q 2026.

Based on the developments in the last few months, the Board of Directors revises its estimate of the potential liquidation dividend previously communicated (see ad hoc announcement of 30 November 2023): Based on the information available to date, taking into account the liability and financial debt profile of the company and estimated future costs and expenses during the liquidation and assuming an orderly liquidation process (and excluding unforeseen events), the Board of Directors currently estimates the potential liquidation dividend to range between CHF 0.77 (assuming no earn-out target having been met and no further upside potential realized) and a theoretical maximum of CHF 2.26 (assuming full earn-out potential achieved and further upside potential fully realized).

Agenda for 2024 AGM

The company publishes today the agenda for the 2024 AGM. The Board of Directors proposes, among others, the introduction of the possibility to conduct a virtual or hybrid general meeting in the future. As communicated on 7 March 2024, the largest shareholder Nice & Green SA asked three additional items to be included to the AGM agenda. The first agenda item requests the revocation of the liquidation resolution, the second item the revocation of the delisting of the EVE shares from SIX Swiss Exchange, and the third item the introduction of an opting-out clause in Evolva's articles of association. Nice & Green SA argues that approval of the three agenda items would allow Evolva to seize market opportunities in the area of public mergers and acquisitions, in particular so-called 'reverse takeovers' or 'reverse mergers'.

The Board of Directors has reviewed the request. It agrees with Nice & Green SA that a potential reverse merger could represent a valid alternative to liquidation. The economic benefit of a liquidation is limited to a potential liquidation dividend. In contrast, in the case of a reverse merger, shareholders have the opportunity to participate in the upside of the new company. If the liquidation and the delisting resolutions are revoked and subsequently no concrete reverse merger transaction occurs, these resolutions can be passed at a later date. The downside would be the higher costs incurred (especially listing costs) and the delayed payment of any potential liquidation dividend compared to the current schedule. However, from the Board of Directors' perspective, given the associated opportunities, it is justified to optimize the conditions for a potential reverse merger/takeover. The Board of Directors recommends the approval of the first (AGM item 8.1) and – if the first item is approved by shareholders – also of the second (AGM item 8.2) proposed items by Nice & Green SA.

Regarding the proposal to include an opting-out clause in the Articles (AGM item 8.3), since the Board of Directors has no knowledge of any specific transaction proposal, it has concluded that it cannot provide a positive recommendation and instead outlines the advantages and disadvantages. On the one hand, it is possible that an opting-out clause could make the Company more attractive to parties interested in a reverse merger/takeover. On the other hand, it should be considered that it generally exempts large investors from the obligation to make an offer for all the shares of company. It can be used not only for a reverse merger/takeover transaction but also in other situations, potentially to the detriment of the

public shareholders. For example, it would also be possible for an investor to build a controlling voting position, take control of the Board of Directors, and then use the company's cash for transactions that do not create value for the public shareholders. An alternative to a general opting-out clause could be to submit a transaction-specific, so-called selective opting-out for approval by the general meeting at the time of a specific/concrete reverse merger/takeover project.

For further information please refer to agenda item 8 of the invitation.

Purchase Price Adjustment and Status of Escrow

The SPA entered into on 20 November 2023 between Evolva Holding SA and Danstar Ferment AG provides for a price adjustment process under which, following the closing of the SPA,

- the CHF 20 million initial purchase price would be adjusted on an upward or downward basis; this adjustment would take place on the basis of a balance sheet prepared as of 31 October 2023;
- the amount of the adjustment, and the determination of whether it is a positive or negative amount, would depend on the cash, debt and net working capital of Evolva AG as of such date.

The company now published today a positive (upward) adjustment of the initial purchase price (set at CHF 20 million) by CHF 1,929,000, and that the respective amount has been received. Evolva Holding SA and Danstar Ferment AG agreed to hold back an additional amount of CHF 195,000 based on the quality of certain raw materials. Depending on the outcome of the ongoing investigation, Danstar Ferment AG will pay this additional amount to the company (and the positive adjustment amount of CHF 1.929 million would in this case further increase by up to CHF 195,000).

Of the CHF 2 million of the initial purchase price held in escrow, CHF 1.4 million have been released to the company. The remaining CHF 600,000 continue to be held in escrow; their release will be contingent upon the outcome of a legal dispute between Evolva AG and a former distributor.

Documentation

The **Invitation** to the AGM 2024 with all proposed agenda items was published today in the Swiss Official Gazette of Commerce (SOGC) and sent to registered shareholders. The Invitation is also available [here](#).

The financial results' documentation is available under this [link](#).

Important dates

12 April 2024 Annual General Meeting

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