

Evelo Biosciences Announces Reverse Stock Split Effective

June 29, 2023

– EVLO common stock expected to begin trading on a split-adjusted basis on June 30, 2023 –

CAMBRIDGE, Mass., June 29, 2023 (GLOBE NEWSWIRE) -- Evelo Biosciences, Inc. (Nasdaq:EVLO), a clinical stage biotechnology company developing a novel platform of orally delivered inflammation-resolving medicines acting on the small intestinal axis (SINTAX), today announced that its Board of Directors has approved a 1-for-20 reverse stock split of the Company's common stock. The reverse stock split will become effective at 5:00 p.m. Eastern Time today, June 29, 2023, after close of trading on The Nasdaq Global Select Market. The Company's common stock is expected to commence trading on a split-adjusted basis when the markets open on June 30, 2023 under the existing trading symbol "EVLO." The new CUSIP number for the Company's common stock following the reverse stock split will be 299734 202.

The primary goal of the reverse stock split is to increase the per share market price of the Company's common stock to meet the minimum per share bid price requirement for continued listing on The Nasdaq Global Select Market. The reverse stock split was approved by the Company's stockholders at its annual meeting of stockholders held on June 8, 2023. On June 27, 2023, following the annual meeting, the Company's Board of Directors approved the reverse stock split at the ratio of 1-for-20.

As a result of the reverse stock split, every 20 shares of the Company's common stock issued and outstanding will be automatically reclassified into one new share of the Company's common stock. Proportionate adjustments will be made to the exercise prices and the number of shares underlying the Company's outstanding equity awards, as applicable, and warrants exercisable for shares of common stock, as well as to the number of shares issuable under the Company's equity incentive plans and certain existing agreements. The common stock issued pursuant to the reverse stock split will remain fully paid and non-assessable. The reverse stock split will not affect the number of authorized shares of common stock or the par value of the common stock.

No fractional shares will be issued in connection with the reverse stock split. Stockholders who would otherwise be entitled to receive fractional shares as a result of the reverse stock split will be entitled to a cash payment in lieu thereof at a price equal to the fraction to which the stockholder would otherwise be entitled multiplied by the closing sales price per share of the common stock (as adjusted to give effect to the reverse stock split) on The Nasdaq Global Select Market today, the last trading day immediately preceding the effective time of the reverse stock split.

American Stock Transfer & Trust Company, LLC ("AST"), the Company's transfer agent, is acting as the exchange agent for the reverse stock split. Stockholders with book-entry shares or who hold their shares through a bank, broker or other nominee will not need to take any action. Stockholders of record holding certificates representing pre-split shares of the Company's common stock, as applicable, will receive a letter of transmittal from AST with instructions on how to surrender certificates representing pre-split shares. Stockholders should not send in their pre-split certificates until they receive a letter of transmittal from AST. Stockholders of record who held pre-split certificates will receive their post-split shares book-entry and will be receiving a statement from AST regarding their common stock ownership post-reverse stock split.

Additional information about the reverse stock split can be found in the Company's definitive proxy statement (the "Proxy Statement") filed with the Securities and Exchange Commission (the "SEC") on April 28, 2023, which is available free of charge at the SEC's website, www.sec.gov, and on the Company's website at www.evelobio.com.

About Evelo Biosciences

Evelo Biosciences is a clinical stage biotechnology company developing a novel platform of orally delivered anti-inflammatory medicines acting on the small intestinal axis, SINTAX, with systemic therapeutic effects. The small intestine plays a central role in governing inflammation throughout the body. The Company's product candidates are pharmaceutical preparations of single strains of microbes or their extracellular vesicles (EVs). Evelo's vision is to create therapies that are effective, safe, well-tolerated, and affordable to improve the lives of the billions of people living with inflammatory diseases. If shown to be effective in inflammatory disease mediated by the Th1, Th2 or Th17 inflammatory pathways, these same investigational medicines could be effective in additional inflammatory diseases, such as psoriatic and other forms of arthritis, asthma, allergy, and inflammatory bowel disease.

For more information, please visit www.evelobio.com

Forward Looking Statements

This press release contains forward-looking statements, including within the meaning of the Private Securities Litigation Reform Act of 1995. All statements contained in this press release that do not relate to matters of historical fact should be considered forward-looking statements, including statements concerning the expected timing of the reverse stock split, the impact of the reverse stock split on the Company's share price, and the Company's ability to meet the minimum per share bid price requirement for continued listing on The Nasdaq Global Select Market.

These forward-looking statements are based on management's current expectations. These statements are neither promises nor guarantees, but involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements, including, but not limited to, the following: the potential volatility of our common stock; and the potential delisting of our common stock from The Nasdaq Global Select Market. These and other important factors discussed under the caption "Risk Factors" in our Quarterly Report on Form 10-Q for the three months ended March 31, 2023, and our other reports filed with the U.S. Securities and Exchange Commission, could cause actual results to differ materially from those indicated by the forward-looking statements made in this press release. Any such forward-looking statements represent management's estimates as of the date of this press release. While we may elect to update such forward-looking statements at some point in the future, except as required by law, we disclaim any obligation to do so, even if subsequent events cause our views to change. These forward-looking statements should not be relied upon as representing our views as of any date subsequent to the date of this press release.

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