

Evolva grew product-related revenue by 40% in 2021

Reinach, March 10, 2022 – Evolva (SIX:EVE) today reports full-year 2021 total revenue of CHF 9.9 million. Product-related revenues grew 40% from CHF 6.6 million to CHF 9.1 million, with all business segments contributing to the growth. During 2021, the company significantly strengthened its manufacturing network, paving the way for future growth and profitability improvements. Leadership is reinforced and a clear focus set on realizing the commercial potential going forward.

Business and Corporate Highlights:

- Ongoing targeted investments enabled Evolva to substantially improve operations, scale-up the manufacturing network and significantly lower production costs of key products
- Improved operations provide the basis for future growth and improving profitability. Focus set now on realizing the commercial potential
- Christian Wichert appointed new CEO of Evolva in February 2022 to boost growth strategy and lead the company into its next phase of development
- Discussions with strategic partners initiated, aiming to further strengthen business model with complementary strengths and synergies on both operational and commercial levels
- Board of Directors proposes to create conditional share capital in the amount of 20% of its ordinary share capital at the upcoming Annual General Meeting to provide the corresponding strategic and financial flexibility
- Transparency and shareholder rights to be strengthened

Financial Highlights:

- Product-related revenues grew +40% to CHF 9.1 million in 2021, resulting in total revenue of CHF 9.9 million (+31%)
- Flavors & Fragrances grew +48%, supported by the ongoing trend for more natural ingredients
- Health Ingredients segment grew +46%, driven by Resveratrol, as the trend for healthy living is triggering demand for more functional ingredients and dietary supplements based on nature
- Eversweet™ royalty income for Stevia below expectations
- Gross contribution at break-even in Q4 2021
- Gross profit of CHF -9.3 million for 2021, including CHF 5.6 million additional costs to enlarge supplier base and scaling up manufacturing for new products
- EBIT of CHF -42.0 million, including CHF 9.6 million one-time impairment charge related to patents and patent applications; EBITDA of CHF -23.8 million
- Net cash from operating activities of CHF -29.8 million, impacted by CHF 6.8 million build-up of inventories of finished goods to be able to supply expected customer orders
- Cash level of CHF 11.0 million at year-end 2021 and undrawn financing lines of CHF 26.0 million

Outlook 2022:

- Revenues growth of 50% at constant currencies to CHF 15m in 2022
- Positive gross contribution margin throughout the year, forecast in the double-digit range for FY 2022
- Strategy and mid-term targets to be revised and presented at the latest on occasion of the half-year report in August 2022

Commenting on the full year 2021, Christian Wichert, CEO of Evolva, said: “While we achieved a 40% growth of product-related revenues in 2021, the momentum in the second half-year remained subdued which contributed to a disappointing operating profitability. On the positive side, we were able to optimize our production setup as well as our network with manufacturing partners. This lays the foundation for the required positive gross profit and ultimately for positive cashflows.”

Christian Wichert added on his first impressions as CEO of Evolva: “During my first weeks at Evolva, I encountered a very committed and motivated team. I was pleased to see that we are well positioned to capitalize on the megatrend of nature-based products in the sweet spot of health, wellness and sustainability. Collaborating closely with our Board of Directors, we strive to boost our commercial performance and making gradual steps towards profitability.”

Key figures

CHF million	2021	2020
Product-related revenue	9.1	6.6
Research & development revenue	0.7	1.0
Total Revenue	9.9	7.5
Gross Profit	(9.3)	(2.2)
Recurring operating expenses	(22.4)	(22.0)
Extraordinary impairment ¹⁾	(9.6)	---
Extraordinary operating expenses ²⁾	(0.7)	(0.7)
Total Operating expenses	(32.7)	(22.7)
EBIT	(42.0)	(24.9)
Adjusted EBIT ³⁾	(31.2)	(24.2)
EBITDA	(23.8)	(16.7)
Adjusted EBITDA ³⁾	(22.6)	(16.0)
Net cash from operating activities	(29.8)	(23.4)
Cash position (end of period)	11.0	19.7

1) Extraordinary Impairment: Non-recurring Impairment charge of patents and patent applications

2) Extraordinary operating expenses: Costs related to previous years' government contracts

3) Includes adjustment for CHF 0.5 million extraordinary cost of goods sold in 2021

Outlook 2022

Evolva expects ongoing growing demand for its Flavors & Fragrances as well as Health Ingredients products. Despite recent and other persisting geopolitical uncertainties and under the assumption of a fading-out pandemic, Evolva is expecting to increase revenues by 50% at constant currencies to CHF 15 million. This is in line with and extends the strong growth trajectory in product-related revenues (CAGR 2017-21 of +46% p.a.).

Gross contribution is expected to be positive throughout the year, with a forecast gross contribution margin in the double-digit range for FY2022.

The reinforced leadership, significantly strengthened manufacturing network and strong supporting market trends provide a promising platform for future growth. Evolva's Board of Directors together with the leadership team are currently reviewing the company's strategy to enable the company to capture its full value potential. The revised strategy and mid-term targets will be presented at the latest on occasion of the half-year report in August 2022.

Documentation

The **Annual Report 2021** as well as the FY 2021 **annual results presentation** are available at <https://evolva.com/financial-data/full-year-results/>.

Webcast and Conference Call

Evolva will hold a conference call and related audio webcast with media and the financial community today, March 10, at 9.00am CET.

Dial-in information:

Please **pre-register** [here](#) to receive dedicated dial-in details to conveniently access the call. Those who are unable to pre-register, please dial-in approximately 10 minutes before the start of the presentation by calling:

Switzerland / Europe	+41 58 310 5000
UK	+44 207 107 0613
US	+1 631 570 5613

Participants will have the opportunity to ask questions after the presentation.

Audio webcast information:

An [audio webcast](#) of the results presentation will be accessible, both live and as a replay, on www.evolva.com, along with the accompanying presentation slides.

Please note that there will be no facility to ask questions via the webcast.

Important dates

April 12, 2022	Annual General Meeting
August 25, 2022	Half-year Results 2022

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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, wellbeing and sensory enjoyment. Find out more at evolva.com and connect with us on [LinkedIn](#).

For Evolva multimedia content, please visit: evolva.com/multimedia-library.

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