

Evolva convenes extraordinary general meeting (EGM) for 24 August 2023 to secure financing until end of the year

Board of Directors proposes the following to the shareholders:

- Increase of the conditional capital for the purpose of Nice & Green financing
- Increase in the upper limit of the capital band to allow for strategic and/or financing alternatives

Reinach, 28 July 2023 — Evolva (SIX: EVE), a pioneer in the field of natural molecules and industrial biotech, today published the agenda for its extraordinary general meeting (EGM) to be held on 24 August 2023 at 11:00 CET at the Hotel Victoria in Basel.

On 26 June 2023, Evolva communicated that it had signed a new financing agreement with its financing partner Nice & Green SA. A new agreement had to be negotiated after Nice & Green SA had informed the Company, beginning of June, that it had taken a different interpretation of the then existing agreement which created an immediate emergency for Evolva, including the risk of insolvency in the short term. At the same time, Evolva was required to initiate a review of strategic alternatives, including a potential sale of the company.

Under the new financing agreement, Evolva is required to ensure that there is sufficient conditional capital to meet Nice & Green's request to convert notes into shares; therefore, Evolva has to convene an extraordinary general meeting to propose to increase the company's conditional capital. If the Company does not increase the conditional capital, as proposed, Evolva cannot draw funds of (minimum) 5,250,000 from N&G in 2023, but only funds in the amount of CHF 1,500,000. This would put the going concern of the company in danger. Evolva's financing would, in that case, not be secured until at least end of 2023 as communicated on 26 June.

In addition to the increase of the conditional capital, Evolva's board proposes to increase the upper limit of the company's capital band. As mentioned, Evolva is currently evaluating all strategic alternatives. A possible strategic alternative (which could include an alternative to Nice & Green) would be to raise new capital from existing and/or new investors as part of a capital increase. With the EGM increasing the capital band's upper limit, Evolva would be quick and flexible in raising funds without a need to convene another extraordinary general meeting.

The chairman and the CEO of Evolva have drafted a shareholder letter to give more background on the current situation. It is attached to this press release and also available on the Company's website (see link below in the 'Documentation' section; a German version [*Übersetzungshilfe*] of the original English shareholder letter is available via the same link).

The process of the strategic review communicated on 26 June is under way. The results will be communicated in due course.

Documentation

The **Invitation** to the EGM with the two agenda items was published today in the Swiss Official Gazette of Commerce (SOGC). The Invitation and the shareholder letter will be sent to registered shareholders via mail today, and are also available here [Link].

Important dates

24 August 2023

Half-year 2023 results

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About Evolva

Evolva is a Swiss biotech company focused on the research, development and commercialization of ingredients based on nature. We have leading businesses in Flavors and Fragrances, Health Ingredients and Health Protection. Evolva's employees, half of which are women, are dedicated to make the best products that can contribute to health, wellness and sustainability. Find out more at evolva.com and connect with us on [LinkedIn](#).

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This press release contains specific forward-looking statements, e.g. statements including terms like believe, assume, expect or similar expressions. Such forward-looking statements are subject to known and unknown risks, uncertainties and other factors which may result in a substantial divergence between the actual results, financial situation, development or

performance of the company and those explicitly or implicitly presumed in these statements. Against the background of these uncertainties readers should not place undue reliance on forward-looking statements. The company assumes no responsibility to update forward-looking statements or to adapt them to future events or developments.

DEAR SHAREHOLDERS,

When we reported on our good performance in 2022 at the Annual General Meeting (AGM) in Basel on 18 April 2023, we were proud of the strong accomplishments in the first year under the new leadership team with targets fully met for the first time in the company's recent history, both in terms of revenue and profitability.

- Revenues increased by 57% to CHF 15.5 million (product-related revenues even grew by 62%)
- Gross contribution margin increased from negative -59% in 2021 to positive +16% in 2022 (H2 even at +22%)
- Adjusted EBITDA improved by CHF 9.3 million.

We were excited about the continuous progress we were making towards our major strategic initiatives facilitating continued strong growth in Flavors & Fragrances, especially with our sustainable Vanillin and Natural Nootkatone™, as well as boosting the Health Ingredients business with our responsible Veri-te™ Resveratrol by entering new market segments. We also further developed promising future business opportunities with NootkaSHIELD™ and eco-friendly Agro-Solutions as communicated in various press releases.

With a significantly strengthened CMO network from 2024 onwards, major technology improvements, substantial cost efficiencies, and a filled R&D pipeline, Evolva was well underway to reach its ambition of EBITDA and cash break-even by 2025.

We were also convinced that, with the open financing lines with Nice & Green, we had sufficient short-term liquidity levels to support the further building of the New Evolva at least until the end of the first quarter of 2024. In addition, we were entertaining discussions with several potential strategic partners for minority investments in the company to cover the remaining financing needs until cash break-even in a shareholder friendly way, while at the same time strengthening our business model. Beginning of June, Nice & Green informed Evolva that they do not intend to keep their financial commitments due to a different interpretation of their obligations under the then existing contractual agreement. This came as a surprise as Nice & Green had repeatedly signaled in April and May their continued support of Evolva and the respective financing. Attempts by Evolva to further clarify and resolve the situation unfortunately failed.

Although we were and still are very confident about the validity of our legal position, the refusal of Nice & Green to meet their financing obligations created an immediate emergency for Evolva, including the risk of insolvency in the short term. We were therefore forced to negotiate a new agreement with Nice & Green which secures the financing at least until the end of 2023. At the same time, Evolva was required to initiate a review of strategic alternatives, including a potential sale of the company. The new financing agreement with Nice & Green announced on 26 June 2023 gives the required time to conduct such review in an orderly manner and to find a solution that is in the best interest of all stakeholders.

We very much regret these recent developments and fully share the frustration with you. Just when we had achieved one of our major milestones by signing the multi-year contract with a leading CMO to enable the Vanillin business with our global F&F partner and to generate additional benefits from 2024 onwards, the issues with Nice & Green cut the momentum.

Nevertheless, our focus in this difficult situation remains on ensuring the best possible outcome for the company, our employees, shareholders, customers, and suppliers. We very much believe in the value proposition of Evolva and will do our utmost to protect the company's future. In a first step, we need to secure the short-term financing until a long-term solution is reached. In order to achieve this, we have to convene an Extraordinary General Meeting (EGM) on 24 August 2023.

The EGM has two agenda items for which we ask your support:

1. Increase of the conditional capital for the purpose of Nice & Green financing

This agenda item deals with the proposed increase of the company's conditional capital. Under the new financing agreement with Nice & Green, Evolva had to agree to increase the conditional capital in order to be able to comply with its obligations towards Nice & Green. If the EGM does not increase the conditional capital, Evolva would not be able to draw funds of (minimum) CHF 5,250,000 from Nice & Green in 2023, but only funds of CHF 1,500,000; in this case, the going concern of the company would be in danger.

For more details, reference is made to the EGM Invitation.

2. Increase in the upper limit of the capital band for capital increases

This agenda item deals with the proposed increase of the upper limit of the company's capital band. As communicated on 14 and 26 June 2023, Evolva is currently evaluating all strategic alternatives, including a sale of the company. A possible strategic alternative (which could include an alternative to Nice & Green) would be to raise new capital from existing and/or new investors as part of a capital increase. With the EGM increasing the capital band's upper limit, Evolva would be quick and flexible in raising funds without a need to convene another extraordinary shareholders meeting.

For more details, reference is made to the EGM Invitation.

Dear shareholders, we thank you for your trust, understanding and support in this difficult situation for Evolva. We deeply regret the course of actions which were forced upon us in the last months.

Yours,



Stephan Schindler
Chairman of the Board of Directors



Christian Wichert
CEO