



evolva

2019 FY Results Conference

March 18, 2020

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Performance targets achieved across the board



- Full year **revenue increased to CHF 11.6 million in 2019 (+30%)** mainly driven by product-related revenue growing by 59% to CHF 5.5 million
- **EBITDA up 47%** compared to the previous year (CHF -12.3 million versus CHF -23.2 million in 2018)
- Operating **free cash flow improved to CHF -14.3 million (+40%)**
- **Operating expenses declined by 23% (CHF -7.5 million)**, reflecting a leaner, focused structure
- **Developed Evolva** as a biotech company focused on the research, development and commercialization of products based on nature:
 - **Driving focused sustainable innovation** approach through biotechnology, thus continuing to build our product portfolio
 - **Advancing the registration process for nootkatone in the US:** all required studies have been submitted to the EPA and the additional information submitted by September 2019 has been accepted
 - **Building additional capacity through third party organizations (CMOs)** in different geographies to support future revenue growth
 - **Major progress in developing a new product, EVE-X157/Z4**, to be launched in late 2020. The product is targeting the market segments of Flavors & Fragrances and Health Ingredients



Sales

Product sales growth +59%

Total revenue +30%

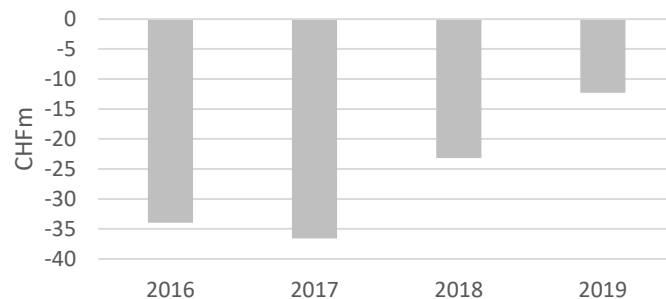


Innovation

Expansion of product portfolio
(variants of nootkatone and valencene)

Significant progress in preparation
to open major new market segments

EBITDA



Improved operational structure & business processes



Cash

CHF 40m end of 2019
(significantly lower cash burn)

On track to reach cash break-even by 2023

Significant progress on our strategic priorities in 2019



Sustainable innovation

Driving focused innovation approach



Productivity

- Building organizational capabilities
- Lowering product costs
- Creating scalable and effective CMO network



Profitable Growth

- Strengthening commercial performance
- Increasing market penetration

Flavors & Fragrances grew in line with expectations

- The focus areas are **food, beverages, personal care and home care**
- Currently, we can count on an international network **covering all relevant geographies** and are well positioned to exploit the growing demand in emerging markets, especially in Asia
- We have **launched three new variants** of our nootkatone and valencene products. These variants have been introduced to meet defined needs of customers in geographies, which have specific regulatory requirements
- We **expect to launch more innovative products** in the coming years

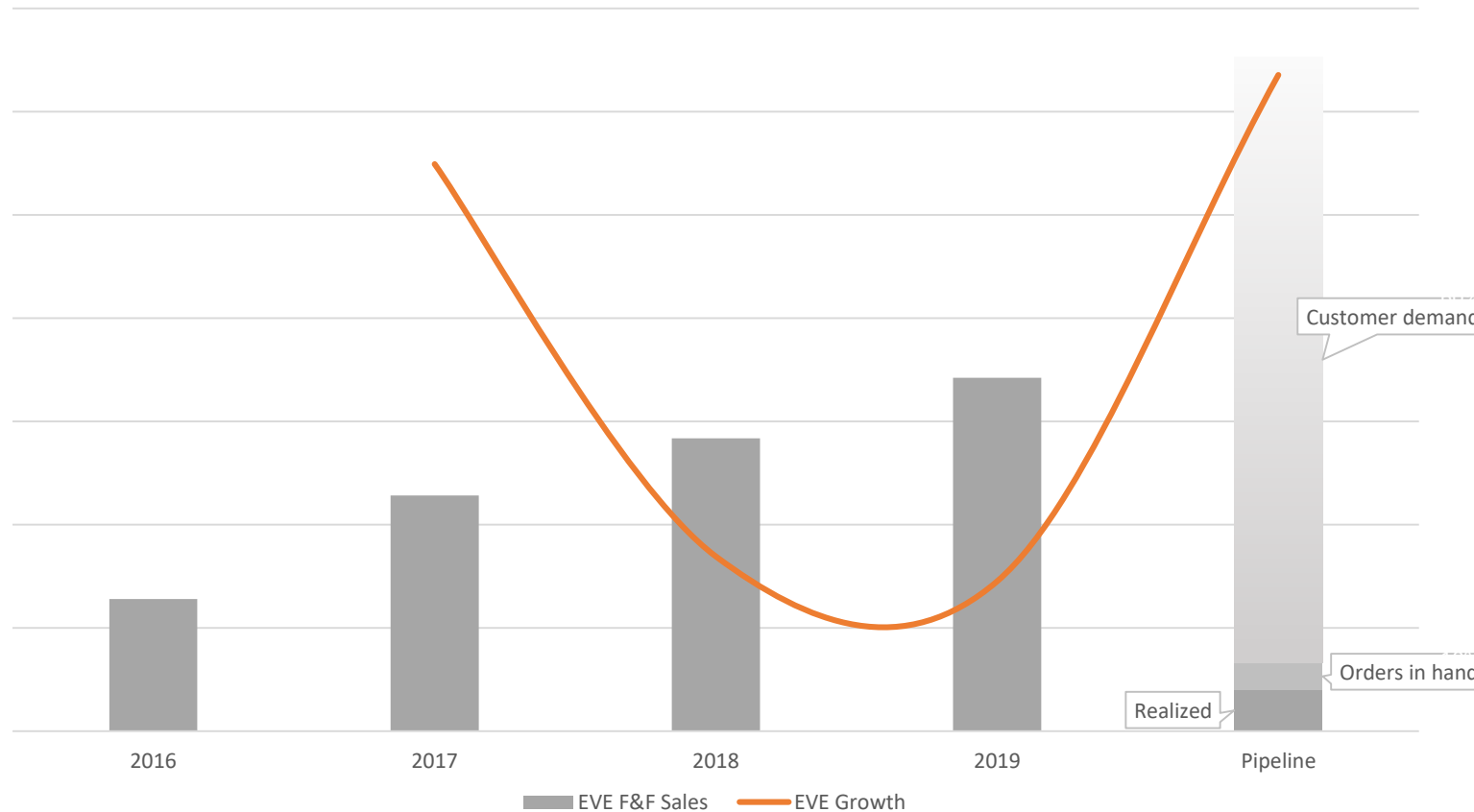


Growing sales pipeline in Flavors & Fragrances



Global market size currently addressed	USD 20-30m
CAGR	5-6%

- Comparably slow Q1 2020 due to COVID-19 impacting Asia
- Underlying demand unchanged



Health Ingredients accelerated sales across regions

- **New business leadership** started to unlock major market potential for our Veri-te™ resveratrol
- **In APAC, we broadened our customer base** and we expect this to be an area of significant growth in 2020
- **In Europe, the solid growth** seen in 2018 continued at an accelerated pace in 2019, and was the result of both the success by the resveratrol team in inspiring new product development and the great work of our key distribution partners in this region
- **In the US, Evolva saw a solid growth in sales** in the Companion Animal sector. The signing of a new key strategic distribution partner in Q3 2019 is beginning to drive interest from new large key accounts



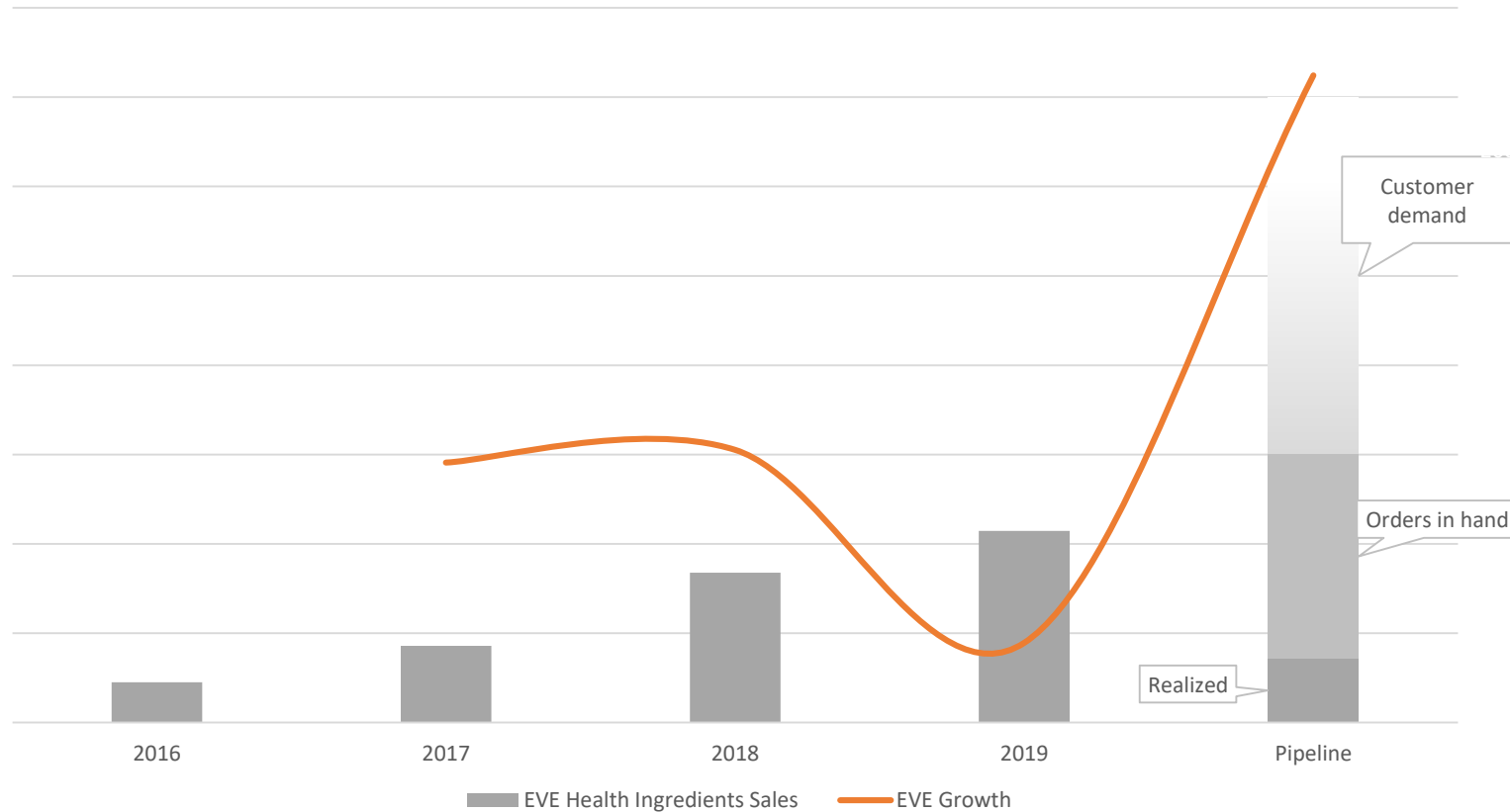
RESHAW and CERBLOODFLOW clinical studies with Veri-te™ completed late 2019. Positive preliminary results started to boost demand for Evolva's resveratrol

Quickly growing sales pipeline in Health Ingredients



Global market size currently addressed	USD +50m
CAGR	~10%

- Accelerated growth especially in Asia and Europe
- New Product Development major driver



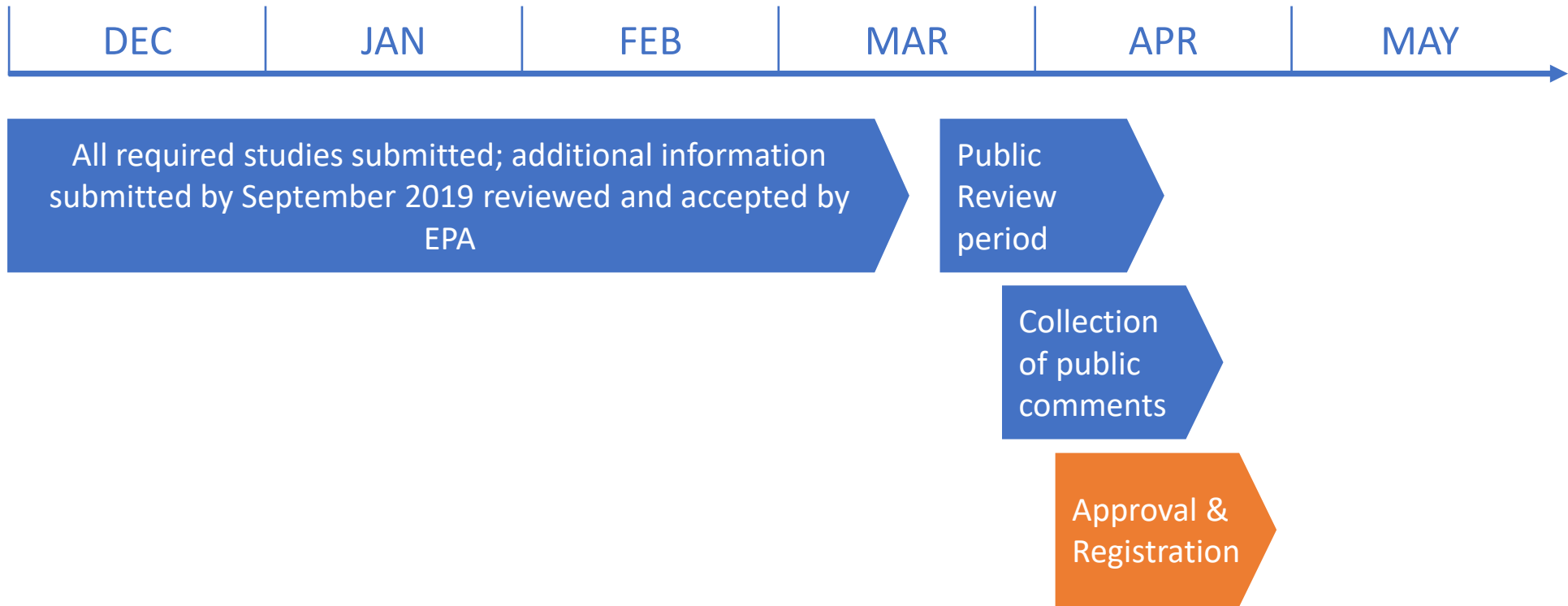
Health Protection: advanced discussions with US EPA



- March 2019: letter from the US Environmental Protection Agency (EPA) regarding the registration process of nootkatone for pest control in the US
- The agency identified one study for which it could not complete its review and requested further information to interpret such study
- Evolve submitted answers in September 2019. The answers have been reviewed and accepted by the EPA
- Current situation: the registration process is continuing
- The registration of nootkatone as a novel active ingredient and manufacturing use product is the pivotal step on this product's regulatory path
- Upon registration, EPA can start evaluation of end-use products containing Evolve's nootkatone (NootkaShield™)
- First sales targeted to start in late 2021



Overview of next steps in the US regulatory process



Evolve has evaluated potential collaborations and started to collaborate with selected companies to secure the registration of end-use products targeting first sales in late 2021

- 2019: Cargill and DSM established a joint venture called Avansya, which markets its products under the brand name EverSweet™
- Cargill built a new fermentation facility at their site in Blair, Nebraska (USA), which will result in increased capacity
- Commercial-scale production started in Blair
- Our partner announced successful sales across several categories including beverage, sports nutrition, baking, and dairy and they are working on regulatory approval across additional geographies to open additional markets



Based on this increased capacity, Evolve anticipates its royalty income to grow over time

Key financials



CHF million	2019	2018	%-change
Revenues from R&D	6.1	5.5	+12%
Product sales	5.5	3.4	+59%
Total revenue	11.6	8.9	+30%
Gross profit	5.3	2.1	
Total operating expenses	-25.4	-32.9	+23%
EBITDA	-12.3	-23.2	+47%
Cash position at year-end	39.9	60.4	
Operating free cash flow	-14.2	-23.6	+40%

Streamlined customer facing activities

CHF million	2019	2018	%-change
Total revenue	11.6	8.9	+30%
R&D expenses ¹⁾	-13.7	-18.6	+28%
CG&A expenses ¹⁾	-11.7	-14.3	+18%
Total operating expenses¹⁾	-25.4	-32.9	+23%

¹⁾ excluding depreciation and amortization as well as share-based compensation expenses (IFRS2)

Cash flow



CHF million	2019 recurring ¹⁾	2019	2018	%-change
Cash position at beginning	57.7	60.4	97.2	-38%
Operating free cash flow	-16.7	-14.3	-23.7	+40%
Contribution EverSweet™ license	-	-5.2	-12.0	+54%
Financing / Investing activities	-1.1	-1.1	-1.0	-10%
Cash position at year-end	n/a	39.9	60.4	-33,9%

¹⁾ considering impact from BARDA project

EBITDA development



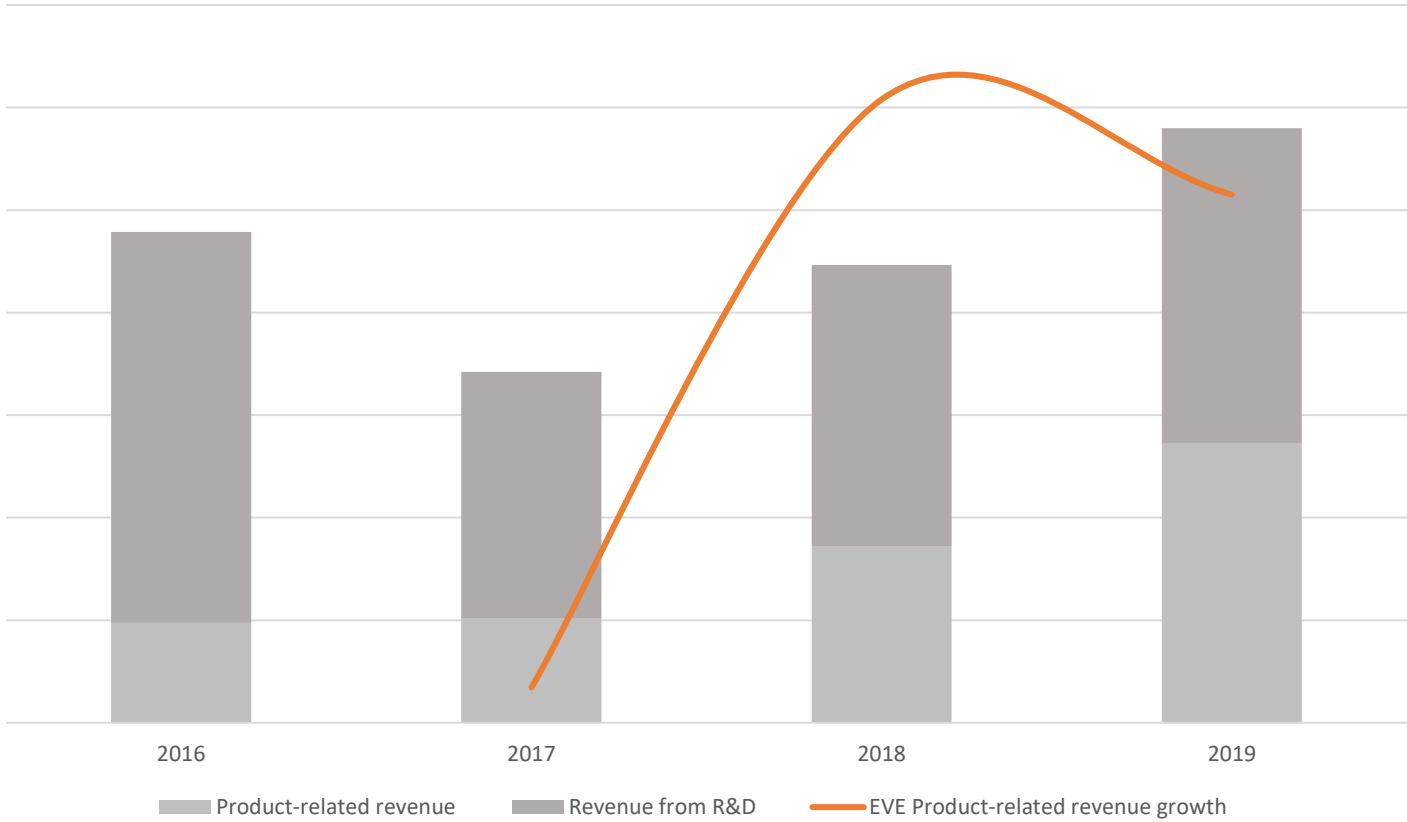
CHF million	2019 recurring ¹⁾	2019	2018	%-change
Revenues from R&D	2.9	6.1	5.5	+12%
Product sales	5.5	5.5	3.4	+59%
Gross Profit	2.2	5.3	2.1	
Total operating expenses	-24.7	-25.4	-32.9	+23%
EBITDA	-14.8	-12.3	-23.2	+47%

¹⁾ considering impact from BARDA project

Growing contribution from Product-related Revenue



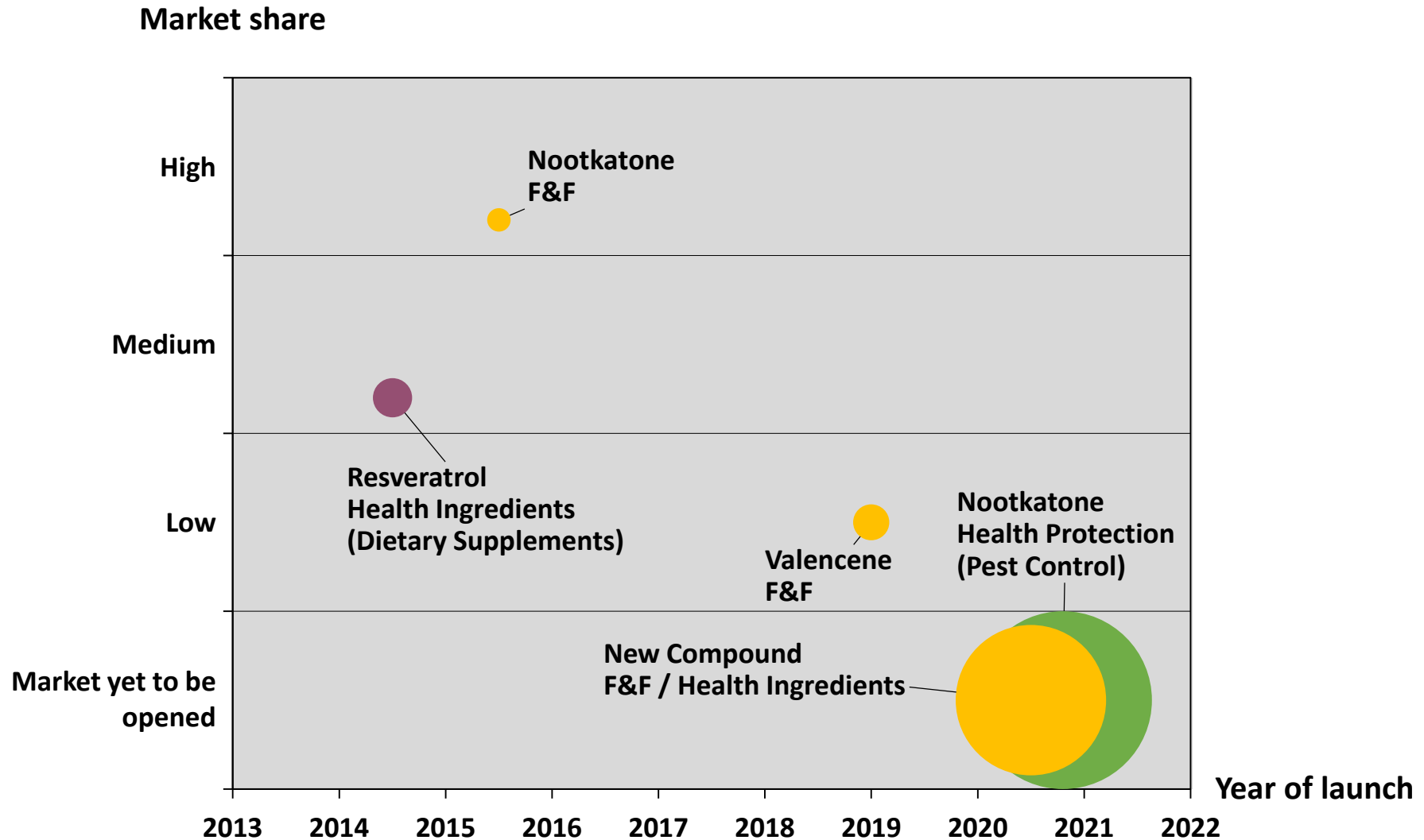
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Major progress addressing current and future markets



Note: bubbles indicate size of addressable market in the year generating first product revenues



In 2020, we expect **consistent product related revenue growth** across business segments, and a decline in R&D revenue following the completion of the contract with BARDA. As product-related revenue becomes the main driver to the top line, **EBITDA is expected to remain broadly at around prior-year level.**

Barring unforeseen events, **we are confident the EPA will complete its registration of nootkatone as a novel active ingredient in the next few months.** This will allow the start of the registration process of end-use products for different applications within pest control, before commercial sales may start. For this, we are in advanced discussions with leading companies in the pest control industry.

We anticipate cash outflows to be slightly above the 2019 level. This will be driven by investments related to scale up of additional production capacities to keep up with increasing customer demand, launch of a major new product, building of necessary stock levels, and activities to progress nootkatone in the registration process for end-use products. To finance future growth until cash break-even, we are currently evaluating multiple options, including a capital increase.

The above outlook excludes any impact on Evolva's business from Coronavirus (COVID-19) which cannot be estimated at this point in time.



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