

**EVELO HOLDINGS, INC.**  
124 Washington Street, Suite 101  
Foxboro, MA 02035

October 4, 2024

To: The Stockholders of Evelo Holdings, Inc.

**Re: Holding Company Reorganization and Adoption of Equity and Tax Attributes Preservation Plan**

Dear Stockholders,

I am writing to you on behalf of the Board of Directors (the “Board”) of Evelo Holdings, Inc., a Delaware corporation (“Evelo Holdings”), to inform you of the recent holding company reorganization involving Evelo Biosciences, Inc. (“Evelo”) and Evelo Holdings and the adoption of an Equity and Tax Attributes Preservation Plan (the “Plan”) by Evelo Holdings. This letter is for informational purposes only and we are not asking for any stockholder action at this time.

On August 16, 2024, Evelo and Evelo Holdings reorganized into a holding company structure whereby Evelo became a direct, wholly-owned subsidiary of a new holding company it formed, Evelo Holdings. To implement the reorganization, Evelo formed Evelo Holdings and Evelo Holdings, in turn, formed Evelo Merger Sub, Inc. (“Merger Sub”). The holding company structure was implemented without a vote of Evelo’s stockholders pursuant to and in accordance with Section 251(g) of the General Corporation Law of the State of Delaware by the merger of Merger Sub with and into Evelo (the “Merger”), with Evelo surviving the Merger as a direct, wholly-owned subsidiary of Evelo Holdings. Pursuant to the Merger, each share of Evelo Common Stock issued and outstanding immediately prior to the Merger was automatically converted into one issued and outstanding share of Evelo Holdings Common Stock, having the same designations, rights, powers and preferences and the qualifications, limitations and restrictions as the Evelo Common Stock being converted. As a result, stockholders of Evelo became stockholders of Evelo Holdings, maintaining the same number of shares and ownership percentage as held in Evelo immediately prior to the reorganization.

Following the consummation of the Merger, former stockholders of Evelo no longer hold shares of Evelo and only hold shares of Evelo Holdings Common Stock and trading of the shares of Evelo Common Stock on the OTC Market, if any, will be deemed to be trading of the shares of Evelo Holdings Common Stock. Evelo Holdings is in the process of taking the necessary steps such that trading of shares, if any, will be under a new CUSIP number for Evelo Holdings Common Stock.

In addition, on September 30, 2024, Evelo Holdings adopted an Equity and Tax Attributes Preservation Plan (the “Plan”) intended to preserve the value of certain tax attributes of Evelo Holdings’ subsidiaries related to previously recorded net operating losses (the “Tax Attributes”) as well as Evelo Holdings’ equity structure by limiting potential adverse effects of certain ownership changes of the Evelo Holdings Common Stock. As part of the Plan, the Board declared

a dividend of one Series A Junior Participating Preferred Stock purchase right (the “Rights”) on each outstanding share of the Evelo Holdings Common Stock. The dividend was paid on October 1, 2024 to holders of record as of the close of business on October 1, 2024. Shares of the Evelo Holdings Common Stock issued after the record date will be issued together with the Rights. The Rights are not currently exercisable and initially will trade only with the Evelo Holdings Common Stock. However, if any person or group acquires 4.99% or more of the Evelo Holdings Common Stock, or if a person or group that already owns 4.99% or more of the Evelo Holdings Common Stock acquires additional shares of Evelo Holdings Common Stock, then, subject to certain exceptions, the Rights would separate from the Evelo Holdings Common Stock and become exercisable for shares of Evelo Holdings Common Stock having a market value equal to twice the exercise price, resulting in significant dilution to the ownership interests of the acquiring person or group. The Plan includes a procedure pursuant to which the Board may consider requests to exempt acquisitions of the Evelo Holdings Common Stock from the Plan. The Rights will expire on September 30, 2034. The Rights may also expire on an earlier date upon the occurrence of other events, including a determination by the Board that the Tax Attributes have been utilized or are no longer available, or that the Plan is no longer necessary to protect the Tax Attributes. The Plan also may be terminated at any time by the Board before the Rights become exercisable.

On behalf of the Board, thank you for your support of Evelo and Evelo Holdings.

Sincerely,

/s/ Craig Jalbert \_\_\_\_\_

Craig Jalbert  
President, Corporate Secretary, and  
Director  
Evelo Holdings, Inc.