

Evolva plans to buy out R&D partner

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Chennai, Apr 10: Evolva, an emerging biotech company which has operations in India and the US, has proposed to acquire its R&D partner Abunda Nutrition of the US. Evolva has tied up with San Francisco-based Abunda for development of the latter's next-generation nutritional ingredients since 2009. One part of this collaboration has focused on advancing highly purified forms of the natural high intensity sweetener Stevia, produced via fermentation in yeast. This process bypasses the complex logistics

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associated with the traditional cultivation, processing and refining of Stevia plants and allows pure Stevia components to be produced.

In addition to Stevia, Evolva will obtain full ownership of certain additional development-stage compounds with relevance in cardiovascular

health and other nutrition sectors. Clinical nutrition trials are being conducted on selected compounds. "Under the terms of the proposed merger, Evolva will acquire 100% of the share capital of Abunda in return for 25 million Evolva shares (12.9% of Evolva's share capital post transaction, fully

diluted). If certain value-creating milestones are achieved in the 19 months after closing, Abunda shareholders are entitled to receive up to an additional 12 million shares and, for three years, a low-teen percentage share of cash returns from the Abunda assets," said PM Murali, managing director and CEO of Evolva Biotech.

Abunda brings in sufficient cash for the development of its product portfolio till 2012 and as such the transaction does not affect Evolva's cash runway. The intended transaction would increase Evolva's expected cash outflow in 2011.

Interview