

Evolva convenes extraordinary general meeting (EGM) for 21 December 2023 to approve the sale of Evolva AG to Lallemand Inc.

The Board of Directors proposes the following to the shareholders:

- Approval of the sale of Evolva AG to Lallemand Inc. subsidiary to secure the future of Evolva's operations (and employees' jobs), enabling the best possible outcome for all stakeholders under the current circumstances
- Dissolution and liquidation of Evolva Holding SA (effective in Q1 2026 only after payout of liquidation dividend to shareholders following satisfaction of all creditor claims and lapse of warranty period)
- Appointment of two current board members as liquidators
- Approval of the delisting of Evolva Holding SA (effective 6–12 months from EGM)
- Increase of the conditional capital to enable settlement of existing contractual obligations under remuneration programs in shares, ensuring equal treatment with shareholders

Reinach, Switzerland, 30 November 2023 — Evolva Holding SA (SIX: EVE), a pioneer in the field of natural molecules and industrial biotech, announced on 21 November 2023 that it signed a share purchase agreement (SPA) with Danstar Ferment AG, a Swiss affiliate of Lallemand Inc., a global leader in the development, production, and marketing of yeast, bacteria and specialty ingredients. Danstar Ferment AG will acquire 100% of the shares in Evolva AG (including its subsidiaries) from Evolva Holding SA subject to the fulfillment of certain customary conditions in the SPA, including *inter alia* the approval of the transaction by the shareholders. Today, the company published the agenda for an extraordinary general meeting (EGM) to be held on 21 December 2023 at 9:00 CET at the Hotel Victoria in Basel where the shareholders are asked to vote on the transaction.

Regarding agenda item 1 (approval of the sale of Evolva AG to Lallemand Inc. subsidiary):

- As communicated on 21 November 2023, Evolva would have had to stop its operations in Q1 2024 if the strategic review started in June this year had not been successfully concluded. Given the financing urgency, the comprehensive strategic review was carried out with the highest priority and with the assistance of the financial advisory firm Houlihan Lokey. The objective was to accelerate discussions with strategic partners or to facilitate other strategic transactions, including a potential sale of the company. In total, more than 100 parties were contacted and more than 25 non-disclosure agreements with interested parties were signed.

- Based on the comprehensive strategic review, the proposed transaction with Lallemand Inc. proved to be the best option from a financial perspective and thus for the shareholders overall. No interested party was prepared to acquire Evolva by way of a public tender offer. The remaining alternative would have been to sell the company's individual assets to various parties, at prices in the aggregate lower than the price offered by Lallemand Inc. The transaction therefore not only secures the future of the operating business for all employees, customers, and partners, averting the imminent threat of insolvency; it also presents the best outcome for the shareholders under the current circumstances. The alternative would have resulted in the unorderly dissolution of Evolva's operations, potentially in bankruptcy proceedings, with likely no liquidation dividend available to shareholders at all after satisfying all creditor claims. Despite the losses that most shareholders – including the company's Board of Directors and Management – will unfortunately sustain, the SPA signed with Lallemand Inc.'s subsidiary is clearly the better outcome considering the alternative.
- Key elements of the transaction contemplated in the SPA are:
 - o The purchase price is set at CHF 20 million, subject to upward or downward adjustments depending on certain post-signing / completion adjustments (further information regarding such adjustments is set out below);
 - o In addition, Evolva Holding SA and Danstar Ferment AG have entered into an earn-out agreement providing for an additional future contingent purchase price payments of up to CHF 10 million, depending on the achievement of certain product-based sales targets (further information regarding the terms of the earn-out agreement is set out below);
 - o Closing of the transaction is subject to customary conditions, including shareholder approval of agenda item 1 and 3 and receipt of a tax ruling;
 - o The net proceeds from the transaction will be distributed to the shareholders of Evolva Holding SA after satisfaction of all creditor claims and the warranty periods of the SPA have lapsed; the liquidation of the company is then expected to be completed in the first quarter of 2026;
 - o Based on the information available to date, taking into account the liability and financial debt profile of the company and estimated future costs and expenses during the liquidation and assuming an orderly liquidation process (and excluding unforeseen events), the Board of Directors and Management currently estimate the potential liquidation dividend to range between CHF 0.70 (assuming some downward purchase price adjustment and no earn-out target having been met) and CHF 2.40 (assuming some upward purchase price adjustment and full earn-out potential achieved);
 - o Evolva will provide further updates as soon as the purchase-related parameters (including the post-signing / completion purchase price adjustments and future sales target contingent purchase price payments) have been set and quantified in accordance with the terms of the share purchase agreement.

- Nice & Green, the largest creditor and shareholder of Evolva, has confirmed its support of the transaction and that it intends to vote in favor of the board's proposals at the EGM.
- The Board of Directors strongly recommends approval of the proposals under agenda items 1 and 3. Rejection of the proposal would result in the non-completion of the sale to Lallemand Inc., seriously impact Evolva's liquidity position and ability to continue to operate, lead to the employees losing their jobs and likely force the Board of Directors to initiate insolvency proceedings.

Regarding agenda item 2 (increase of the conditional capital):

- It is proposed that the conditional capital be increased so that existing contractual obligations under the remuneration programs can be fulfilled in shares, ensuring equal treatment to shareholders in the context of the liquidation. Without the increase of the conditional capital, the necessary number of shares cannot be issued and allocated to the respective persons, potentially triggering legal disputes.

Regarding agenda item 3 (dissolution and liquidation of Evolva Holding SA):

- It is proposed that the company be dissolved and liquidated because the closing of the SPA is also subject to the condition precedent that the general meeting approves the dissolution and liquidation of the Company. For further information please refer to the disclosure in relation to agenda item 1.

Regarding agenda item 4 (appointment of two current board members as liquidators):

- It is proposed that the liquidation activities be concentrated on two (of the currently five) existing members of the Board of Directors, so that they hold the position both of members of the Board of Directors and of liquidators. The three other board members will resign from their roles. Taking into account the structure of the transaction and in particular the earn-out scheme, the Board of Directors believes that the proposed liquidators with knowledge of the company and the transaction are best suited to fulfill that role in the most efficient way.

Regarding agenda item 5 (approval of the delisting of Evolva Holding SA):

- The delisting of the company's shares is being proposed in view of the sale of Evolva AG and the planned dissolution of the company. If approved, the Board of Directors plans to carry out the delisting in accordance with established practice for such transactions. The delisting is expected to take place after a customary period of between 6-12 months from the Extraordinary General Meeting.

The Board of Directors regrets that, despite substantial operational improvements achieved over the last 20 months under the new Management, the current financing challenges make it unfortunately impossible for Evolva to continue to develop its value potential as an independent stock-listed company. Furthermore, given the dire alternative solutions

(particularly the likely bankruptcy), the transaction with Lallemand Inc. is by far the best option available for the shareholders.

The Board of Directors therefore unanimously recommends that shareholders approve the sale of the shares in Evolva AG to Danstar Ferment AG as well as the other proposals at the EGM.

Documentation

The Invitation to the EGM with the five agenda items was published today in the Swiss Official Gazette of Commerce (SOGC). The Invitation will be sent to registered shareholders via mail today, and are also available here [Link].

Purchase Price Adjustments

Following the closing of the share purchase agreement, the CHF 20 million purchase price may be adjusted on an upward or downward basis. This adjustment will take place on the basis of a balance sheet prepared as of 31 October 2023. The amount of the adjustment, and the determination of whether it is a positive or negative amount, will depend on the cash, debt and net working capital of Evolva AG as of such date. Evolva will provide further updates regarding these purchase-price adjustments once they have been set and quantified in accordance with the terms of the share purchase agreement.

Earn-out Agreement Terms

Under the terms of the earn-out agreement that Evolva has entered into with Danstar Ferment AG, Evolva may receive two separate earn-out payments calculated on the basis of global sales of Evolva products and technologies (including third-party research and development services and royalty income) above an agreed floor. The first earn-out payment will be calculated on the basis of sales during the 2024 year; the second earn-out payment will be calculated on the basis of sales in the first half of 2025, in each case subject to certain exceptions. The aggregate amount that may be paid to Evolva under both earn-out payments is capped at CHF 10 million. If the relevant sales floors (i.e., CHF 17.5 million in 2024 and CHF 10.29 million in the first half of 2025) are not met, then no earn-out will be paid for the respective period.

Contact Evolva

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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 are dedicated to make the best products that can contribute to health, wellness and sustainability. Find out more at evolva.com and connect with us on [LinkedIn](#).

About Lallemand Inc.

Lallemand Inc. is a family-owned business headquartered in Canada whose focus is on the development, production, and marketing of yeasts, bacteria, fungi and enzyme solutions across the baking, food ingredients, human and animal nutrition and health, crop protection/nutrition, oenology, brewing, alcohol and biofuel sectors. Lallemand is present in more than 50 countries, operates more than 45 production plants and has circa 5,000 employees.

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