

Evolva on track to deliver on set targets

9 August 2018 – Evolva (SIX: EVE) posted [its financial results](#) today and provided business highlights for the period from 1 January to 30 June 2018.

Highlights

- Product sales doubled, reaching CHF 1.8 million in the first half of 2018
 - Nootkatone
 - Expanding product range and geographical presence to accelerate growth
 - US EPA registration for pest control applications for public health and personal care products remains on track
 - Active discussions with leading pest control product companies
 - Resveratrol
 - Introduction of new cold-water dispersible resveratrol powder
- R&D partner projects reduced in line with strategy towards fully funded projects
- Total revenues CHF 3.8 million in the first half of 2018, up 6% on last year
- First commercial shipments of EverSweet™ sweetener have been made by Cargill
- Restructuring on track, fully implemented by year-end
- The net loss narrowed to CHF 14.7 million (first half 2017 loss CHF 20.3 million)

CEO Oliver Walker said, “It is great to see Evolva’s transformation is delivering results. The increased focus on commercialization is visible in the doubling of our product revenues in the first half of the year. In this phase of Evolva’s development, we are now focused on accelerating our activities to further build Evolva into a customer-focused business. This is an important step in becoming a viable company with a predictable performance.”

COO Scott Fabro added “Evolva’s product sales are on track to our plan and we look forward to a continued growth trend throughout 2018 and well into the future. We are excited that the first orders of the EverSweet™ sweetener have been shipped and look forward to an acceleration in 2019.”

The PowerPoint presentation and accounts are available [on Evolva’s website](#). Analyst/media call details on page 5.

Operational Review

Nootkatone and valencene in Flavors and Fragrances

Sales of our specialty ingredients into the growing Flavor & Fragrance market are progressing well. Growth is coming from key global customers and from the very large and diverse range of smaller customers via our network of distributors. In the first half of the year, we have expanded our presence into Latin America and Asia.

Evolva has recently expanded its range of Flavor & Fragrance products. We expect this to yield additional growth in the coming quarters.

Nootkatone in pest control

The pest control market represents an additional and substantially larger commercial opportunity for nootkatone. We have been working in close collaboration with the US Centers for Disease Control and Prevention (CDC) on the use of nootkatone against a variety of biting insects. Our objective is that nootkatone can one day be used for the benefit of global public health against a broad range of biting pests in humans and animals, such as the *Ixodes* tick which transmits the bacterium that causes Lyme disease and mosquitoes that can carry diseases like *Zika*.

We have filed with the US Environmental Protection Agency for registration and the process remains on track. The commercialization process in this new field of application has started and we are in active discussions with leading companies in the pest control industry.

Resveratrol

Resveratrol continues its solid growth trend in 2018. As envisioned in February 2017 when we launched our new brand, Veri-te™ Resveratrol, we have seen a number of jointly branded products launched both in Europe and the US.

In April this year we launched Veri-te™ Resveratrol CWD90, a cold-water dispersible resveratrol powder. This innovative application represents a first in the resveratrol market, and will open up aqueous product development with resveratrol for our customers. Initial interest from customers in this new application has been very positive, and we expect a solid growth in sales over the next several years.

EverSweet™

Cargill commercially produces the EverSweet™ sweetener, has started shipping the first customer orders, and is building up inventory. A recent element in their marketing push was the attendance to the Institute of Food Technology Food Expo conference in Chicago (USA) in July. Conversations with conference attendees confirm interest among consumer goods companies.

Financial review

Key financials

CHF million	1HY 2018	1HY 2017	change
Product sales	1.8	0.9	+100%
Revenue from Research & Development (R&D)	2.0	2.7	-26%
Total revenue	3.8	3.6	+6%
Manufacturing expenses	-2.8	-2.0	+40%
Research & Development expenses	-9.7	-13.4	-28%
Commercial, General & Administrative expenses	-7.0	-8.9	-21%
Financial items and tax	1.1	0.4	+175%
Net result	-14.7	-20.3	-28%
Earnings per share	-0.02	-0.05	-60%
	30 June 2018	31 Dec. 2017	
Cash and cash equivalents	75.0	97.2	
Equity	208.2	220.7	

Update on restructuring

In August 2017, we announced a fundamental transformation plan which included a strategic focusing on our core products, the centralization of Research & Development (R&D) in Switzerland and a substantial headcount reduction across all functions. The major parts of the transformation are completed, full implementation to be expected by year-end. Evolva now enters the next phase of its development with a strong focus on commercial and operational activities.

In line with our objectives, Evolva's operating expenses decreased by 25% to CHF 16.7 million.

Profit & loss

In line with our full-year guidance, product revenues doubled to CHF 1.8 million in the first half of 2018. Both resveratrol and nootkatone maintained their strong growth momentum.

Revenues from R&D partner projects declined versus the first six months of 2017, in line with our strategy towards fully funded projects. A major part of revenues from R&D is derived from activities funded by US CDC/BARDA around the insect control application of our nootkatone product.

Manufacturing expenses rose, reflecting the increase in sales volume of resveratrol and nootkatone, but at a lower rate than corresponding product sales.

R&D expenses amounted to CHF 9.7 million in the first half of 2018, down 28% on last year, reflecting the impact of the restructuring described above.

Commercial, General and Administrative expenses decreased by 21%. Increasing commercial activities were more than offset by the cost-savings in general and administrative expenses generated in the restructuring.

Within the item "Financial items and tax" the net impact of currencies swung from a negative CHF 1.6 million, to a small positive of CHF 0.1 million. This was related to the strengthening of the US Dollar over the last six months. On the other hand, tax income declined from CHF 2.3 million last year to CHF 1.1 million in the first half of 2018 as a result of the decreased tax rates in the US and their impact on Evolva's deferred tax position.

Balance sheet and cash flow

The main movements in the balance sheet were related to our stevia project. After the conclusion of the new agreement with Cargill, our future income from the EverSweet™ product will have the character of a royalty stream. The new agreement limits our obligations to Cargill to CHF 17.2 million, which is reflected as an investment under intangible assets. Of the total, CHF 6.8 million was settled in the first half year 2018. The remaining obligation is reported as a short-term liability and due within the next 12 months. In addition, Evolva has recognized CHF 1.2 million development costs related to work on the EverSweet™ sweetener.

Outlook 2018

Our nootkatone and resveratrol products are maintaining their growth momentum. Given the increasing number of product applications, geographical market approvals and commercial initiatives, we expect our product revenues to continue its current growth trend. In addition, we expect to see first royalty income from EverSweet™ product sales, albeit modest, in 2018. Revenues from non-core R&D partner projects will continue declining in 2018, in line with our strategy of focusing on internal projects.

The cost savings we implemented since August 2017 are clearly becoming visible in the financial result. Overall, we expect to reduce the loss in 2018 following the full implementation of the restructuring.

The pest control market represents an additional commercial opportunity for our nootkatone product (particularly against ticks and mosquitoes). We have filed with the US Environmental Protection Agency for registration and the process remains on track.

- ends -

Press/analyst call at 10AM CET on 9 August 2018

Oliver Walker (CEO) and Scott Fabro (COO) will present the results in a call for media and analysts.

Dial-in numbers:

Switzerland / Europe:	+41 (0) 58 310 50 00
United Kingdom:	+44 (0) 207 107 0613
United States:	+1 (1) 631 570 56 13

The Powerpoint presentation and the condensed consolidated interim financial statements are available on [Evolva's website](#). 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](#).

About Evolva

Evolva solves the supply chain issues of nature through a 21st century mix of biotechnology and fermentation. We develop, make and sell ingredients that provide significant health, wellness and nutrition benefits to people in their 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. For more information see www.evolva.com.

Contact Details

Oliver Walker, CEO

oliverw@evolva.com

+ 41 61 485 2034

Paul Verbraeken, IR

paulv@evolva.com

+ 41 61 485 2035

Stephan Herrera, USA

stephanh@evolva.com

+ 1 415 794 4005

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.