

Evolva reports revenues up 59% in 2009

Funding secured for next 2-3 years

Reinach, Switzerland, 19 April 2010 – Evolva Holding SA (SIX: EVE) today announced its financial results for the 2009 financial year.

Key financial highlights for the year

- Revenues increased by 59% to CHF 18.9 million (versus CHF 11.9 million in 2008)
- Net loss was CHF 9.6 million (versus CHF 8.7 million in 2008)
- During the 4th quarter, Evolva raised CHF 45.6 million in new equity
- Total cash position at 31 December 2009: CHF 52.9 million
- In December 2009, Evolva SA completed a reverse-merger with Arpida Ltd., forming Evolva Holding SA and the shares are now listed on the SIX Swiss Exchange

Operational highlights:

- Most advanced cardio-renal compound EV-077 entered into Phase I clinical studies
- Obtained solid preclinical results on our most advanced antifungal (EV-086) and antiviral compounds (EV-075)
- Derived several new chemistry classes from our discovery programmes
- Management team was strengthened with the addition of Jutta Heim as Chief Technology Officer and Jessica Mann as Chief Medical Officer

Neil Goldsmith, CEO and Managing Director commented "2009 was an exciting and pivotal year for Evolva. After raising CHF 45.6 million of fresh funds and merging with Arpida we find ourselves in a strong position to move the company to the next stage. Our financial results for 2009 are satisfactory. The continued growth in our revenues along with the expected increase in operating cost led to a moderate increase in the net loss. In 2010, we will focus on delivering on our existing partnerships, establishing new ones and moving our key compounds forward through late preclinical and clinical development."

Financial review

This review presents the financial development of Evolva SA and its subsidiaries until 11 December 2009 and the financial development of Evolva Holding SA and its subsidiaries (the "Evolva Group") from 11 December 2009 onwards. The review does not cover the financial

development of Arpida Ltd. prior to the combination with Evolva SA in December 2009. The 2009 annual report is available on the [Evolva website](#).

Key financials

CHF million	2009	2008	2007
Total revenues	18.9	11.9	7.2
Research and Development expenses	-21.2	-16.2	-11.3
General and administration expenses	-6.6	-3.8	-3.5
Total operating expenses	-27.8	-20.0	-14.8
Operating gain (loss)	-8.9	-8.1	-7.6
Financial result	-0.5	-0.4	-0.5
Taxes	-0.2	-0.2	-0.1
Net result	-9.6	-8.7	-8.3
Cash at year-end	52.9	6.2	7.4

Income statement

The largest part of group revenues came from discovery projects which are based on Evolva's technology. Two projects represented more than 80% of total revenues, both of which are based on multi-year contracts with agencies under the US Department of Defence. Evolva had additional revenues from contracts with two corporate customers in the US and from government contracts in the EU. No revenue is recognised for 2009 from the contract with Roche that was signed at year-end.

Costs for discovery activities increased from CHF 9.9 million in 2008 to CHF 14.7 million in 2009 reflecting primarily that Evolva's US subsidiary (Genetic Chemistry, Inc.) became fully operational during 2009. Costs due to compound development activities increased from CHF 6.3 million to CHF 6.5 million. The increase in general and administration costs reflects the full-year effect of the US subsidiary and transaction costs related to the equity financing and the combination with Arpida.

Balance sheet and cash flow

The key changes in the group balance sheet during 2009 reflect the two corporate transactions that Evolva SA conducted at the end of the year: the equity financing and the merger with Arpida Ltd. During the 4th quarter, Evolva raised CHF 45.6 million from a group of existing and new investors while an additional CHF 3.5 million was committed by the minority shareholder in Evolva's Indian subsidiary. As a consequence of the merger with Arpida, the group cash position further increased by CHF 10 million. In total, the consolidated cash position increased from CHF 6.2 million at the end of 2008 to CHF 52.9 million at the end of 2009.

In line with IFRS accounting rules for reverse acquisitions, Evolva Holding SA recognised CHF 16.8 million in goodwill as of 11 December 2009. The goodwill amount represents the difference between the stock market value of Arpida Ltd. and the aggregate asset value of Arpida Ltd. at the time of the combination. The goodwill amount is not related to the actual terms of the combination.

Review of operations

Partnership programmes

During 2009, Evolva's three most important partnerships were with the US Defense Threat Reduction Agency, Functional Genetics, Inc. and the US Army Research Office. In addition, Evolva had four smaller third party funded programmes. All programmes proceeded on track during the year.

The partnership with Functional Genetics is scheduled to end during 2010. All the other programmes are expected to continue through year-end 2010. In January 2010, Evolva announced a new partnership with Roche. We expect to enter additional new partnerships during 2010.

Compound development and pipeline

EV-077

EV-077 is an oral, small-molecule compound. It is a thromboxane receptor antagonist & thromboxane synthase inhibitor. It belongs to a novel structural class of drugs. Evolva has prioritised the development of EV-077 for:

- 1) proteinuric renal diseases;
- 2) cardiovascular patients who do not respond adequately to existing anti-clotting agents.

Progress

During 2009, we conducted a Phase I single ascending dose study on EV-077. This study was a single-centre, double-blind, randomised, placebo-controlled study with ascending single oral doses of EV-077. A total of 55 subjects were included in the study, and seven doses of EV-077 were tested. This study showed that:

- EV-077 is a potent inhibitor of platelet aggregation.
- EV-077 has a very fast onset of action (compared to existing anti-platelet drugs) that might allow it to provide rapid protection from clotting.
- The action of EV-077 on the platelets is reversible (platelet function is restored when the compound is removed from the bloodstream).

EV-086

EV-086 is a broad spectrum antifungal compound. It represents a new structural class and has a new mechanism of action compared to existing antifungals. It can be delivered orally, by infusion or topically. Against most medically relevant fungi EV-086 is more potent than the existing anti fungal drugs. Evolva has prioritised the development of EV-086 for:

- 1) treatment of invasive fungal infections via intravenous infusion and oral administration;
- 2) topical treatment of nail fungus.

Progress

EV-086 is in late preclinical development for both invasive and topical infections. Good laboratory practice (GLP) toxicity studies on an oral formulation were completed during 2009 and we are currently conducting GLP infusion toxicity studies. We also designed several prototype topical formulations.

EV-075

EV-075 is an oral, small-molecule compound being developed for the prevention and potential treatment of viral diseases. It has a different mechanism of action from existing anti-virals and has shown efficacy against a range of viral infections in pre-clinical studies. Currently prioritised indications for EV-075 are:

- 1) the prevention and treatment of haemorrhagic fevers (in particular those caused by the Ebola virus);
- 2) the prevention and treatment of influenza.

Progress

EV-075 entered preclinical development during 2009. Multiple efficacy studies in a variety of preclinical models were performed and amongst other results showed EV-075 to be superior to Tamiflu™ in reducing the level of lung damage caused by infection. GLP (Good Laboratory Practice) studies on an oral formulation are ongoing.

The terminated Arpida programmes

All research and development activities regarding Arpida's compounds and therapies were discontinued in the course of 2009 prior to the merger of Evolva and Arpida. Currently there are no active research or development programmes based on Arpida compounds. Evolva is evaluating the potential of Arpida's remaining early-stage compounds.

Outlook

The Evolva Group expects to generate substantial revenues (at least similar to 2009) from discovery projects in 2010. All but one of the major contracts (including the contract with Roche) are expected to continue through year end 2010. The actual development of revenues will depend on whether Evolva closes new partnering contracts during the year. Operating costs will increase as the compound development projects progress towards and through clinical trials and the (non-cash) impact of the incentive option program established at the end of 2009 will increase staff costs. The cash burn is expected to be around CHF 20m in 2010. Based on projections for future revenues and costs, the current cash position is expected to cover activities for the next 2-3 years.

In terms of the pipeline, Evolva intends to perform a multiple ascending dose study with EV-077 in 2010, in order to further assess the safety and tolerability, pharmacokinetics and pharmacodynamics. Results are expected towards the end of 2010. Regarding EV-086, Evolva plans to submit a clinical trial application for a first-in-man study using an intravenous infusion formulation, as well as a clinical trial application for a topical formulation.

Annual General Meeting

The Annual General Meeting (AGM) will be held on 10 June 2010. As announced at the Extraordinary General Meeting in November 2009, the current term for all members of the Board of Directors expires at the AGM in 2010. Two Board members, André Lamotte and Jacques Mallet, have announced that they will not stand for re-election at the AGM. The other five existing members of the board will stand for re-election. The company is currently in discussion with potential additional candidates for its Board of Directors. Evolva expects to announce the names of these candidates in the coming weeks.

- Ends -

FY09 results conference call at 2.30pm CET on 19 April 2010

Neil Goldsmith, CEO and Jakob Dynnes Hansen, CFO, will present the full year results and discuss the outlook for 2010 at a conference call to be held today at 2.30pm CET.

The dial-in numbers:

+41 (0)91 610 5600	Switzerland / Continental Europe
+44 (0)207 107 0611	UK
+ 1 (1) 866 291 4166	(USA – Toll-Free)

The presentation is available for download at: www.evolva.com.

A replay option will be available one hour after the conference call. Dial-in details:

+41 (0)91 612 4330 Switzerland / Continental Europe

+44 (0)207 108 6233 UK

+ 1 (1) 866 416 2558 (USA – Toll-Free)

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About Evolva Holding SA

Evolva's proprietary discovery technology platform uses a "disruptive" technological approach to the creation of novel small compounds that differs sharply from the prevailing synthetic chemistry and protein engineering approaches in the pharmaceutical industry today. Based on this technology, Evolva has a number of discovery and pre-clinical partnerships which in 2009 generated revenues of CHF 18.9 million. Evolva also has an attractive pipeline of compounds - one drug candidate (for renal and cardiovascular diseases) entered Phase I at the beginning of 2009, and two others (an anti-fungal and an anti-viral) are in late preclinical stages. Evolva is listed in the main standard of the SIX Swiss Exchange with the ticker EVE. For more information see www.evolva.com.

This press release contains specific forward-looking statements, e.g. statements including terms like believe, assume, expect or similar expressions. Such forward-looking statements are subject to known and unknown risks, uncertainties and other factors which may result in a substantial divergence between the actual results, financial situation, development or performance of the company and those explicitly or implicitly presumed in these statements. Against the background of these uncertainties readers should not place undue reliance on forward-looking statements. The company assumes no responsibility to update forward-looking statements or to adapt them to future events or developments.