

# Evolve

# Investor presentation

January 2023



EVOLVΛ

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# Investment case summary

1. **Capitalizing on global megatrends**  
health, wellness and sustainability
2. **Unique precision-fermentation platform**  
with proprietary technology
3. **Mid-term plan based on existing products,**  
conservative planning
4. **Upside potential** from innovation pipeline and  
business model expansions
5. **Foundation built for future profitable growth**



Evolva - Resolving supply bottlenecks of nature

# Strong proprietary technology platform as backbone

## STARTING MATERIAL

*We are using sugar, water, salts, vitamins and minerals to grow our proprietary yeast, enabled to produce our nature-based ingredients.*



**Sugar**

## NATURE-BASED INGREDIENTS

*We provide products that can contribute to health, wellbeing and sensory enjoyment.  
All our ingredients are highly pure, affordable and can be produced in high quantities.*



**Resveratrol  
L-Arabinose  
Vanillin**

...

## TECHNOLOGY

*We are using bakers yeast as our main production host.  
Via metabolic engineering we transform it into little production factories, able to convert sugar into our desired ingredient.  
Using fermentation we can grow these little factories, multiply them and increase the amount of product made.  
Our ingredients are recovered and purified leading to products with more than 98% purity.  
All processes are performed at large-scale and under high quality standards.*

# Our unique selling proposition: precision-fermentation platform to resolve the supply bottlenecks of nature

## Functionality

Consumers want a product  
“that works”

But synthetic ingredients have  
significant disadvantages as well



Utilizing unsustainable “virgin” fossil  
fuels, synthetic production of molecules,  
use of solvents, catalysts



EVOLVA  
FERMENTATION

- ✓ Consistently high quality
- ✓ Abundant availability
- ✓ Pure and safe
- ✓ Sustainable

## Sustainability

Consumers want a product  
“that doesn’t harm them nor the  
planet”

But natural ingredients have  
significant disadvantages



Fluctuating supply, volatile prices,  
limited availability, harm from intense  
farming, high environmental impact

# Evolva is developing into a biotech leader providing solutions around natural ingredients based on fermentation

**Ambition:** Resolving supply bottlenecks of nature

Addressing global mega-trends

- Wellness
- Health
- Sustainability






**1. Developing new molecules**  
to further strengthen our technology platform based on leading R&D capabilities and existing CMO network

**2. Upscaling of molecules and concepts**  
of our own developments as well as becoming a partner of choice for start-ups, small-, mid- and large-sized players

**3. Commercializing products,**  
existing and new, as ingredient sale or ready-to-market concepts / formulations in current and new markets

**Foundation:** Precision-fermentation platform with leading proprietary technology

# Evolva is currently active in 3 promising business segments

	Core business segments		Developing business segments
Segment	 <b>Flavors &amp; Fragrances</b>	 <b>Health Ingredients</b>	 <b>Health Protection</b>
Value Proposition	<i>Nature-based F&amp;F ingredients that help solve nature's supply chain &amp; resource bottlenecks</i>	<i>Nature-based ingredients for dietary supplements and cosmetics that contribute to health and wellness</i>	<i>Nature-based products with high efficacy to protect humans and pets against insects and corresponding illnesses</i>
Products*	<ul style="list-style-type: none"><li>▪ <b>Valencene</b></li><li>▪ <b>Nootkatone</b></li><li>▪ <b>Vanillin</b></li><li>▪ L-Arabinose</li></ul>	<ul style="list-style-type: none"><li>▪ <b>Resveratrol</b></li><li>▪ L-Arabinose</li><li>▪ <b>EverSweet™</b></li></ul>	<ul style="list-style-type: none"><li>▪ NootkaSHIELD</li></ul>

\*Current revenue drivers **bold**

***Evolva is benefitting from the global mega-trends of health, wellness and sustainability***

# Our innovative products in commercialization

## Our promises

EVOLVA

PURE

Different levels of purity up to highest standards

SAFE

Free of contaminants such as pesticides and PAHs<sup>1</sup>

RELIABLE

Consistent quality batch-to-batch

APPEARANCE

Off-white, odorless and neutral taste

READY

Customized for relevant applications

SCALABLE

Large cGMP production capacity

## Our products

Veri-te<sup>™</sup>  
RESVERATROL

The ingredient for healthy living

Valencene  
by EVOLVA<sup>™</sup>

Responsible for the smell of oranges

Nootkatone  
by EVOLVA<sup>™</sup>

Responsible for the scent of grapefruit

L-Arabinose  
by EVOLVA<sup>™</sup>

A natural sugar blocker for food and beverages

Vanillin  
by EVOLVA<sup>™</sup>

Responsible for the taste of vanilla

 EVERSWEET

Up to 100% sugar replacement

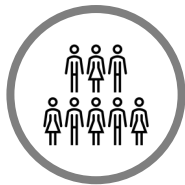
We are resolving the supply chain and resource limitations of nature.



# Operations capabilities were significantly strengthened since 2021 – focus now on accelerating commercialization

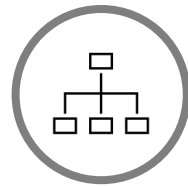
Progress in 2022

## People



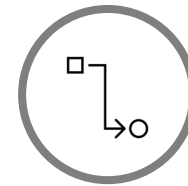
- Onboarded **Gerhard Lobmaier**, COO (Chief Operations Officer)
- **New operations team** built as of 2021

## Structure



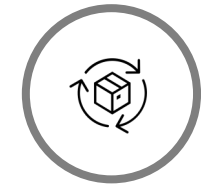
- **CMO network** further strengthened & expanded
- **Cost structure improved** visible in development of gross contribution in Q4/2021

## Processes



- Main **production processes stabilized** and optimized
- **Elimination of 2020's production issues**, especially regarding Resveratrol

## Products



- **Products on stock** for customer deliveries
- First significant amount of **Resveratrol API** grade produced in specification
- First commercial batches of **L-Arabinose** produced
- **Valencene** value chain products all available, incl. Valencene 94% and Nootkatone
- **Vanillin**: Cooperation with IFF to further expand development and commercialization

# Christian's first impressions as new CEO at Evolva

## Positive aspects



**Good people:** Open, willing, experienced, flexible



**Markets:** Addressing megatrends, Attractive segments and customers



**Operations:** Substantially improved, products available



**Knowledge:** Good content, spread across the organization

## Improvement potential



**Business model:** How to maximize value creation and value capture?



**Sales effectiveness:** Sales pipeline and process management, negotiation skills



**Go-to-market:** Value propositions, channel-mix



**Cost discipline:** What is needed and what can we afford?

**“ Evolva is an early-stage company with great purpose, people and technologies. I am very excited to be on board, boost our commercial performance and reach our full potential together with the entire team. ”**

# We are working continuously on increasing organizational productivity as a foundation for future profitable growth

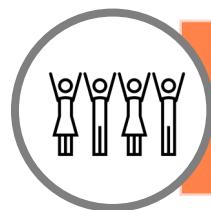
## Immediate focus on 3 levers



**Boost commercial performance:**  
Focus and deliver



**Cost discipline:**  
Run a tight ship



**Culture as enabler:**  
All hands on deck

## Achievements so far

- Supply chain issues resolved
    - CMO network significantly strengthened, sustainable and scalable
    - Increased capacity to meet sales ambition in the coming years
  - New business Vanillin with global partner
  - New distribution agreement with Tovani Brazil (Barentz Group)
- 
- Create an efficient and effective organization
  - Cost improvements of CHF 2.0 million vs. original plan identified, lean organization, reduction of admin related expenses
    - no negative impact on business expected
  - Continuous focus to put funds to their most effective use
- 
- Fostering a culture of teamwork
  - Continuous communication (e.g. townhall events)
  - Strategy-oriented, prioritized, pragmatic execution

FY 2022 financial highlights

# We have transformed from an R&D boutique to an early-stage commercial company with 49% CAGR since 2017



**Highest-ever revenue level in FY 2022**, reaching FY guidance of a targeted growth of 50%

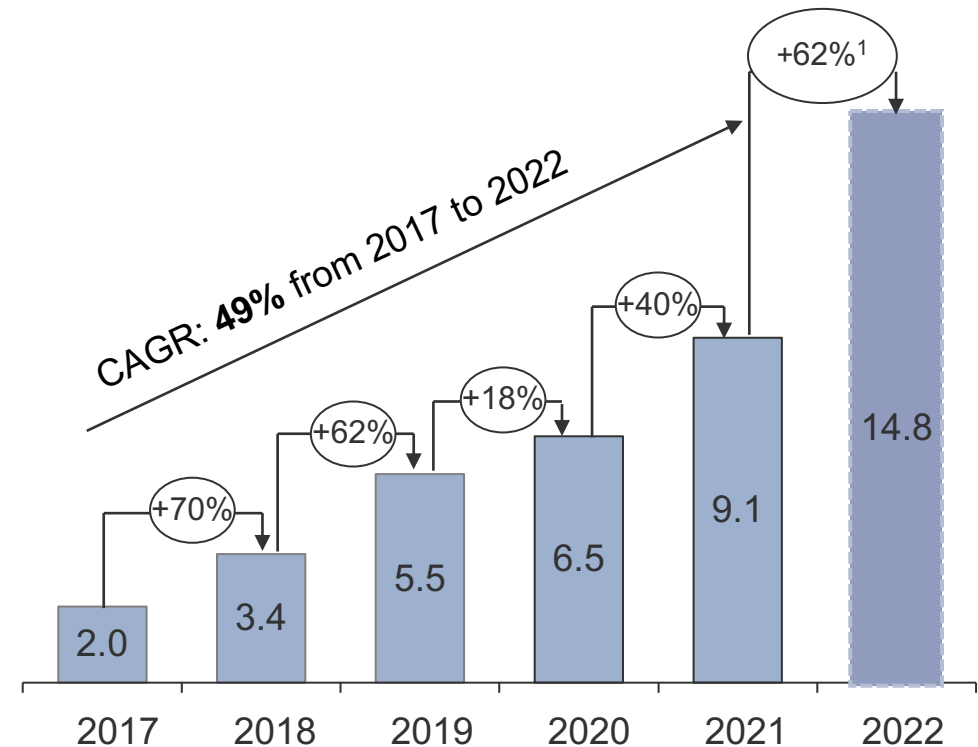


**Increase of 62% in product-related sales against FY 2021**, driven especially by Vanillin and contributions from Valencene & Nootkatone



**Initial focus** to boost commercial performance on **Flavors & Fragrances** business paid off, now turning focus also to Health Ingredients

Product-related revenues (CHF million)



<sup>1</sup> as reported on 11 January 2023

FY 2022 financial highlights

Gross contribution margin of 16% in FY2022 achieved, well in line with full year guidance of “double-digit”, H2 2022 even at 21.4%



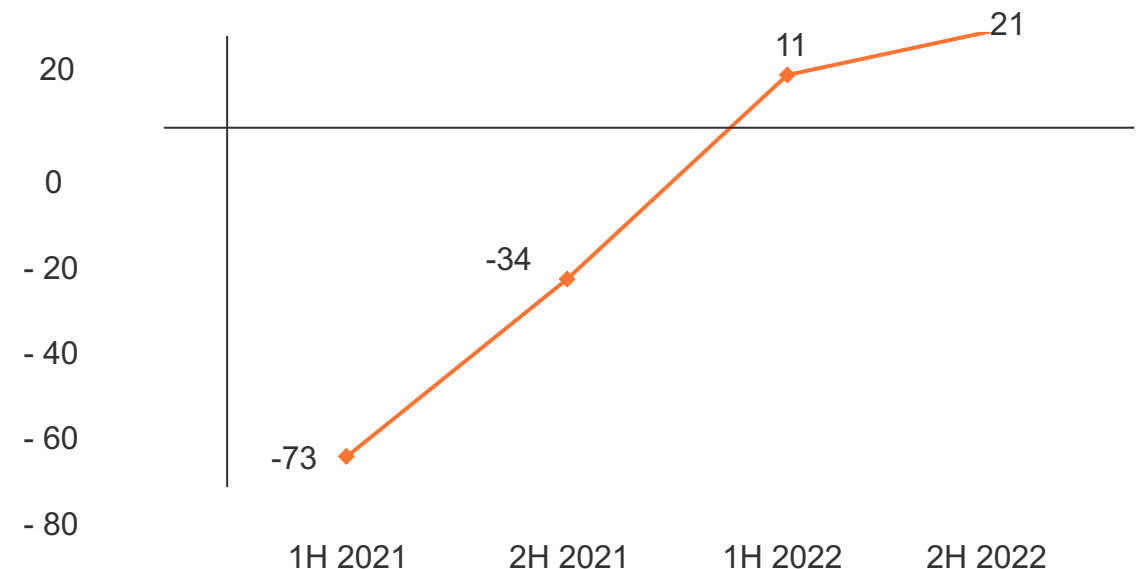
**Gross contribution margin turned positive and double-digit, expected to increase further**



A result of:

- **Strengthened relationships** with our CMO network partners
- Implemented **process technology improvements**
- **Value pricing** to capture the value creation for our customers and consumers

**Half-yearly development of gross contribution margin (in %)**



# Well positioned to unlock value creation

## Achievements 2022

- Revenue growth of 57% to CHF 15.5 million vs FY 2021
- Positive, double-digit gross contribution margin of around 16% overall and 21% in 2H 2022
- Ongoing positive business momentum to manifest itself in 2023 and beyond, allowings for

## Mid-term targets

- FY 2023 revenues expected >20%
- 40-60% revenue growth for 2022 and beyond, mainly driven by existing products
- > CHF 20 million in 2023, > CHF 30 million in 2024, CHF 45-50 million in 2025
- Significantly improving gross contribution margin and gross profit
- Cash and EBITDA break-even by 2025 targets

**Strong position in nature-based products in the sweet spot of health, wellness and sustainability with attractive expansion potential of addressable markets**

FY 2022 highlights and outlook

# Milestones

## Recent newsflow => what it signifies for Evolva

14 Dec: **Evolva launches its Natural Nootkatone**

⇒ Broadening existing offering and significantly expanding addressable markets

29 Nov: **Update on activities to boost Resveratrol**

⇒ Dietary supplements for humans

⇒ Animal health and nutrition

⇒ Cosmetics

10 Nov: **Evolva receives approval for Veri-te™ Resveratrol for animal health in Brazil**

⇒ Significant expansion of addressable market in Brazil, together with existing Brazilian distribution partner, Tovani

21 Oct: **Evolva receives grant from US CDC in the amount of USD 540,000**

⇒ Development of NootkaSHIELD™ for nature-based and effective products for use in the US market

11 Oct: **Evolva's NootkaSHIELD™ insect repellent approved in Hong Kong**

⇒ Preparation for further launches in other Asian markets

Mid-term plan 2023 – 2025

# Mid-term plan expected to accelerate the positive trend with revenues up to 45-50M and EBITDA/Cash break-even in 2025

## Key targets and highlights



Revenue growth of 40-60% p.a. targeted



Continuous increase of gross contribution margin targeted



EBITDA and Cash break-even targeted for 2025

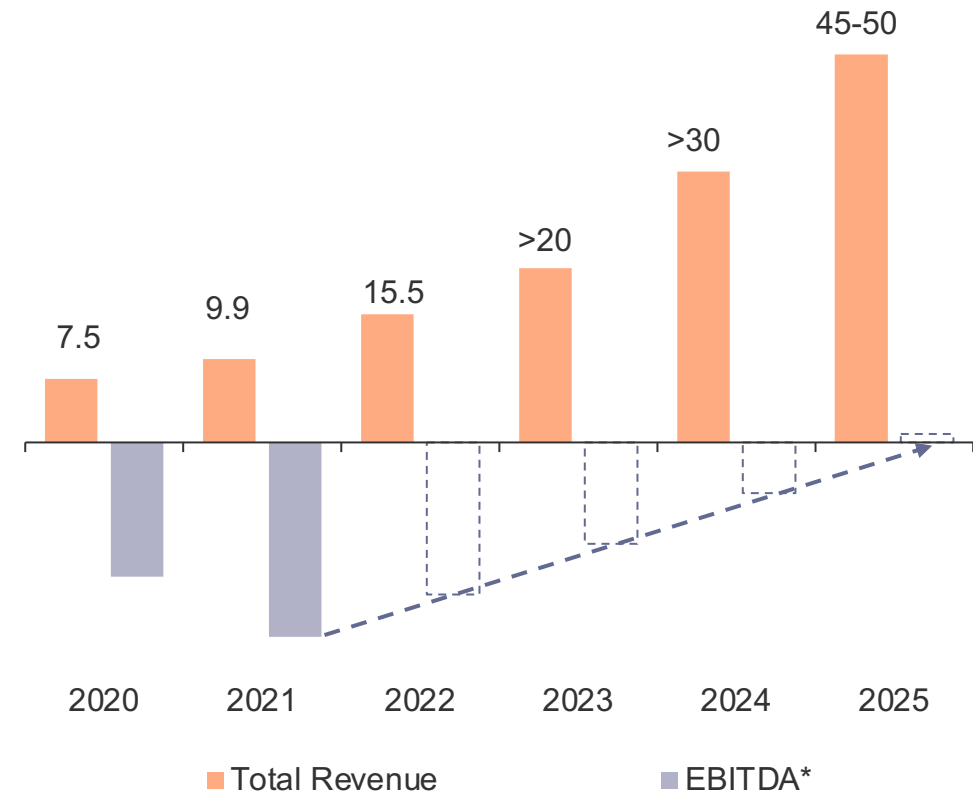


Conservative Mid-term plan largely based on existing product portfolio



Concrete initiatives with pragmatic action plans in place

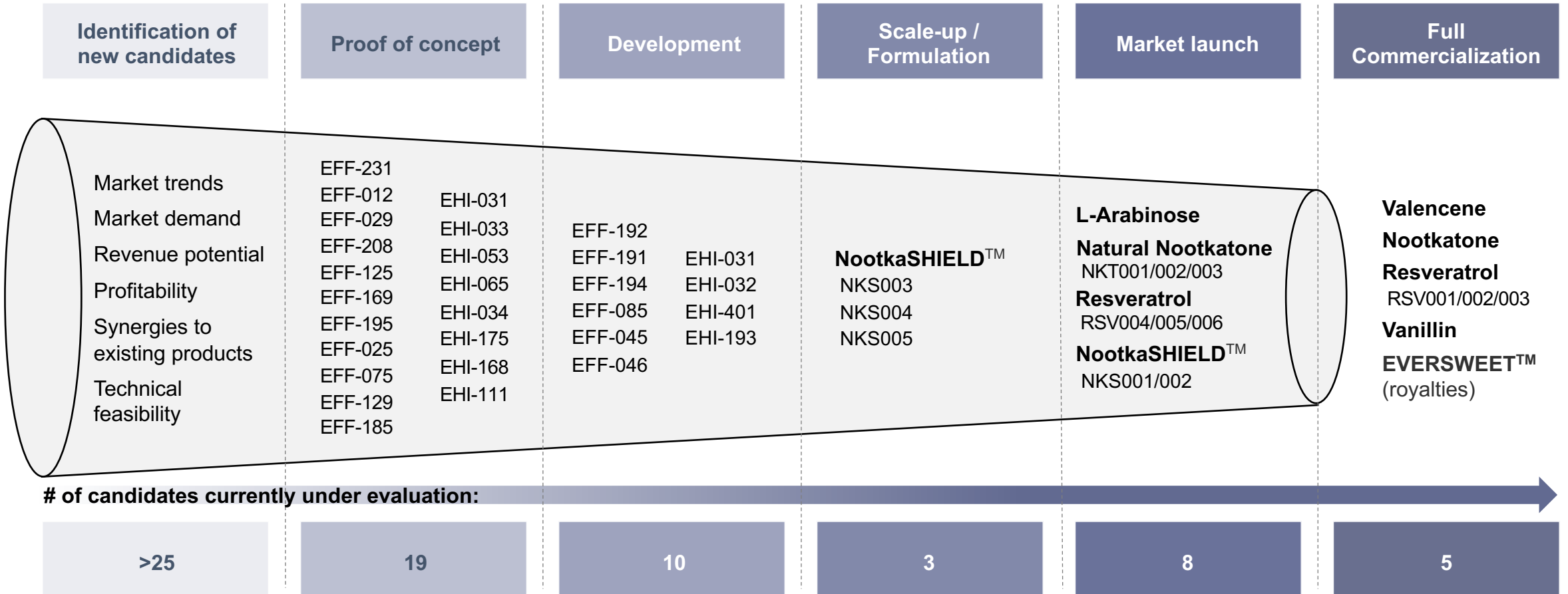
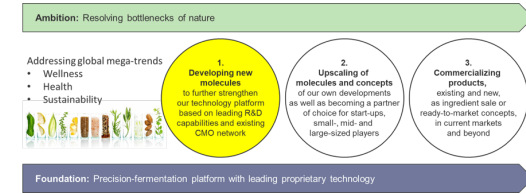
## Key development targets (CHF million)



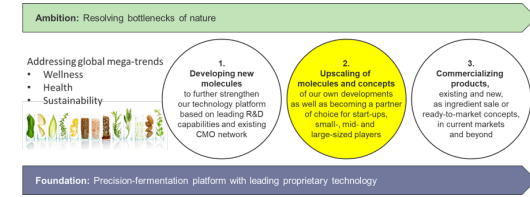
\* Dashed EBITDA bars for illustrative purposes only



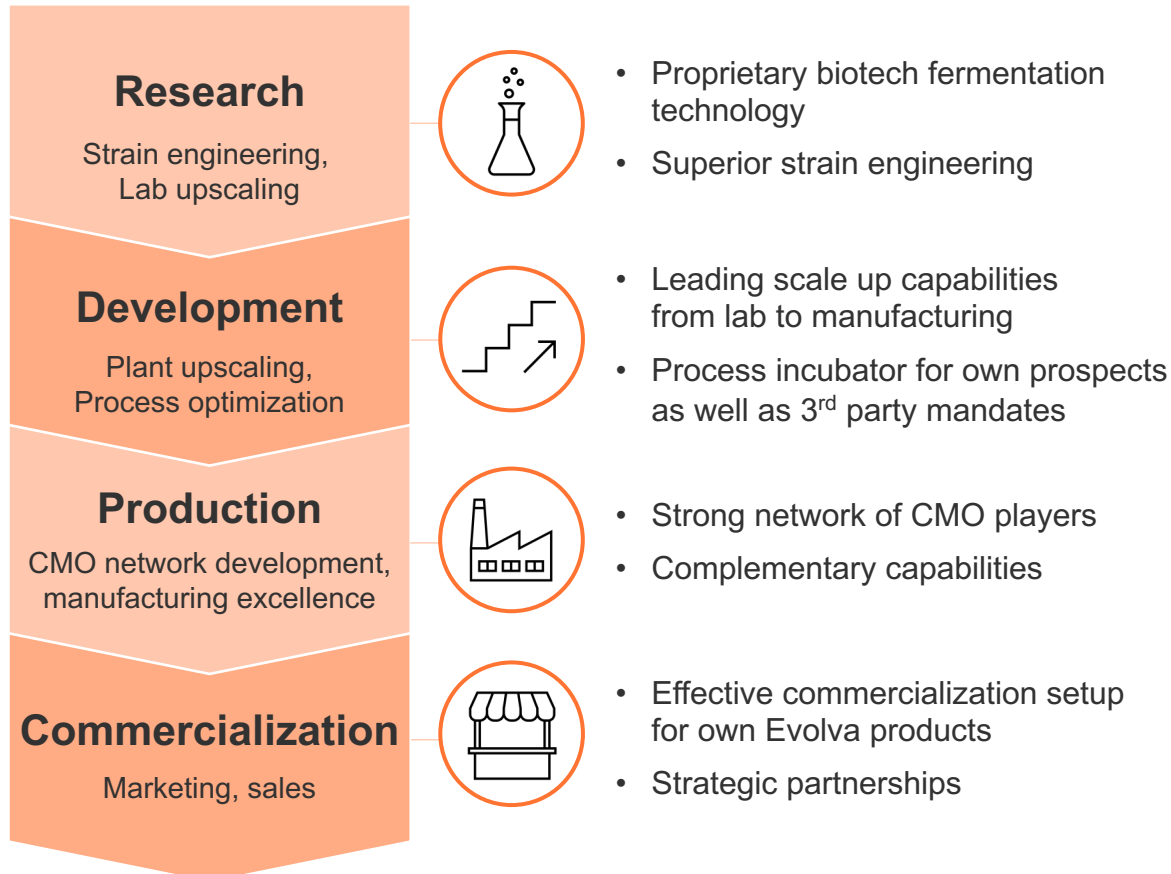
# Spotlight 1: Evolva’s innovation pipeline provides exciting potential for future growth



# Spotlight 2: Vanillin success story demonstrates Evolva's strong R&D and upscaling capabilities



## Evolva's core competencies along the value chain:



## Vanillin is an exciting success story:

- Vanillin: top ingredient, widely used, significant potential
- Natural supply: limited, volatile (crops), very high price
- Synthetic alternative not in line with consumer preferences for natural flavors
- Evolva's biotech solution: convincing USP!
  - ✓ Natural declaration (no artificial flavors)
  - ✓ Cost competitive
  - ✓ Superior sensorics
  - ✓ Consistent high quality
  - ✓ European origin, abundant availability
- R&D and Operations working in overlapping teams, from research to development to upscaling
- Modular process technology → competitive advantage



**Conclusion:** ➤ Major revenue opportunity in MTP  
➤ Upscaling capabilities to 3<sup>rd</sup> party

# Upscaling technologies from “lab” to “manufacturing” is challenging for many companies today...

Challenges of other companies with upscaling capabilities

## Research on lab scale



- Strain engineering
- Controlling fermentation
- Small scale production (normally from grams to a few kilos)

## Upscaling

### Challenges:

- ⚡ Selection of right **production setup** and partner as well as negotiations
- ⚡ **Transfer** of lab based strain to 3<sup>rd</sup> party production facility and **smart piloting** to reduce errors and delays
- ⚡ Implementation of raw materials and setup of **supply chain**
- ⚡ **Adaptation of process (USP/DSP)** to efficiently produce large scale batches and implementation of **analytics**
- ⚡ Handling of **legal rights issues** and securing know-how versus 3<sup>rd</sup> party producer
- ⚡ Compiling of all product and process **specifications** accompanied by quality related **documentations**

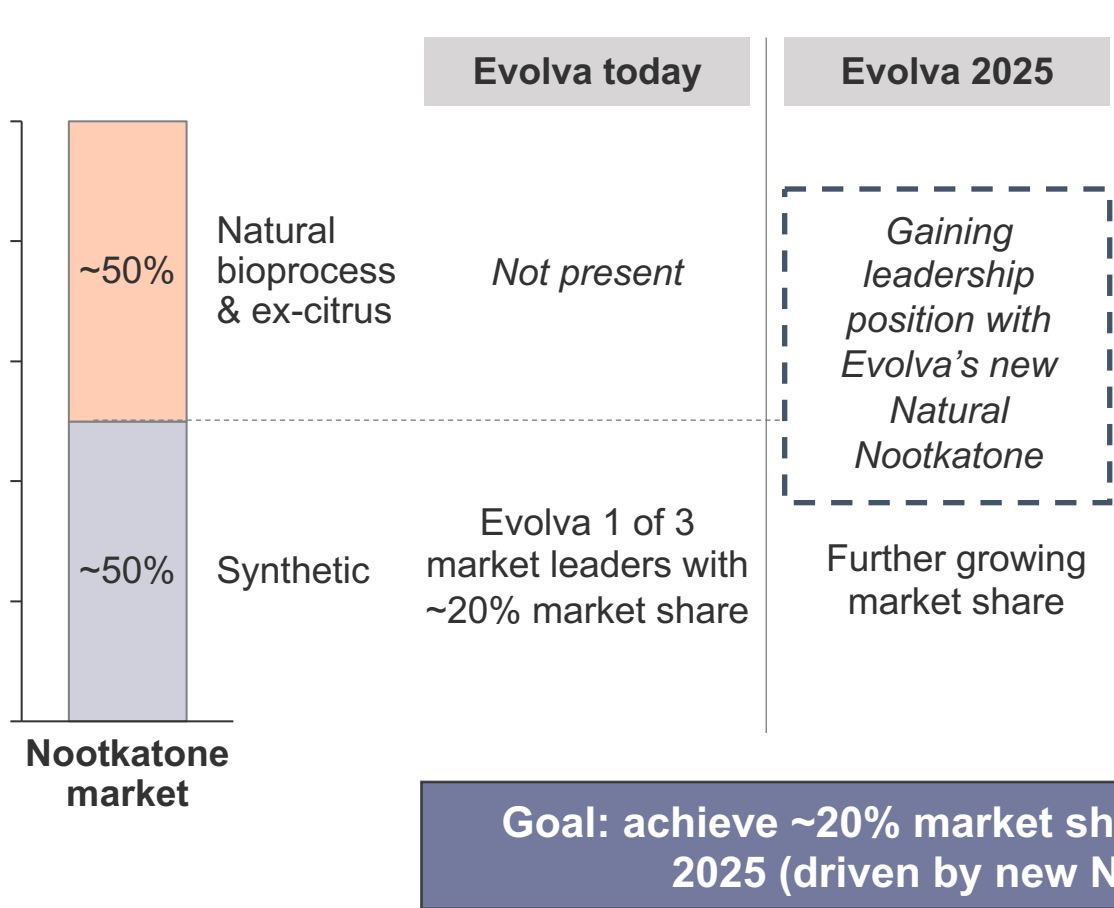
## Production on manufacturing scale



- Optimizing for yield and costs of production
- Risk management through network of CMOs
- Large scale production (normally 1 – 5 metric tons)

Mid-term plan 2023 – 2025

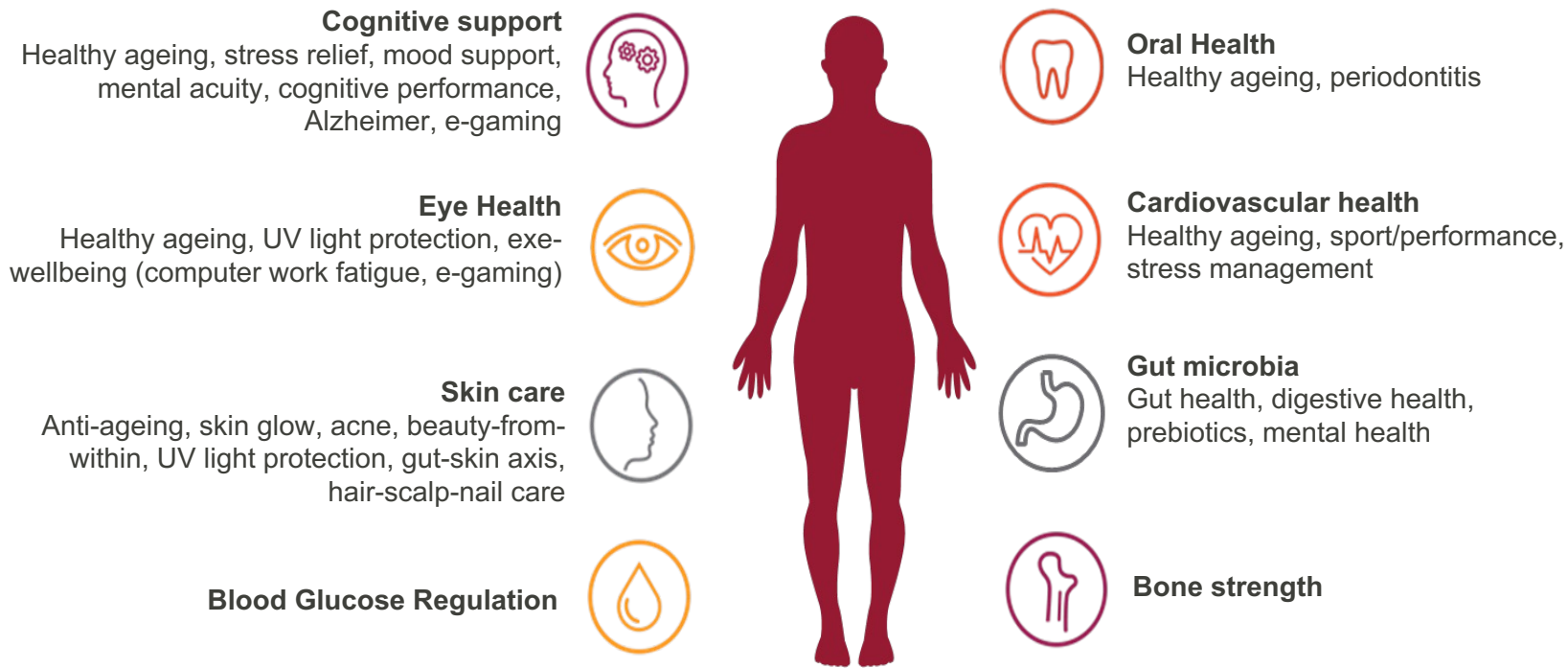
# Spotlight 3: Natural Nootkatone allows substantial market share gains addressing naturality and sustainability



- Strong value proposition of Evolva's Natural Nootkatone (Value pricing – more affordable)
- Attack the Natural Nootkatone ex citrus market where profile allows replacement
- Offer Natural Nootkatone to key food & beverage manufacturers
- Focus on service and flexibility – ensure speed to market during approval process

Mid-term plan 2023 – 2025

# Spotlight 4: Resveratrol as very powerful anti-oxidant provides holistic benefits for modern consumer products



“As consumers are broadening their perception of their health, they are also now looking for **functional ingredients** that allow them to address a **variety of health concerns** quickly and **simultaneously...**”

Euromonitor International,  
Top trends – June 2021

**Besides today’s core market segment Dietary Supplements, Cosmetics, Functional Food and Beverage, Pet Animal Health and Pharma offer significant potential**

# Clinical Studies using EVOLVAs Veri-te™



## Women's Health

### Veri-te Resveratrol Supporting Healthy Aging in Women (RESHAW)

Prof. Peter Howe and Dr. Rachel Wong

University of Newcastle, Australia

- Bone health: formation and risk of fracture
- Brain health: memory and cognition
- Menopausal symptoms: mood, sleep quality & pain perception

<https://www.anzctr.org.au/Trial/Registration/TrialReview.aspx?id=370696>



125 postmenopausal women, 65 yrs. avg., 15 yrs. postmenopausal



24 months



2 x 75 mg Veri-te or placebo daily



Cognitive health, mood, perception of pain, bone health



First peer-reviewed publication indicates that Veri-te resveratrol can help counteract menopause-related cognitive decline. Additional interim data indicates: improvement in mood, perception of pain, glucose metabolism, bone loss and the risk of bone fracture. Awaiting 3 additional publications in 2020.



## Brain Health

### The Effects of Resveratrol Supplementation on Cognition and Systemic Inflammation

Dr. Emma Wightman

Northumbria University, UK

- Brain health: memory, attention and mood
- Anti-inflammation
- Anti-oxidative stress

<https://clinicaltrials.gov/ct2/show/NCT04314739>



100 participants, 18 - 55 yrs., 4 BMI groups 18.5 - 42



4 weeks



2 x 250 mg Veri-te or placebo daily



Cognitive assessment, cerebral blood flow, systemic inflammation, and dietary information



Completion and publication expected in 2020



## Healthy Microbiome and Brain Health

### The Effects of Resveratrol Supplementation on Cognition, Cerebral Blood Flow, Microbiota and Systemic Inflammation

Dr. Emma Wightman

Northumbria University, UK

- Gut microbiome: gut/brain axis, intestinal/systemic inflammation
- Brain health: memory, attention and mood

<https://clinicaltrials.gov/ct2/show/NCT03448094>



110 overweight adults, 35 - 60 yrs., Body Mass Index (BMI) 25 - 42



12 weeks



2 x 250 mg Veri-te or placebo daily



Cognitive assessment, cerebral blood flow, systemic inflammation, gut microbiota, metabolomics



Completed and awaiting publication in 2020



## Hormonal and Metabolic Effects

### Effects of Simvastatin and Resveratrol Treatment on Polycystic Ovary Syndrome (PCOS)

Prof. Antoni Duleba (UC San Diego, USA)

Dr. Beata Banaszewska (Poznan University, Poland)

- Hormonal and metabolic effects of resveratrol as an adjunct on the treatment for PCOS

<https://clinicaltrials.gov/ct2/show/NCT02766803>



60 women, 18 - 45 yrs.



24 weeks



Daily administration of simvastatin (20 mg) + adjunct (500 mg Veri-te™ or placebo)



Glucose metabolism, level of total testosterone, lipids and further markers



Completion and publication expected in 2020



## Bone Health

### Short-Term Resveratrol Supplementation Stimulates Serum Levels of Bone-Specific Alkaline Phosphatase in Obese Non-Diabetic Men

Dr. Steen B. Pedersen (Aarhus University Hospital, Denmark)

Journal Functional Foods. 6, (2014) 305 - 310

- Bone formation and integrity

<https://www.sciencedirect.com/science/article/abs/pii/S1756464613002478>



24 men (30 - 48 yrs.), BMI > 30, non-diabetic



4 weeks



1,500 mg Veri-te or placebo daily



Levels of specific proteins related to bone metabolism and formation



Supplementation with Veri-te may influence bone metabolism, positively affecting bone integrity



## Oral Health

### Resveratrol Effect on Oral Inflammatory Load in Chronic Periodontitis: A Pilot Study

Faryn Berger BSc, DDS (University of Toronto, Canada, 2018)

- Anti-periodontitis
- Anti-inflammation

<https://tspace.library.utoronto.ca/handle/1807/91449>



17 participants (40 - 56 yrs.) with chronic periodontitis



24 weeks



Standard treatment (scaling and root planning) + 500 mg Veri-te or placebo daily



Periodontitis-associated clinical and biological parameters (inflammation and oxidative stress)



Veri-te supplementation reduced oral inflammation associated with periodontitis and increased the effectiveness of the standard treatment

Clinical studies with Veri-te highlight the multi-functional benefits of this supplement for healthy living with a specific focus cognitive performance, gut microbiota, oral health and postmenopausal bone and muscle loss.



## Bone Health

### Resveratrol Increases Bone Mineral Density and Bone Alkaline Phosphatase in Obese Men: A Randomized Placebo-Controlled Trial

Dr. Steen B. Pedersen (Aarhus University Hospital, Denmark)

The Journal of Clinical Endocrinology and Metabolism. 99, (2014) 4720 - 4729

- Bone formation and risk of fracture

<https://www.ncbi.nlm.nih.gov/pubmed/25322274>



74 men (43 - 54 yrs.), BMI > 30, with metabolic syndrome



16 weeks



150 mg or 1,000 mg Veri-te or placebo daily



Levels of specific proteins related to bone metabolism and formation. Volumetric bone mineral density - risk of fracture



Supplementation with Veri-te (at both doses) positively affected bone density primarily by stimulating formation or mineralization



## Oral Health

### Resveratrol Adjunct Administration to Non-Surgical Periodontal Treatment of Smokers with Chronic Periodontitis

Prof. Monica Grazieli (University Paulista, Brazil)

- Anti-periodontitis
- Anti-inflammation

<http://ensaiosclinicos.gov.br/rg/RBR-3gt65c/>



34 smokers



36 weeks



Daily administration of Veri-te (500 mg) or placebo daily



Clinical, microbiological and immunological markers



Completion and publication expected in 2020

# Award-winning RESHAW\* study reveals Veri-te's great benefits and high potency for diverse applications



## Results:

- ↑ Cognitive health
- ↑ Well being
- ↑ Bone mineral density
- ↓ Risk of fractures
- ↓ Pain perception

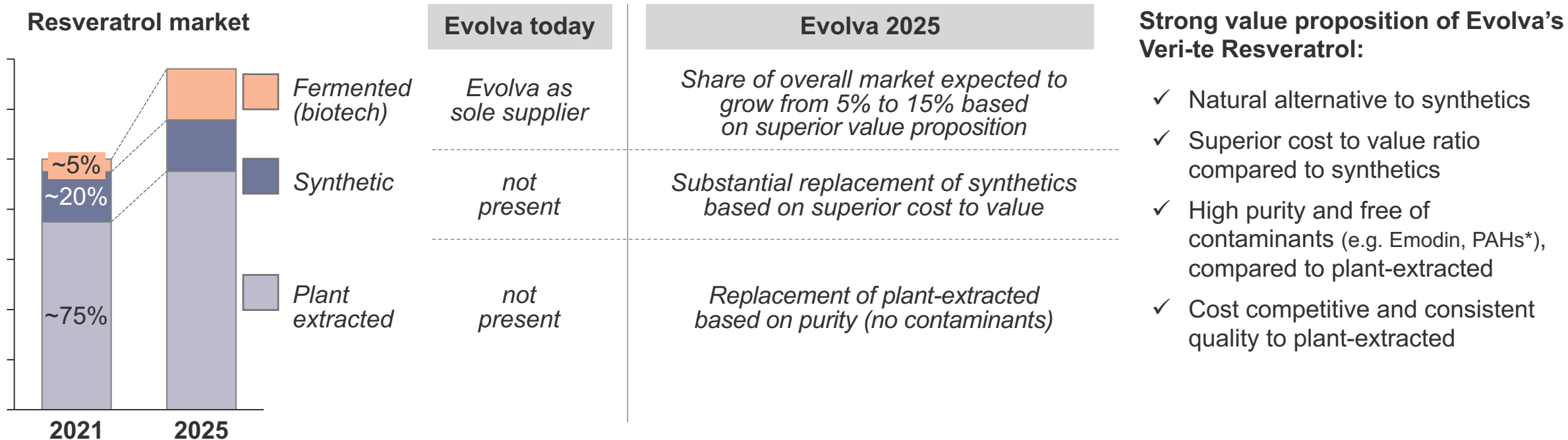
*RESHAW indicates that Resveratrol can be considered one of the most potent vasoactive nutrients that we have ever studied. The RESHAW study results point to multiple positive impacts of Resveratrol for counteracting the development and progression of chronic diseases afflicting our aging Western population.*

*—Emeritus Professor Peter Howe from the University of Newcastle, Australia*

\*RESHAW is the largest clinical trial investigating resveratrol supplementation in postmenopausal women.

Mid-term plan 2023 – 2025

# Spotlight 4: Evolva aims for substantial market share gains and additional potential from entering new markets



## Strong value proposition of Evolva's Veri-te Resveratrol:

- ✓ Natural alternative to synthetics
- ✓ Superior cost to value ratio compared to synthetics
- ✓ High purity and free of contaminants (e.g. Emodin, PAHs\*), compared to plant-extracted
- ✓ Cost competitive and consistent quality to plant-extracted

**Evolva as the sole supplier of fermentation-based Resveratrol is well positioned to gain substantial market share and benefit from future market growth**

Source: Internal estimations based on several different market reports and market insights.

\*PAHs - Polycyclic aromatic hydrocarbons

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# Spotlight 4: Entering new markets with segment-specific go-to-market strategies to boost Resveratrol sales

## Planned expansion trajectory

### Today's Core

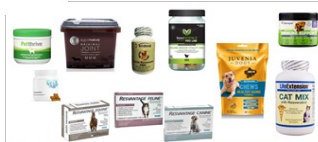
#### Human Dietary supplements



- “Nutraceuticals” contributing to health and wellbeing
- Added nutritional or physiological benefits
- Prescription-free
- Dynamic global market
- Competitive price pressure
- Core market for Evolva

### Immediate focus

#### Pet dietary supplements



- Similar to human market segment
- Personalizing companion pets
- Competitive price pressure
- Fast growing market

#### Personal Care



- Five main application areas: skin-, haircare, make-up, fragrances and toiletries
- Evolva with favorable value proposition
- Highly attractive new market segment for Evolva
- Strong growth expected

### 2023 forward

#### Functional Food & Beverage



- Products with “added physiological benefits beyond naturally occurring ones
- Combines F&F with HI characteristics
- Boosted by consumers’ demand for “better-for-you” products
- New and fast developing market

### Beyond

#### Pharma



- Medication area with drugs aiming at preventing or curing disease.
- OTC and prescription (doctors)
- High value market, with global, big players.

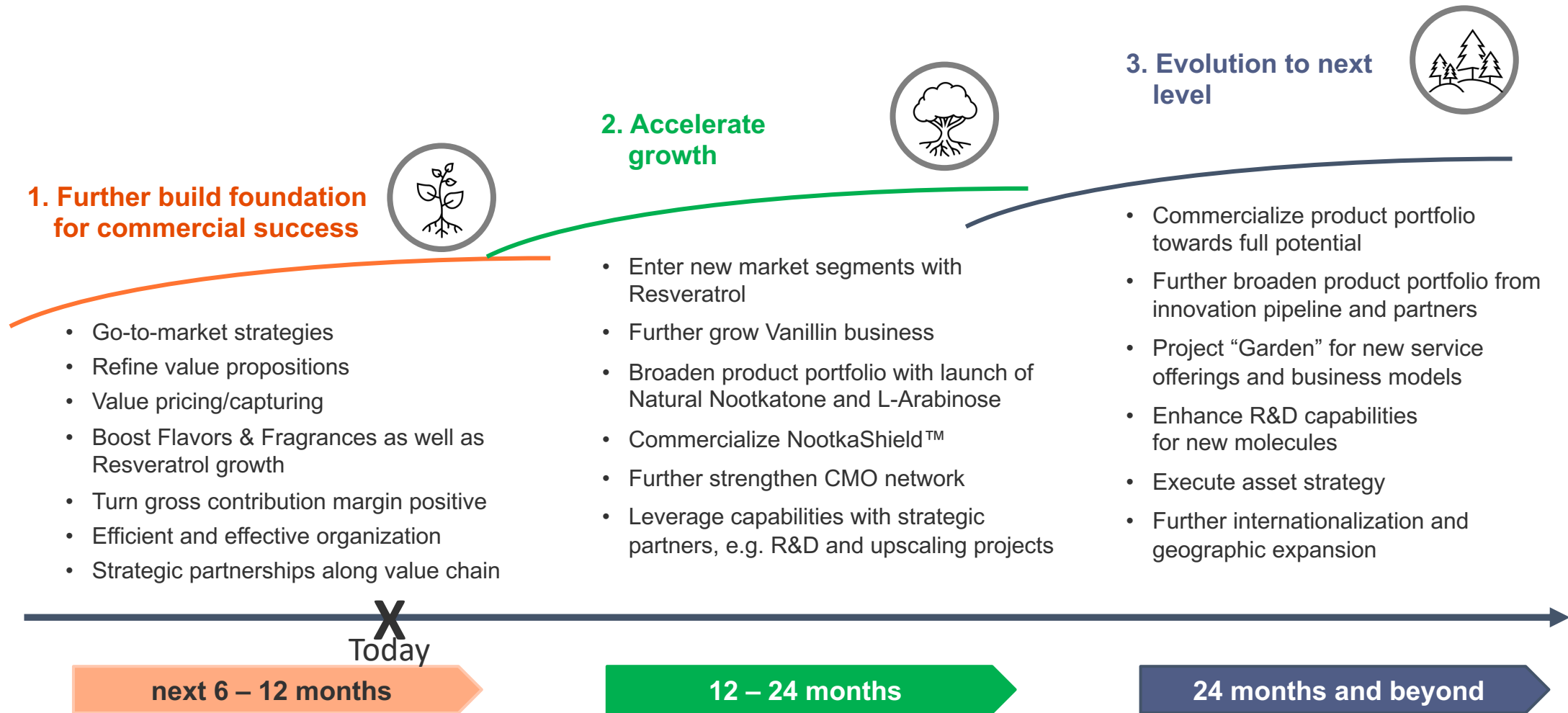
#### Pet Veterinarian



- Medication area with drugs aiming at preventing or curing disease.
- The market is boosted by the prevalence of new pet’s disease - in line with pet-parent’s diseases.
- OTC and prescription (Vets).
- High value market, with global, big players.

Significant revenue and profitability uplift potential expected by entering attractive new market segments with tailored offerings and consumer-oriented, ready-to-market concepts

# Three phases to develop Evolva to its full potential



Discussions with potential strategic partners ongoing, to further strengthen the business model with complementary strengths and synergies on both operational and commercial levels

# Investment case summary

1. **Capitalizing on global megatrends**  
health, wellness and sustainability
2. **Unique precision-fermentation platform**  
with proprietary technology
3. **Mid-term plan based on existing products,**  
conservative planning
4. **Upside potential** from innovation pipeline and  
business model expansions
5. **Foundation built for future profitable growth**



Evolva - Resolving supply bottlenecks of nature

# EVOLVA



Resolving the Supply Chain & Resource Limitations of Nature

# Appendix

More detailed information about our half year  
2022 financial results can be found here:  
<https://evolva.com/financial-data/hy-results/>

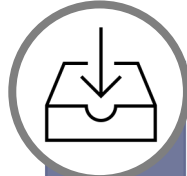
# Strong increase in revenues and gross contribution margin



## Revenues

Total revenues:  
**CHF 8.1 million**  
(+28%)

Product revenues:  
**CHF 7.8 million**  
(+30%)



## Profitability

Gross contribution  
margin of **10.9%**  
(-73% in 1H 2021)

Adj. EBITDA<sup>1</sup>:  
**CHF -7.5 million**  
(-12 million in 1H 2021)



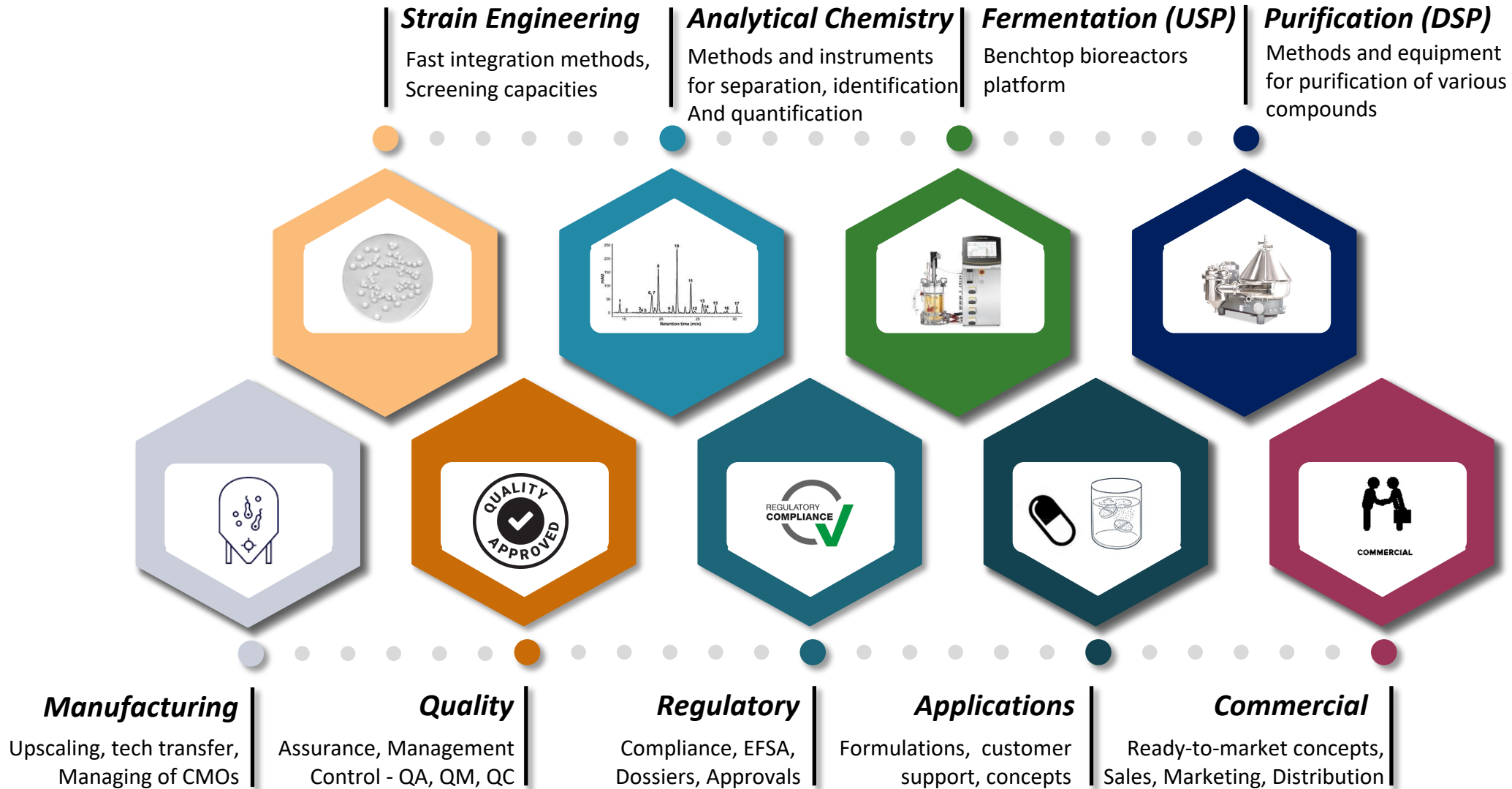
## Liquidity

Cash at end of June:  
**CHF 7.4 million**

Available  
financing lines:  
**CHF 20.0 million**

**Well on track to reach revenues guidance of CHF 15 million and positive double-digit gross contribution margin in 2022**

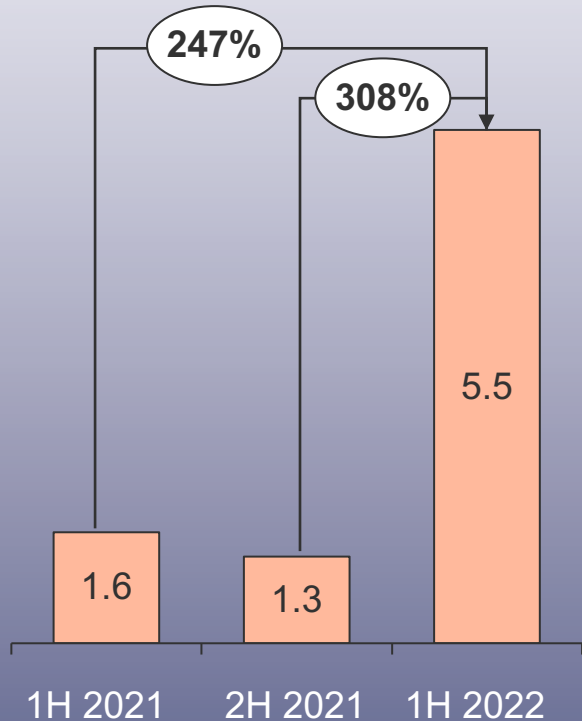
# We run on fully-fledged organizational capabilities



1H 2022 financial highlights

# Flavors & Fragrances: 247% sales growth in 1H 2022 vs. 1H 2021, driven mainly by Vanillin

## Sales (CHF million)



## Main developments 1H 2022

- Initial focus to boost commercial performance was on F&F, resulting in 247% growth compared to 1H 2021
- Delivery of first commercial batches of Vanillin to global customer – resulting in strong contribution to H1 revenue growth
- Valencene and Nootkatone ahead of plan

## Expected key drivers 2H 2022

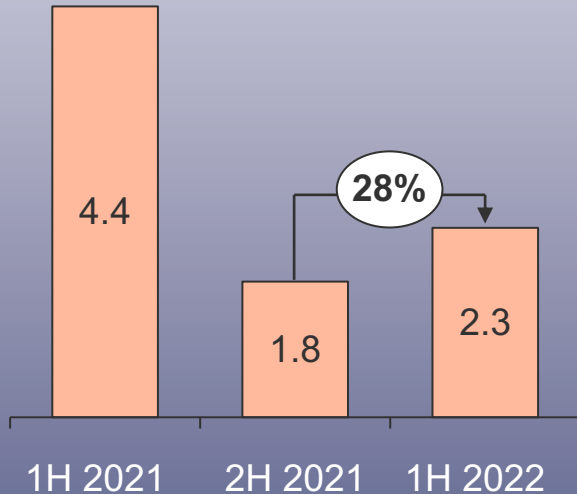
- Positive momentum continues – value pricing initiatives to further enhance gross contribution profile
- Valencene and Nootkatone sales to pick up further in 2H 2022
- Vanillin becoming an important additional revenue pillar in F&F with a promising basis for further deliveries in 2H 2022 and beyond



1H 2022 financial highlights

# Health Ingredients: sequential sales growth of 28% in 1H 2022 vs. 2H 2021, next focus area to boost commercial growth

## Sales (CHF million)



## Main developments 1H 2022

- 28% sequential growth vs. 2H 2021. 1H 2021 characterized by over-stocking behavior of customers as consequence of production issues in 2020
- Significant global market interest, especially new product development with Veri-te trademark (co-branding)
- NootkaSHIELD™ pilot launch with business partners in South-East Asia successfully started
- EVERSWEET™ below expectations

## Expected key drivers 2H 2022

- Anne De Vos newly appointed as Chief Commercial Officer as of 1 July, also assuming responsibility for Health Ingredients business
- Activities to boost commercial performance now extending to HI to push respective business
- Value pricing to better capture the value we create with Veri-te for customers and consumers
- Launch activities for L-Arabinose in preparation

## 1H 2022 financial highlights

# P&L highlights: Product-related revenue +30%

CHF million	1H 2022 adjusted*	1H 2021 adjusted*
<b>Revenue from contracts with customers</b>	<b>8.1</b>	<b>6.4</b>
Product-related revenues	7.8	6.0
Direct production costs	(6.9)	(10.4)
<b>Gross contribution</b>	<b>0.9</b>	<b>(4.4)</b>
in % of product-related revenue	10.9%	-72.6%
Research & development revenue	0.4	0.4
Cost of goods sold (excl. direct production costs)	(2.2)	(1.8)
<b>Gross profit</b>	<b>(1.0)</b>	<b>(5.8)</b>
Research & development expenses	(5.2)	(6.0)
Commercial, general & administrative expenses	(5.7)	(4.5)
<b>Operating loss (EBIT)</b>	<b>(11.9)</b>	<b>(16.4)</b>
Depreciation and amortization	(4.4)	(4.3)
Impairment of intangible assets	0.0	0.0
<b>EBITDA</b>	<b>(7.5)</b>	<b>(12.0)</b>
<b>Cash position (end of period)</b>	<b>7.4</b>	<b>13.1</b>
<b>Extraordinary items for adjustments</b>	<b>(19.0)</b>	<b>(10.6)</b>
- impairment	(17.0)	(10.6)
- inventory write-off	(1.6)	0.0
- others	(0.4)	(1.0)

- 30% growth of product-related revenues
- Gross contribution margin of product-related sales turning positive and already in the double-digit range , in line with FY guidance
- Gross profit substantially improved to CHF -1.0 million
- Recurring operating expenses largely stable
- The extraordinary impairment of CHF 17.0 million relates to patents and patent applications (CHF 2.0 million), royalty and licenses (12.1 million EVERSWEET™) and product and process development (2.9 million)

# Gross contribution margin of 11% in 1H 2022 achieved, well on track to reach full year guidance of “double-digit”



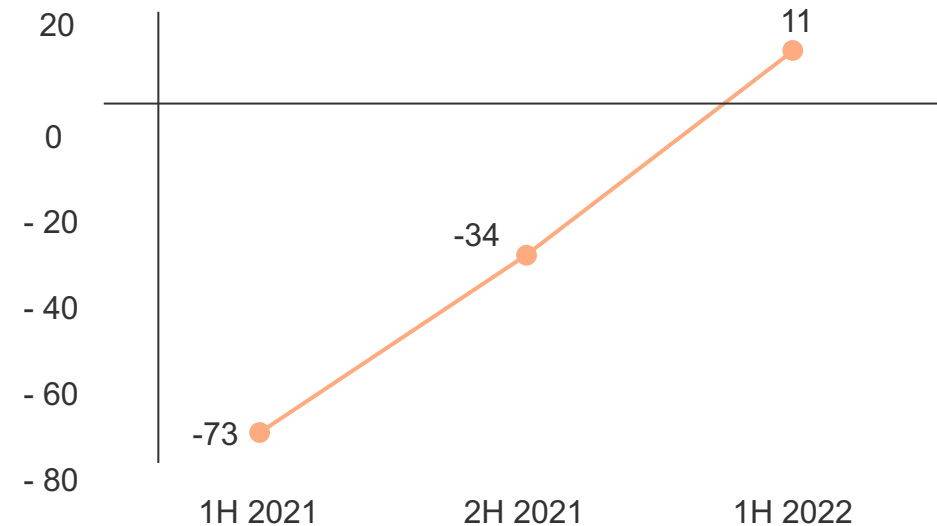
**Gross contribution margin turned positive and double-digit, expected to increase further**



A result of:

- **Strengthened relationships** with our CMO network partners
- Implemented **process technology improvements**
- **Value pricing** to capture the value creation for our customers and consumers

**Half-yearly development of gross contribution margin (in %)**



# Gross contribution as key performance measure



Sales



- Direct production costs → Declining unit costs due to efficiency gains

= **Gross contribution** → Going forward: positive and increasing



- Operational costs



- Operational staff

} Largely fix (around CHF 2.5 million)



- D&A → Mainly capitalized R&D expenses

= **Gross profit**



**Positive (increasing) gross contribution and sales growth**  
key to become profitable

1H 2022 results

# Key balance sheet items - Assets

CHF million	1H 2022	2021
<b>Assets</b>		
Intangible assets	96.6	113.3
Property, plant and equipment	5.9	6.0
Financial assets	3.4	3.4
<b>Total non-current assets</b>	<b>105.8</b>	<b>122.6</b>
Inventories	20.6	16.3
Prepayments & accrued income & others	1.0	1.8
Trade and other receivables	5.3	4.5
Cash and Cash equivalents	7.4	11.0
<b>Total current assets</b>	<b>34.3</b>	<b>33.6</b>
<b>Total assets</b>	<b>140.2</b>	<b>156.2</b>

- Intangible assets reduced through CHF 17.0 million extraordinary impairment of royalty & licenses, patents & patent applications and product & process development
- Net Working Capital increased mainly due to CHF 4.3 million build-up of finished products driven by front-loaded production schedule and new products to support the targeted growth
- Cash Position at CHF 7.4 million at end of June
- Additional financing line of CHF 20.0 million from Nice & Green

# Key balance sheet items – Equity and liabilities

CHF million	1H 2022	2021
<b>Equity and liabilities</b>		
Total equity	114.4	131.8
Total non-current liabilities	8.8	9.2
Total current liabilities	17.0	15.2
<b>Total Equity and Liabilities</b>	<b>140.2</b>	<b>156.2</b>

- Equity increase through placement of CHF 6.3 million to several long-term oriented institutional shareholders at now discount
- Members of the Board and Management participated with CHF 1.0 million, demonstrating their commitment and alignment with shareholders
- Additional equity increase through placements to Nice & Green CHF 5.8 million
- Non-current liabilities include lease and pension liabilities
- Current liabilities include increase of convertible loan (Nice & Green)
- Ongoing discussions with potential strategic partners can entail an equity or financing component

1H 2022 results

# Operating free cash flow

CHF million	1H 2022	1H 2021
<b>Cash Flow</b>		
Cash position at beginning	11.0	19.7
Cash flow from operating activities	-13.5	-13.5
Cash flow from investing activities	-1.2	-3.7
Cash flow from financing activities	11.1	10.6
<b>Cash position end of period</b>	<b>7.4</b>	<b>13.1</b>

- Operating activities include CHF 3.9 million increase in Net Working Capital, driven by build-up of finished products inventory
- Investing activities include capitalized development expenses of CHF 0.8 million
- Financing activities reflect a private placement in 2Q 2022 with long-term institutional investors, Members of the Board and Management, and 3 subscriptions with Nice & Green