NEWS RELEASE

Evolva reports financial results for 2012

Jørgen Hansen to succeed Jutta Heim as CSO – Jutta Heim nominated to join Board

Reinach, Switzerland, 9 April 2013 – Evolva Holding SA (SIX: EVE) today announced its financial results for the period 1 January to 31 December 2012. The annual report is available on Evolva's website.

Key highlights of 2012 and early 2013:

- New deals with IFF and Roquette
- Milestones for BASF and Roquette
- The acquisition of our first marketed product: resveratrol
- A major collaboration with Cargill on our stevia product
- A collaboration with Ajinomoto – applying our technology in the personal care area
- The entry of our vanillin product into pre-production in collaboration with IFF

Financial:

- A lower cash outflow than in previous years
- Total cash position at 31 December 2012: CHF 9.1m (excluding CHF 1m in restricted cash)
- Successful fundraising in March 2013 with gross proceeds of CHF 31.3m

Neil Goldsmith, CEO of Evolva said, "In 2012, and even more so in early 2013, the strategic shift that we embarked upon some three years ago delivered tangible results. Our products are making tremendous progress and the great success of the recent share issue shows that investors increasingly see the merit of our strategy. Whilst we are sorry that Jutta Heim, our Chief Scientific Officer, has decided to step down from a management role, we are very pleased that she will remain as an advisor, and that she is willing to join our Board of Directors. We most definitely thank her for her important contribution to our research successes. We are confident to have found an excellent successor in Jørgen Hansen, who has been overall responsible for our vanillin and stevia products, in both cases with great results. Evolva has come a long way since its incorporation in 2004. As our products enter commercialisation we will face many new challenges, but challenges that we feel privileged to have."

CFO **Jakob Dynnes Hansen** commented, “The shift towards ingredients for health, nutrition and wellness is also becoming more visible in our financials. In 2012, costs for clinical development came down significantly, helping us reduce our cash burn. At the same time, revenues from the new R&D partnerships and from our emerging product pipeline provide a good basis for a profitable future**.”**

Operational Review

Products

Evolva has a proprietary, fermentation-based platform that allows radically different approaches to the production of ingredients for the food, beverage and consumer health sectors.

Resveratrol

Evolva acquired its resveratrol product from Fluxome Sciences A/S (Denmark) (‘’Fluxome’’) in November 2012. The Fluxome product has been on the US market since 2010, but primarily due to Fluxome’s high production costs has not generated significant sales. It has Self-Affirmed GRAS (“Generally Recognised As Safe”) status in the United States and obtained Novel Foods authorisation from the European Commission in January 2012 through the notification procedure.

Evolva expects to leverage the Technology Platform to reduce production costs, and thereby further strengthen the competitive position of its resveratrol product. The product will be toll-manufactured by specialised third-party manufacturers. Evolva expects to be able to bring down the cost of goods to an economically viable level, so that it may generate a positive cash flow by 2014. Evolva does not intend to build a significant sales and marketing organisation for resveratrol but will instead work with distributors and major consumer goods companies to drive sales of the product once the cost of goods reaches an economically viable level.

Stevia – zero-calorie, natural sweetener

On 5 March 2013, Evolva entered into a product partnership with Cargill to jointly develop and commercialise fermentation-derived steviol glycosides. As part of the agreement, Cargill made a CHF 4.5 million (approximately USD 4.8 million) equity investment in Evolva in March 2013. Additionally, Evolva stands to receive up to USD 7.5 million in milestone payments and has the right to a 45% participation in the final business. If Evolva decides not to use this right it will receive royalty payments from global sales of the co-developed steviol glycoside products; these royalties will range from mid-single digit to low double-digit percentages as a function of sales volume and other parameters. Pursuant to the terms of the partnership, Cargill has the exclusive right to commercialise any fermentation-derived steviol glycosides developed as a result of the partnership.

The steviol glycoside product is expected to progress into pilot scale in 2014. Based on current plans and expectations, the first fermentation-derived steviol glycoside product is expected to be available for commercial launch in 2015/2016.

Vanilla – a sustainable production route

In January 2011, Evolva entered into a product partnership with IFF with the purpose of collaborating on the implementation of a commercial viable biosynthetic route for the production of vanillin. Pursuant to the terms of the partnership, IFF has the exclusive right to commercialise any fermentation-derived vanillin product developed as a result of the partnership in certain market segments.

Evolva has successfully constructed the production route to vanillin and has filed a number of patent applications (some already granted) for this production approach. As of February 2013, Evolva has achieved the production yield, titre (i.e. concentration) and productivity that will allow the commercial launch of its vanillin product. Evolva is continuing to research ways to further improve the production process with the aim of lowering the cost of goods over time.

On 5 February 2013, Evolva and IFF announced that they have entered into the pre-production phase to develop and scale up, via a third party, fermentation-derived vanillin for commercial application through a cost-effective, natural and sustainable route. The two companies are working to confirm scalability and yield targets through a yeast-based fermentation route during the pre-manufacturing phase. Based on current plans and expectations, Evolva expects its fermentation-derived vanillin product to be available for commercial launch in 2014.

Saffron – colour, flavour and fragrance

Research on saffron is primarily conducted at Evolva’s Chennai site. After identifying pathways and filing multiple patent applications, Evolva has introduced the pathway into yeast and produced individually the key saffron components responsible for the three prime attributes of saffron, namely flavour, fragrance and colour. Evolva is currently optimising the production process in order to enable commercial production of these components.

Evolva expects fermentation-derived saffron to be available for commercial launch in 2016. Evolva’s current aim is to bring its saffron product as far as possible towards manufacturing and commercialisation before it considers entering into a product partnership with respect to the product.

Pomecin™ – natural mould protectants

Pomecins™ are Evolva’s proprietary compounds, originating from plants, for the prevention of mould and yeast growth, with potential uses in crop protection, personal care, food preservation and consumer health care. Evolva has conducted pre- and post-harvest field studies with two Pomecin™ compounds that indicate a potential to prevent fungal attacks in various crops. Evolva has also developed an innovative formulation of Pomecin™ for topical treatment of onychomycosis (nail fungus). One family of patents is granted and in force and other related subject matter is covered in currently pending patent applications. Evolva has decided to exploit the Pomecin™ family of antifungals in collaboration with partners, with only limited further investment by Evolva beyond their current stage.

Legacy products

Until 2010, the activities of Evolva were primarily focused on the discovery and clinical development of novel pharmaceutical products. However, Evolva gradually refocused its strategy to discovering, developing and producing innovative ingredients that have application in the health, nutrition and wellness sectors. Evolva has a small number of clinical-stage or preclinical pharmaceutical product candidates, which, due to this strategy shift, it considers to be "legacy products".
Although it believes EV-077 and EV-035, the two pharmaceutical product families constituting these legacy products, are potentially highly attractive and have significant value, any continuing development of these products would be done either via out-licensing or a spin-off. Evolva does not plan to make any further material investment with respect to such products, with the exception of certain small investments to maintain their value.

Partnerships

Evolva has, and intends to maintain, a number of partnerships around its technology and research capabilities – deploying its technology to provide a competitive edge to partner companies and sharing in the returns they make. 2012 saw additional partnerships in food and nutrition, as well as good progress on existing projects. The first quarter of 2013 brought several breakthroughs in our partnering portfolio.
Evolva's revenues to date have been derived from research and development projects with partners in the US, Europe and Asia. These R&D partnerships involve the use of the technology platform to develop new products and production methods for new and existing products that are of interest to our partners. We expect these R&D partnerships to continue to contribute the majority of revenues for at least the next two to three years. However, it is a key part of our strategy to gradually build an additional and, ultimately, primary revenue base through the commercialisation of our products, either with or without partners. More information on our existing partnerships is available in the 2012 annual report and in the section 'Products', above.

Personnel

As of 31 December 2012, the total headcount of Evolva amounts to 82 FTE (2011: 86), of which 61 (2011: 62) are directly involved in R&D activities while the remaining staff are employed with managerial, commercial and administrative tasks.

In February 2013, Evolva announced that Norbert Bender, Chief Medical Officer, will be taking up a position at another company with effect from 1 June 2013. In line with its strategy of focusing on ingredients for health, wellness and nutrition, Evolva does not intend to hire a replacement.

Very recently, Professor, Dr. Jutta Heim announced her decision to step down as Chief Scientific Officer. She will remain as an advisor to Evolva, as well as being willing to join the Board of Directors. The Board will nominate her to be elected in the shareholders' meeting of 7 May 2013. Jutta will be succeeded by Dr. Jørgen Hansen. He has run Evolva's Danish research team for the last eight years, during which time he has been in particular responsible for the vanillin and stevia projects.

Share Performance

The Evolva stock price ended the year 2012 at CHF 0.36, compared with CHF 0.54 at the end of 2011. This performance was in line with the negative trend among other biosynthetic companies. On average, some 202,000 Evolva shares were traded per day in 2012 (2011: 98,000).

Financial review

Key financials

CHF million (IFRS, consolidated)	**2012**		2011
Revenues	**7.0**		11.1
Research & Development costs (R&D)	**-19.5**		-27.5
General & Administrative costs (G&A)	**-7.5**		-9.5
Net result	**-16.7**		-22.9
Equity financing	**1.9**		0.9
Cash at end of period	**9.1**	*)	22.7
Net cash flow	**-12.6**	*)	-15.0
Equity at end of period	**61.2**		73.2
Earnings per share (CHF)	**-0.09**		-0.14

*) Cash at year-end 2012 and net cash flow of 2012 do not include CHF 1 million in restricted cash.

Income statement

During 2012, the Company completed the shift of its revenue base from projects for the US Department of Defense (2% of total revenues in 2012 versus 51% in 2011 and 80% in 2010) to revenues from corporate clients such as IFF, Roquette and Roche (90% of total revenues in 2012). About 10% of the revenues in 2012 originated from research grants from national and EU institutions.

Total operating expenses declined from CHF 37.0 million to CHF 27.1 million, a drop of CHF 9.9 million of which CHF 1.8 million represented lower charges for the Company's option programme.

Technology and discovery costs (excl. option charges) declined from CHF 17.7 million to CHF 15.0 million primarily due to the expiry (as per contract) of a bio-defence project in early 2012, which led to the closure of the Company's subsidiary in Palo Alto, California, in March 2012.

Costs for development (excl. option charges) dropped from CHF 8.2 million in 2011 to CHF 3.5 million. This reflected partly the expiry in 2011 of a major bio-defence project, partly that costs for the clinical development of EV-077 were not recurring, and finally a reduction in development staff costs in 2012.

The Company incurred non-cash expenses of CHF 3.3 million in 2012 for its incentive option plans, compared with CHF 5.0 million in 2011.

Both financial income and financial expenses declined during 2012 mainly because of significantly lower currency fluctuations during the reporting period compared to 2011.

The Company posted a gain of CHF 2.6 million in 2012 because of the expiry of the earn-out commitment to the former Abunda shareholders.

Total general & administrative costs (excl. option charges) declined from CHF 7.1 million to CHF 5.7 million. This drop reflects partly the transaction costs in 2011 in connection with the Abunda acquisition and the SEDA agreement, partly a general reduction in facility and administration costs across the Evolva Group.

Balance sheet and cash flow

Evolva's cash balance decreased from CHF 22.7 million at the end of 2011 to CHF 9.1 million at the end of 2012. Adjusting for the CHF 1 million in restricted cash at year-end 2012, the total net cash burn in 2012 amounted to CHF 12.6 million, which was CHF 2.4 million or 16% lower than in 2011.

The cash outflow from operating activities was reduced from CHF 17.4 million to CHF 13.4 million, reflecting lower expenditure in all major expense categories. Cash inflow from financing declined from CHF 3.5 million in 2011 (primarily proceeds from the Abunda acquisition) to CHF 1.5 million (before allocation to restricted cash). Proceeds from SEDA financing amounted to CHF 1.9 million compared to CHF 0.8 million in 2011.

Equity decreased from CHF 73.2 million to CHF 61.3 million at the end of 2012 mainly as a result of the net loss in 2012.

Capital increase March 2013

In March 2013, Evolva successfully raised additional funds through a rights issue to existing investors. Due to the high level of demand from international institutional investors, Evolva increased the size of the financing from the level indicated in August 2012 (CHF 10-20 million) to CHF 31.3 million. As part of the collaboration on steviol glycosides with Evolva, Cargill, Inc. invested CHF 4.5 million in the financing.

Based on the 3-for-10 subscription ratio, the maximum number of shares to be issued was 52.2 million. At a subscription price of CHF 0.60 per share, the maximum proceeds were CHF 31.3 million. The subscription period ran from 12 March until 19 March. The rights were not tradable.

Existing shareholders took up 24.2 million shares, or 46.3% of the total of 52.2 million shares, available in the rights offering. After allowing for the subscription of existing shareholders, 28.0 million new shares were placed with Cargill, Inc. and institutional investors. As reported on 6 March 2013, Cargill, institutional investors as well as Evolva Board and management had pre-committed to purchase up to 47.4 million shares (CHF 28.5 million), so that not all pre-commitments by new investors could be satisfied. After expenses, net proceeds are approx. CHF 28.3 million.

The capital increase also included the issuance of 14 million treasury shares (held by Evolva). These will be used to satisfy part of Evolva's obligations towards APIDC/Ventureast and the SEDA arrangement with YA Global.

Outlook

The Company expects revenues in 2013 to increase to CHF 10-13 million (2012: CHF 7 million) as a result of new R&D partnerships, incl. the agreement with Ajinomoto (signed in January 2013). Existing R&D partnerships are expected to continue throughout the year.

Operating costs are expected to increase as a consequence of new R&D partnerships, additional investment in internal projects (incl. the stevia project partnered with Cargill) as well as financing costs. The net cash outflow from operating and investing activities is expected to be approx. CHF 12-15 million.

The Company conducted an equity financing in March 2013 which provided net proceeds of approx. CHF 28.3 million. Taking into account the cash available before the financing and the projected operating cash flow, the Company expects the cash position at the end of 2013 to be at least CHF 25 million.

- Ends –

Press/analyst conference call at 10.00 AM CET on 9 April 2013

Neil Goldsmith, CEO and Jakob Dynnes Hansen, CFO, will present the results in a conference call for media and analysts. The call will be accessible via dial-in.

The dial-in numbers:

+41 (0)58 310 50 00 (Europe)

+44 (0)203 059 58 62 (UK)

+1 (1)866 291 41 66 (USA - Toll-Free)

A replay will be available as a podcast for 2 weeks after the call. The link to the podcast will be posted on Evolva's website.

The news release, annual report and Powerpoint presentation are available on the website.

About Evolva

Evolva's mission is to discover and provide **innovative, sustainable ingredients for health, nutrition and wellness.** Evolva uses biosynthetic and evolutionary technologies to create and optimise small molecule compounds and their production routes. We are active in consumer healthcare and nutrition as well as in pharma. In both areas we have partnered projects as well as proprietary programmes. For more information see www.evolva.com.

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