



Evolve announces major restructuring for next phase of its development

30 August 2017 – Evolve (SIX: EVE), which develops and commercializes next-generation specialty ingredients for health, wellness and nutrition markets, details the next phase of its corporate evolution.

Evolve announced in its half year results further details of its future intended strategic direction to aggressively grow product revenues and accelerate the path to a cash flow break-even position. In order to exploit the full potential of its own products in various applications and geographies, the company will enter commercial collaborations with market leading companies in addition to selected direct sales. It will also maintain a capital-light manufacturing strategy and continue to strengthen its unique and highly differentiated technological capabilities. Together, we believe these elements will generate significant shareholder value.

Evolve has undertaken a review of its operational structure to best fit its goals, details of which are announced below.

Evolve will undertake a major site consolidation over the coming months, centralizing research and development activities predominantly at its Reinach headquarters in Switzerland. This will also allow the company to gain maximum synergies across all its products and pipeline programs, to simplify and reduce back office processes, and to reduce facility costs.

As a consequence, Evolve is changing its management structure. The first phase of this transformation has already been announced with the appointment of a new Chief Executive Officer, Simon Waddington, and a new Chief Commercial Officer, Scott Fabro. Today we announce the second phase with the departure of 3 members of the Group Management Team (GMT).

Evolve Chief Business Officer Pascal Longchamp, Chief Scientific Officer Jørgen Hansen and Managing Director & CEO of Evolve India Panchapagesa Murali will step down from the company's GMT by or before the end of the year while providing support to the transition process. The CEO will lead R&D on an interim basis during the search for a Chief Technology Officer, a process that has been initiated. Panchapagesa Murali will aim to spin off Evolve's Chennai branch into an independent R&D services group in the course of Q4 of this year.

Evolve will reduce its overall headcount from currently 178 (FTEs) to approximately 100. We anticipate that Evolve's annual operating expenses run rate will decrease by approximately 30% or roughly CHF 11 million developing full effect in Q2 of 2018. Evolve will take a one-time charge in 2017 against its Profit and Loss Statement of around CHF 5 million and estimates capital expenditures for the centralization of its laboratories and small-scale fermentation equipment to equal around CHF 1 million with the majority being spent in Q4 2017. Guidance on product revenues, which we estimate will more than triple in 2017 over 2016, will not be affected by the restructuring.

Evolva CEO **Simon Waddington** said, "Evolva is undertaking the next logical step in its own evolution. Both our leadership and operations will be significantly optimized to ensure that our products achieve their full potential and our innovation engine remains strong. The choices we make today will strengthen our ability to deliver commercial success, realize future innovation breakthroughs, and produce shareholder value. I would also like to personally thank all employees as well as our departing management team members, Pascal Longchamp, Jørgen Hansen and Panchapagesa Murali, for their invaluable contributions to Evolva over many years."

Evolva will provide a further update on commercial strategy and mid-term targets later in Q3 of this year.

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About Evolva

Evolva solves the supply chain issues of nature through a 21st century mix of biotechnology and brewing. We develop, make and sell natural ingredients that provide significant benefits to people in daily life, but whose supply chain issues have limited their use until now. Our flagship ingredients are stevia, nootkatone and resveratrol. To make our world sustainable requires nature and technology to work together as one, and our aim is to play a (small) part in achieving this transformation. We operate internationally. For more information see www.evolva.com. Questions about our approach? Have a look at our [video](#).

Contact Details

Evolva

Oliver Walker, CFO
oliverw@evolva.com
+ 41 61 485 2034

Paul Verbraeken, IR
paulv@evolva.com
+ 41 61 485 2035

Stephan Herrera, USA
stepanh@evolva.com
+1 415 794 4005

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