

**Evolva Holding SA in liquidation
Reinach (BL)**

Report of the statutory auditor
to the General Meeting
on the Compensation Report
31 December 2023

Report of the statutory auditor to the General Meeting of Evolva Holding SA in liquidation, Reinach (BL)

Report on the audit of the Compensation Report

Opinion

We have audited the Compensation Report of Evolva Holding SA in liquidation (the Company) for the year ended 31 December 2023. The audit was limited to the information pursuant to Art. 734a-734f of the Swiss Code of Obligations in the tables marked “audited” in the Compensation Report.

In our opinion, the information pursuant to Art. 734a-724f in the accompanying Compensation Report complies with Swiss law and the Company's articles of incorporation.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the “Auditor’s Responsibilities for the Audit of the Compensation Report” section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Liquidators are responsible for the other information. The other information comprises the information included in the annual report, but does not include the tables marked “audited” in the Compensation Report and our auditor's reports thereon.

Our opinion on the Compensation Report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Compensation Report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the Compensation Report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Liquidators’ Responsibilities for the Compensation Report

The Liquidator are responsible for the preparation of a Compensation Report in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Liquidators determine is necessary to enable the preparation of a Compensation Report that is free from material misstatement, whether due to fraud or error. The Liquidators are also responsible for designing the compensation system and defining individual compensation packages.

Auditor's Responsibilities for the Audit of the Compensation Report

Our objectives are to obtain reasonable assurance about whether the information pursuant to Art. 734a-734f of the Swiss Code of Obligations is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Compensation Report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the Compensation Report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Liquidators or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Liquidators or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Zurich, 21 March 2024

Mazars AG

Roger Leu
Licensed audit expert
(Auditor in Charge)

Elisa Leu
Licensed audit expert

Evolve Holding SA in Liquidation

Compensation Report for 2023

Compensation Report

Summary

Board of Directors and Group Management Team compensation in 2023 remained within shareholders' authorization limit.

Unchanged compensation structure to prior year:

- Restricted Stock Units to members of the Board of Directors
- Performance Stock Unit scheme for Group Management Team
- Clear split between short and long-term incentives, with focus on long term incentive
- No variable cash incentive for members of the Board of Directors and Group Management Team

1. Introduction

This Compensation Report contains:

- A description of the compensation framework
- An overview and explanation of the compensation amounts paid to the members of the Board of Directors (BoD) and Group Management Team (GMT) in the calendar year 2023
- A summary of the amounts paid to the members of the BoD and GMT in the 2023/2024 authorization period and the proposed maximum amounts for BoD and GMT compensation for the 2024/2025 authorization period

The AGM on 18 April 2023 approved the BoD's proposals for the maximum prospective amounts for the 2023/2024 period. The shareholders also approved the 2022 Compensation Report in a consultative vote.

At an extraordinary general meeting of 21 December 2023 (EGM), the shareholders of Evolva Holding SA approved the sale of its operating entity, Evolva AG, to Danstar Ferment AG, an affiliate of Lallemand, Inc. In addition, the dissolution and liquidation of Evolva Holding SA and the appointment of two board members as liquidators was approved (while the other three board members resigned per the closing date of the transaction, i.e., 28 December 2023). The shareholders also resolved on the delisting from the SIX of the shares of Evolva Holding SA within 6-12 months from the EGM. Since the closing of the transaction on 28 December 2023, no employees are employed in the Evolva Holding SA group, and therefore has no Group Management Team (GMT). Evolva Holding SA's company name was changed to Evolva Holding SA in liquidation.

2. Rules and regulations for compensation

Evolva's compensation system and reporting comply with Swiss law (incl. the former "Compensation Ordinance"¹), the Swiss Code of Best Practice for Corporate Governance as well as the SIX Directive on Information Relating to Corporate Governance. Mazars has audited the tables in section 6 regarding BoD and GMT compensation for 2023.

¹ Verordnung gegen übermässige Vergütungen bei börsenkotierten Aktiengesellschaften, VegüV, as incorporated into the Swiss Code of Obligations ("CO") as of 1 January 2023.

The CO's provisions regarding remuneration in listed companies require that shareholders vote on the compensation of the BoD and the GMT on an annual basis. In accordance therewith, article 28 of Evolva's Articles of Association provide that the AGM must vote separately on the proposals of the BoD regarding the maximum aggregate amounts of:

- the fixed and (if applicable) the variable compensation of the BoD until the next AGM; and
- the fixed and the variable compensation of the GMT for the period from 1 July of the current year until 30 June of the following year.

Evolva's Articles of Association² also incorporate other requirements of the CO's provisions regarding remuneration in listed companies such as the determination of compensation of the members of the BoD and the GMT, the AGM voting procedures, the reserve for appointments taking place after the AGM as well as regulations around loans, credits and post-retirement benefits for members of the BoD and GMT.

3. Overall compensation principles

Evolva's compensation philosophy aims to attract, retain and motivate employees, management and Board members with relevant managerial, scientific, technical, commercial, and other essential skills. Group Management Team and staff shall be rewarded for contributing to the achievement of the Company targets and creation of long-term value.

The below outlined compensation principles apply to all of Evolva's employees:

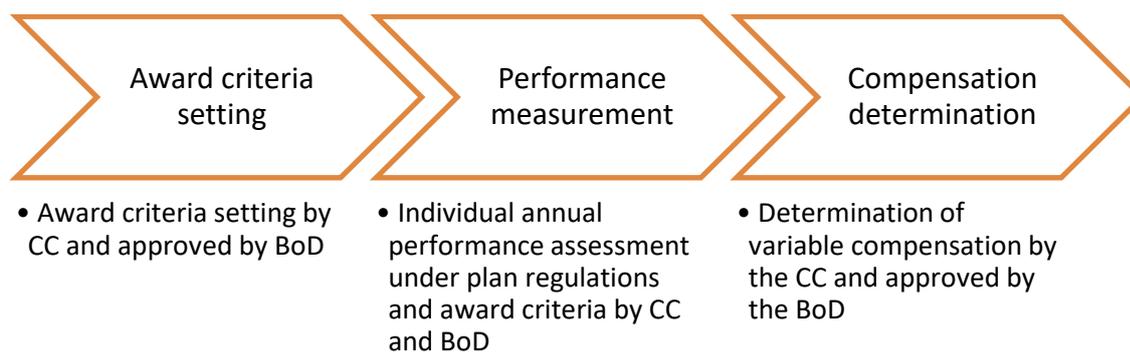
Business ethics	<ul style="list-style-type: none"> • Commitment to treat all employees fairly and equally • Compliance with international labor law • Gender equal compensation
Pay for performance	<ul style="list-style-type: none"> • Variable compensation is tied directly to the achievement of personal and/or Company goals
Balanced & competitive compensation	<ul style="list-style-type: none"> • Fixed and variable compensation structure • Balanced and competitive compensation to attract, retain and motivate employees

4. Process for determination of compensation

The Board of Directors (BoD) is responsible for the preparation and implementation of the overall compensation system, as well as the preparation of the Compensation Report. The Compensation Committee (CC) assists the BoD in the detailed preparation and implementation of the compensation policy. It provides the BoD with recommendations on the compensation of members of the BoD and Group Management Team (GMT). In addition, the compensation Committee reviews and approves the principles for the establishment, amendment and implementation of incentive plans on an annual basis. No external advisors are consulted on the determination of the compensation.

² <https://evolva.com/app/uploads/2020/05/2-Statuten-Evolva-Holding-AG-231221d.pdf>

Variable compensation for GMT follows the process illustrated below:



On 31 December 2023, the CC consisted of two non-executive Board members: Stephan Schindler and Beat In-Albon. Until 21 December 2023, the CC consisted of two non-executive Board members: Christoph Breucker and Andreas Pfluger. In 2023, the CC formally met two times. In addition, the CC held several telephone conversations. Compensation is usually discussed in the January BoD meeting. The persons concerned are not permitted to attend meetings if conflicted, e.g. if their individual compensation is discussed. Further information on the CC and its responsibilities can be found in the Company's Organizational Regulations available on Evolva's website: <https://evolva.com/app/uploads/2020/05/2-Statuten-Evolva-Holding-AG-231221d.pdf>.

5. Compensation structure

Elements of total compensation for members of the Board of Directors:

Element	Description
Cash consideration	<ul style="list-style-type: none"> ▪ Fixed cash compensation for BoD and committee activities
Restricted Stock Units (RSU)	<ul style="list-style-type: none"> ▪ Fixed RSU grant (not performance related)

The compensation system for the Board of Directors remained unchanged.

Elements of total compensation for Group Management Team:

Element	Payment Type	Description
Annual base salary (ABS)	Cash consideration	<ul style="list-style-type: none"> ▪ Competitive, based on responsibilities, experience and required skill sets of the role
Pension & other benefits	Cash consideration	<ul style="list-style-type: none"> ▪ Tailored to local market practices and regulations

Element	Payment Type	Description
Variable pay	STI ³ PSU ⁴	<ul style="list-style-type: none"> ▪ Grant value: 20 % of ABS ▪ Performance measured based on Company targets (Revenue, EBITDA and Operating Cash Flow) ▪ Payout range depending on target achievement: <ul style="list-style-type: none"> ▪ < 50%: no pay-out ▪ > 50%: pay-out on achievement level, however max. 200% ▪ Vesting: 12 months after grant
	LTI PSU	<ul style="list-style-type: none"> ▪ Grant value: 75% of ABS ▪ Payout range depending on target achievement, however max. 200% ▪ Performance criteria: EBITDA, Operating Cash-Flow, minimum share price appreciation ▪ Vesting: only upon completion of performance period and performance criteria

Evolva's Compensation Committee continuously monitors the compensation structure in the light of changes in legislation, Evolva's corporate development and changes in market practices.

The compensation system for the Group Management Team remained unchanged.

5.1 Fixed compensation items for the Group Management Team (until 28 December 2023) and the Board of Directors

Fixed compensation items for the **GMT** comprised **annual base salary** (ABS), pension plans and other benefits. Annual base salary was predominantly driven by the responsibility, experience, skill sets, place of work and external benchmarks. **Pension plan contributions** were tailored to meet local market practices and are set-up countrywide equally for management and staff. Evolva did not offer any substantial fringe benefits to the GMT or other employees. No member of the GMT had a notice period longer than 12 months.

Compensation to members of the **Board of Directors** comprises an annual **cash consideration** and **RSUs**. Both elements are fixed, i.e. not related to the performance of the Company. Regular BoD members and the Chairman receive fixed annual cash consideration of CHF 40'000 and CHF 80'000, respectively. The fee for membership of a committee is CHF 5'000 and the fee for a committee Chairman is CHF 10'000. In addition, BoD members are entitled to an annual grant of equity instruments (RSU) with a fixed fair value at grant of CHF 40'000 (CHF 80'000 for the Chairman) per period they serve on the BoD. Each RSU corresponds to one share in the Company. The RSUs vest one year after grant date.

From 28 December 2023 onwards the members of the Board of Directors will not receive any grant of equity instruments (RSU) nor any fee for membership of a committee.

³ Instead of cash incentives, a short-term equity-based incentive program (STI) is granted to GMT to preserve the Company's cash position and to link variable compensation to metrics and drivers that we believe contribute to shareholder value.

⁴ PSU = Performance share unit

5.2 Variable compensation items for the Group Management Team (until 28 December 2023)

Variable compensation comprises in 2023 the following elements:

- Short-term incentive plan (STI)
- Long-term incentive plan (LTI)

Regulations and award criteria of both plans were approved by the BoD.

Short-term incentive plan (STI)

As stated in section 5 of this report, instead of a cash incentive, the Company issued an STI plan under which GMT members were granted PSUs in the amount of 20 % of the annual base salary (measured in Swiss Francs) in the year 2023. Vesting of the PSUs was dependent (i) upon achievement of specific company performance criteria at the end of the calendar year, or (ii) an (earlier) change of control event occurring. Target performance criteria of the STI plan were to include revenue 30% (2022: 30%), EBITDA 40% (2022: 40%), Operating Cash Flow 30% (2022: 30%). Regarding Revenue, EBITDA and Operating Cash Flow, if the performance of any of the financial measure is below 0.5, the portion of the equity awards relating to the respective financial measure expires unconditionally and does consequently not vest ("Cliff"). The maximum multiplier of shares that can be delivered to any plan participant in aggregate is limited to 2.0 (2022: 2.0).

The PSU granted in the year 2023 vested on 28 December 2023 as a result of the sale by Evolva Holding SA of its wholly owned subsidiary Evolva AG to Danstar Ferment AG, which amounted to a change of control event under the plan rules.

Long-term incentive plan (LTI)

The Company issued an LTI plan in 2023. Under the LTI plan, GMT members were granted PSUs on 1 July 2023 in the amount of 75% of their annual base salary on 30 June 2023. The performance period refers to the financial year 2025. Performance targets under the LTI plan included EBITDA (50%) and Operating Cash Flow (50%)⁵. As a result of the sale by Evolva Holding SA of its wholly owned subsidiary Evolva AG to Danstar Ferment AG – a change of control event under the plan rules –, the PSUs granted in the year 2023 vested on 28 December 2023 (date of the closing of the transaction).

The BoD received quarterly reports on progress towards short- and long-term goals.

6. Compensation amounts for financial year 2023

Board of Directors

In accordance with the compensation structure described in section 5, in addition to the cash consideration, each member of the BoD received RSUs for a value of CHF 40'000 resp. CHF 80'000 as Chairman of the BoD for the compensation period. The shares were created from Evolva's conditional capital (Article 3C).

⁵ Performance Targets in 2023 are unchanged to 2022.

Total compensation to members of the Board of Directors at grant value

Table 1: Compensation by Board member for the 2023 calendar year - audited

Amounts in CHF 1,000	2023			2022		
	Cash	Equity ¹	Total ²	Cash	Equity ¹	Total ²
Stephan Schindler, Chairman	76.7	80.0	156.7	55.0	40.0	95.0
Beat In-Albon	53.3	40.0	93.3	80.0	80.0	160.0
Christoph Breucker	50.0	40.0	90.0	50.0	40.0	90.0
Andreas Pfluger	45.0	40.0	85.0	33.8	40.0	73.8
Andreas Weigelt	45.0	40.0	85.0	33.8	40.0	73.8
Total active Board members	270.0	240.0	510.0	252.5	240.0	492.5
Richard Ridinger	-	-	-	13.8	-	13.8
Total former Board members	-	-	-	13.8	-	13.8
Total	270.0	240.0	510.0	266.3	240.0	506.3

¹ based on the grant date fair value of RSU granted in 2023

² excludes the Company's mandatory contribution to Social security schemes (AHV/IV/ALV) of CHF 21,000 (2022: CHF 13,000)

At the AGM 2023, all active members of the board were re-elected.

No remuneration was paid to the former board members in the year under review. No compensation was paid to the parties closely associated with the current or former board members.

Restricted share units grant overview for members of the Board of Directors

Compensation period	2023/2024	2022/2023	2021/2022
Grant date	18 April 2023	5 May 2022	9 April 2021
Vesting date	28 December 2023 ¹	4 May 2023	8 April 2022
Share price at grant	CHF 17.95	CHF 0.11	CHF 0.20
No. of RSUs granted	13,368	2,253,522	990,146
Value at grant	CHF 240,000	CHF 240,000	CHF 200,000

¹ The RSUs vested on 28 December 2023 as a result of the sale by Evolva Holding SA of Evolva AG to Danstar Ferment AG which amounted to a change of control event under the plan rules.

Group Management Team

The following tables show the GMT compensation for the past calendar year. The "variable compensation" column refers to short and long-term incentive programs.

Total compensation to GMT at grant value

Table 2: GMT compensation for the period 1 January 2023 – 31 December 2023 - audited

Amounts in CHF 1,000	Fixed compensation			Variable compensation			Total compensation ²
	Base salary	Other ¹	Total ²	Short term	Long term	Total ²	
Christian Wichert, CEO	476.3	50.6	526.8	95.3	357.2	452.5	979.3
Other GMT members	308.2	32.4	340.6	61.6	231.1	292.8	633.4
Total	784.5	82.9	867.4	156.9	588.4	745.3	1'612.7
of which:							
active members	784.5	82.9	867.4	156.9	588.4	745.3	1'612.7
former member ⁴	-	-	-	-	-	-	-

¹ includes pension contributions

² excludes the company's mandatory contribution to social security schemes of CHF 77,000 (2022: CHF 75,000)

Variable compensation comprises the fair value at grant date of STI (short term) and LTI (long term) performance share units granted in 2023. The fair value is based on 100% target achievement. No compensation was paid to parties closely associated with current or former GMT members.

Long-term performance share units grant overview GMT

	LTI 6	LTI 5	LTI 4
Grant date	1 July 2023	1 July 2022	1 July 2021
Vesting date ⁶	28 December 2023 ¹	28 December 2023 ¹	28 December 2023 ¹
Share price at grant	CHF 4.99	CHF 0.09	CHF 0.18
No. of PSU granted	117,903	6,145,564	3,040,252
Performance Period	1.1.2025 - 31.12.2025	1.1.2024 - 31.12.2024	1.1.2023 - 31.12.2023

¹ The PSUs vested on 28 December 2023 as a result of the sale by Evolva Holding SA of Evolva AG to Danstar Ferment AG which amounted to a change of control event under the plan rules.

Table 3: GMT compensation for the period 1 January 2022 – 31 December 2022 - audited

Amounts in CHF 1,000	Fixed compensation			Variable compensation			Total compensation ²
	Base salary	Other ¹	Total ²	Short term	Long term	Total ²	
Christian Wichert, CEO	423.8	91.3	515.0	84.8	347.7	432.5	947.5
Other GMT members³	424.6	67.7	492.3	54.0	202.5	256.5	748.8
Total	848.4	158.9	1'007.4	138.8	550.2	689.0	1'696.4
of which:							
active members	693.8	146.2	839.9	138.8	550.2	689.0	1'528.9
former member ⁴	154.6	12.8	167.4	-	-	-	167.4

¹ includes pension contributions (85.6) and compensation for additional work/contributions (73.4)

² excludes the company's mandatory contribution to social security schemes of CHF 75,000 (2021: CHF 116,000)

³ Other GMT members include Mr. Walker who left the company with effect as per end of March 2022

⁴ Mr. Walker who left the company with effect as per end of March 2022

The fixed and total compensation decreased between 2023 and 2022 due to the change of GMT members. The variable compensation increased between 2023 and 2022 due to the new CEO joining during February 2022 which reduces the pro-rata compensation for 2022. The variable compensation

⁶ See Section 5.2 of this Compensation report.

paid to the GMT members in 2023 and 2022 ranged from 0 to 86 percent of the fixed pay compensation.

In 2023 and 2022, the Company did not issue or assume any guarantees for shareholders, member of the board or GMT. No shareholder and no current or former member of the BoD or GMT have received any loans or have any loans outstanding from the Company. The same applies to persons related to the current or former members of the board and General Management Team.

Shareholdings and equity instruments – audited

Table 4: Shareholdings and equity instruments – audited

	31 December 2023		31 December 2022	
	Shares	Equity rights	Shares ³⁾	Equity rights ³⁾
Board of Directors				
Stephan Schindler (Chairman)	10'652	-	4'694	1'502
Beat In-Albon	15'381	-	10'149	3'005
Christoph Breucker ¹⁾	8'482	-	4'753	1'502
Andreas Pfluger ¹⁾	3'730	-	-	1'502
Andreas Weigelt ¹⁾	3'730	-	-	1'502
Total members of the Board	41'975	0	14'901	7'512
Group Management Team				
Christian Wichert (CEO) ²⁾	105'851	-	10'099	18'314
Carsten Däweritz (CFO) ²⁾	69'552	-	4'172	15'288
Total Group Management Team	175'403	0	14'271	33'602

¹⁾ Mr. Andreas Pfluger, Mr. Andreas Weigelt and Mr. Christoph Breucker resigned on 28 December 2023

²⁾ Mr. Christian Wichert and Mr. Carsten Däweritz left the Group as part of the sale of Evolva AG on 28 December 2023

³⁾ For better comparison, the number of Shares and Equity rights are displayed as after the reverse split in April 2023 (ratio 1:250)

Functions in other undertakings

Stephan Schindler

Stephan Schindler serves as member of the board of directors of Arcondis (Holding) AG, a consulting firm in the field of life sciences, since 2016 and the University Children's Hospital Basel UKBB since 2021. Stephan Schindler served as a member of the board of directors of INFORS HT, Switzerland, a supplier for the biotechnology industry, from 2022 until 2023.

Beat In-Albon

Mr. In-Albon serves as a non-executive board member at PolyPeptide Group AG (since 2021), a CDMO company in the field of peptides. He also serves as a member of the board of Deccan Fine Chemicals Pvt. Ltd., India (since 2019), a CMO company mainly active in the field of agro chemicals as well as the chairman of the board of directors of Hans Kalbermatten Thermalbad AG, Brigerbad (since 2021) and Vice Chairman of Lonza Arena AG, Visp (since 2021).

7. Compensation in 2023/2024 Authorization period

All figures in this Compensation Report so far cover the business year, as required by Swiss law. These differ from those for the twelve-month period authorized by the AGM. For the BoD this period runs from AGM to AGM and for the GMT from 1 July of the current year until 30 June of the following year - the so-called "Authorization period". The differences between the Authorization period and the calendar year for GMT are shown in the following tables. The maximum compensation amounts approved by the AGM for the Authorization period 2023/2024 remained unchanged from the Authorization period 2022/2023.

The tables show the maximum amounts authorized by the AGM as of 18 April 2023 as well as the part that was actually used. The total compensation in the 2023/2024 period for the members of board and GMT remains within the authorization given by the shareholders.

Table 5: Calendar year versus Authorization period compensation for BoD

Amounts in CHF 1,000	Calendar year 2023		Authorization period 2023/2024		
	Includes	Amount (CHF 1,000)	Includes ¹	Amount (CHF 1,000)	Approved max.
Fixed compensation (cash)	January 2023 - December 2023	270.0	AGM 2023 - AGM 2024	223.3	
Fixed equity	Grant 2023	240.0	Grant 2023	240.0	
Total		510.0		463.3	700.0

¹ including an estimate of the remaining months of the 2022/2023 Authorization period.

The three board members Christoph Breucker, Andreas Pfluger and Andreas Weigelt resigned from their roles on 28 December 2023, i.e., on the closing date of the sale by Evolva Holding SA of Evolva AG to Danstar Ferment AG. This reduces the compensation for the remaining months of the current authorization period.

Table 6: Calendar year versus Authorization period compensation for GMT

Amounts in CHF 1,000	Calendar year 2023		Authorization period 2023/2024		
	includes	Amount (CHF 1,000)	includes ¹	Amount (CHF 1,000)	Approved max.
Fixed compensation	January 2023 - December 2023	867.4	July 2023 - June 2024	433.7	
Variable equity	STI	156.9		-	
Variable equity	LTI	588.4		588.4	
Total		1'612.7		1'022.1	2'500.0

¹ for the remaining months of the 2023/2024 Authorization period (Jan - Jun 2024)
the company is in liquidation and has no GMT compensation to pay

Due to the sale by Evolva Holding SA of Evolva AG to Danstar Ferment AG with closed on 28 December 2023, there is no GMT for the remaining months of the current authorization period which reduces the compensation in this period.

8. Proposal for the AGM of 12 April 2024

The proposed maximum compensation amounts for the 2024/2025 Authorization period for BoD and GMT are expected to be reduced to CHF 0.15 million and CHF 0 million, respectively.