

EVOTEC SE FISCAL YEAR 2020 RESULTS: GAINING SPEED ON "THE DATA-DRIVEN R&D AUTOBAHN TO CURES"

- ▶ *VERY STRONG FINANCIAL RESULTS: 12% INCREASE IN GROUP REVENUES BEATING GUIDANCE DESPITE PANDEMIC*
- ▶ *UNIQUE INNOVATION PLATFORMS AND INFRASTRUCTURE SUPPORT LONG-TERM GROWTH IN ALL MODALITIES*
- ▶ *SOLID BALANCE SHEET, STRONG FOUNDATION FOR NEXT EXPANSION STEPS, ESPECIALLY ALSO FOR JUST – EVOTEC BIOLOGICS*
- ▶ *GOOD START AND VERY STRONG OUTLOOK FOR FISCAL YEAR 2021*

Hamburg, Germany, 25 March 2021:

Evotec SE (Frankfurt Stock Exchange: EVT, MDAX/TecDAX, ISIN: DE0005664809) today reported financial results and corporate updates for the fiscal year ended 31 December 2020.

FINANCIALS REFLECT GREAT PERFORMANCE

- ▶ Group revenues exceed revenue target - up 12% (+14% at constant fx rates) to € 500.9 m (2019: € 446.4 m)
- ▶ Strong performance in base business (+16%)
- ▶ Adjusted Group EBITDA in line with guidance by € 106.6 m (€ 110.8 m at constant fx rates) (2019: € 123.1 m); adjusted EBITDA for EVT Execute shows increase of 6% to € 129.3 m in 2020, despite planned loss of Sanofi subsidy.
- ▶ Unpartnered R&D expenses of € 46.4 m (2019: € 37.5 m)
- ▶ Very strong liquidity position with € 481.9 m.

STRONG PERFORMANCE DESPITE ONGOING PANDEMIC

- ▶ Important clinical trial initiations and significant progress in co-owned pipeline
- ▶ Milestone achievements within strategic collaborations with Bayer and BMS
- ▶ New and extended partnerships in e.g. kidney disease, protein degradation, rare diseases, and oncology
- ▶ Focus on “omics”, machine-learning and artificial intelligence platforms in all modalities

- ▶ Strong year for Just – Evotec Biologics with several new collaborations signed and J.POD® 1 US on track to open in H2 2021; Initiation of J.POD® 2 EU in Toulouse still in H1 2021
- ▶ Multiple new and extended drug discovery collaborations
- ▶ Successful step into gene therapy with new gene therapy R&D centre Evotec GT
- ▶ Good progress of equity-based co-ownership engagements and BRIDGEs
- ▶ Expansion of alliance with US Department of Defense (“DOD”) for Just – Evotec Biologics (after period-end)
- ▶ Multi-RNA target alliance with Takeda (after period-end)

CORPORATE HIGHLIGHTS

- ▶ Mubadala Investment Company and Novo Holdings A/S endorse strategy, together investing € 250 m through capital increase
- ▶ Acquisition of land, buildings and full takeover of staff from “Biopark by Sanofi SAS”, now “Campus Curie Toulouse” (France)
- ▶ Expansion of infrastructure for growth in Abingdon (UK), Goettingen (GER); Munich (GER)
- ▶ Implementation of Action Plan 2025 “The data-driven R&D Autobahn to Cures”

FINANCIAL GUIDANCE 2021 – CONTINUED STRONG ORGANIC GROWTH

- ▶ Group revenues expected to be in a range of € 550 - 570 m (€ 565 – 585 m at constant exchange rates) (2020: € 500.9 m)
- ▶ Adjusted Group EBITDA expected to be in the range of € 105 - 120 m (€ 115 – 130 m at constant exchange rates) (2020: € 106.6 m)
- ▶ Unpartnered research and development expenses expected to be in a range of € 50 - 60 m (2020: € 46.4 m)

Given current global insecurities surrounding the pandemic, a likely negative impact – though less pronounced than in 2020 – is already estimated within the guidance for revenues and adjusted EBITDA stated above.

FINANCIALS REFLECT STRONG GROWTH
Key figures of consolidated income statement & segment information
Evotec SE & subsidiaries

<i>In T€</i>	<i>EVT Execute</i>	<i>EVT Innovate</i>	<i>Intersegment eliminations</i>	<i>Not allocated</i>	<i>Evotec Group 2020</i>	<i>Evotec Group 2019</i>
External revenues ¹⁾	373,366	105,723	–	21,835	500,924	446,437
Intersegment revenues	115,776	–	(115,776)	–	–	–
Gross margin in %	26.0	8.7	–	–	25.1	29.8
R&D expenses ²⁾	(4,449)	(69,926)	10,430	–	(63,945)	(58,432)
SG&A expenses	(61,786)	(15,452)	–	–	(77,238)	(66,546)
Impairment result (net)	–	(3,244)	–	–	(3,244)	(11,919)
Other operating income (expenses), net	16,616	50,591	–	–	67,207	66,600
Operating result	77,329	(28,806)	–	–	48,523	62,594
Adjusted EBITDA³⁾	129,281	(22,660)	–	–	106,621	123,143

1) Revenues in the segments consist of revenues from contracts with customers without revenues from recharges as those are not of importance for the management to assess the economic situation of the segments.

2) Thereof unpartnered R&D expenses of € 46.4 m 2020 and € 37.5 m in 2019

3) Adjusted EBITDA before contingent considerations and excluding impairments on goodwill, other intangible and tangible assets as well as the total non-operating result

In 2020, Evotec's Group revenues increased by 12% to € 500.9 m (€ 507.7 m at constant exchange rates) (2019: € 446.4 m), despite the difficulties arising from the global COVID-19 pandemic, which led to delays in milestone payments, and despite the absence of payments from Sanofi for the Toulouse site since April 2020 (loss of € 18.0 m). This increase resulted primarily from the growth performance in the base business (+ 16%), and the revenue contribution from Just – Evotec Biologics (including J.POD®) of € 39.3 m (2019: € 16.1 m, as the company was acquired in July 2019), which strongly accelerated in H2 2020. Revenues from upfront, milestone and licence payments were lower than in the previous year (2019: € 39.0 m) at € 30.1 m.

In 2020, Evotec focused its unpartnered R&D expenses of € 46.4 m (2019: € 37.5 m) primarily on initiatives in platform projects, in particular on “omics”, artificial intelligence (“AI”), machine learning and data analytics platforms as well as on its cell therapy platform. Its partnered R&D expenses declined to € 17.5 m (2019: € 20.9 m). This is related to its infectious disease portfolio as R&D expenses are costs fully reimbursed by its partner Sanofi, but also recognised under other operating income, and thus do not negatively affect the operating result or adjusted EBITDA. The split into unpartnered and partnered R&D expenses has only been applied since July 2018 when the infectious diseases portfolio and Lyon site was acquired from Sanofi.

In 2020, the Group's selling, general and administrative ("SG&A") expenses increased by 16% to € 77.2 m (2019: € 66.5 m). This increase resulted primarily from higher personnel costs arising from the continued expansion in all areas, as well as from start-up costs for the planned launch of J.POD® 1 US in the current year as well as increased IT costs.

Adjusted Group EBITDA declined to € 106.6 m in 2020 (€ 110.8 m at constant exchange rates) (2019: € 123.1 m), but were fully in line with guidance. One of the main reasons for the anticipated lower adjusted EBITDA was the planned loss of the subsidy from Sanofi for the Toulouse site as well as planned start-up costs for the commissioning of J.POD® 1 US. In addition, lower milestone payments (due to pandemic-related delays), higher unpartnered R&D expenses, the loss of R&D tax credits in Italy due to changes in legislation, and the increase in SG&A costs due to expansion also had a negative impact on the adjusted EBITDA and the adjusted EBITDA margin. However, the EVT Execute adjusted EBITDA still shows an increase above 6% to € 129.3 m (2019: € 122.5 m).

Evotec recorded an operating result for 2020 of € 48.5 m (2019: € 62.6 m), mainly due to lower gross profit, higher R&D expenses and the loss of R&D tax credits in Italy. Evotec recorded a net result for the financial year 2020 of € 6.3 m (2019: € 37.2 m).

Evotec ended the year 2020 with a net debt position of € 10.0 m versus € 143.1 m at the end of 2019. The massive improvement is mainly due to the capital increase by Mubadala Investment Company and Novo Holdings of € 250 m in October more than compensating for higher investments related to the ramp up of capacity, for Just – Evotec Biologics and Evotec Innovate.

**STRONG PERFORMANCE OF BOTH EVT INNOVATE AND EVT EXECUTE,
GREAT START OF JUST – EVOTEC BIOLOGICS**

EVT Innovate was characterised in 2020 by multiple important clinical trial initiations, continued milestone income in its strategic partnerships (iPSC neurodegeneration and oncology protein degradation alliances with Bristol Myers Squibb ("BMS"); kidney disease and endometriosis/chronic cough alliances with Bayer) as well as the signing of multiple new partnerships (e.g. Novo Nordisk)

Evotec made significant progress towards building the globally leading precision medicine platform, based on the proprietary industrialised data generation PanOmics technology and a unique AI/ML-driven data analytics software PanHunter. Additionally, Evotec expanded its leading position in iPSC (induced pluripotent stem cells).

In the field of anti-infectives, Evotec is involved in a number of activities in the global fight against COVID-19, virology, and antibiotic resistance and closed additional collaborations.

Evotec initiated multiple partnerships with the Bill & Melinda Gates Foundation (especially in Tuberculosis). Furthermore, after period-end, Evotec started the clinical development of a therapeutic antibody for the treatment of chikungunya virus infection with NIAID and a leading academic research organisation.

In 2020, Evotec's academic BRIDGE model was accelerated through the launch of Autobahn Labs and the first spin-off of Lab282, Dark Blue Therapeutics. The Company made further new investments in promising Biotech companies, Curexsys, leon-nanodrugs, panCELLa, Quantro Therapeutics, and participated in follow-on financings of e.g. Eternigen, Exscientia, Facio, and Topas.

Despite the circumstances of COVID-19, the EVT Execute segment continued to demonstrate strong progress in 2020 with new and extended alliances. In 2020, Evotec was involved in 829 alliances and recorded a repeat business of 90%. With the opening of the gene therapy R&D centre Evotec GT and a multi-year gene therapy research alliance with Takeda in April 2020, Evotec added an important component to its fully integrated, modality-agnostic drug discovery & development platform. Just – Evotec Biologics continued its strong growth with important new partnerships, e.g. ABL, Ology, OncoResponse, US DOD. The building of J.POD® 1 US in Redmond remains on track to start operations in H2. Furthermore, the decision to initiate J.POD® 2 EU in Toulouse has been taken, and will be put in action still in H1 2021.

“THE DATA-DRIVEN R&D AUTOBAHN TO CURES”

The updated strategy roadmap of Evotec is called Action Plan 2025 "The data-driven R&D Autobahn to Cures", and will be implemented in 2021. Action Plan 2025 consists of eight strategic building blocks. These building blocks perfectly fit to the strategy to increase innovation and accelerate growth of Evotec towards 2025 and beyond. Most elements within Evotec's strategy start with human databases and modern artificial intelligence instruments to accelerate drug discovery & development projects. More detailed information on the Action Plan 2025 can be found in the Annual Report 2020 on our website. ([Please click here](#))

Dr Werner Lanthaler, Chief Executive Officer of Evotec, commented: “Excellence in all modalities from discovery to commercial manufacturing, human databases and modern artificial intelligence to accelerate the drug discovery & development are the key drivers for for Action Plan 2025. 2020 was a key year to generate the strategic evidence and data for our long term vision.”

FINANCIAL GUIDANCE 2021 – CONTINUED STRONG GROWTH

In 2021, Evotec expects Group revenues to grow in a range of € 550–570 m. At unchanged exchange rates compared to 2020, this range is € 565 m to € 585 m. This assumption is based on current orders on hand, foreseeable new contracts and the extension of contracts as well as prospective milestone payments.

Regardless of the challenges arising from COVID-19, Evotec still expects the adjusted Group EBITDA to grow to € 105 – 120 m. At unchanged exchange rates in 2020, this would represent a growth to around € 115 – 130 m. This projection takes account of increasing expenses for promising R&D projects and the ramp-up of the Just – Evotec Biologics business via investments, the expansion of the J.POD® 1 US capacities, and plans to initiate J.POD® 2 EU in Toulouse still in H1 2021.

Evotec’s activities are all related to research and development (“R&D”). Aside from the partnered and funded R&D, Evotec will invest in its own unpartnered R&D more than ever before to further expand its pipeline of first-in-class projects and platforms. Evotec expects unpartnered R&D investments in this area between € 50 and 60 m in 2021. Revenues, research and development expenses, and adjusted EBITDA remain the financial key performance indicators of the Evotec Group.

	Guidance 2021	Guidance 2021¹⁾ at constant FX	Actual 2020
Group revenues from contracts with customers	€ 550 - 570 m	€ 565 - 585 m	€ 500.9 m
Unpartnered R&D expenses	€ 50 m - 60 m	-	€ 46.4 m
Adjusted Group EBITDA ²⁾	€ 105 - 120 m	€ 115 - 130 m	€ 106.6 m

1) FX 2020: \$/€ 1.15; €/GBP 1.13

2) EBITDA is defined as earnings before interest, taxes, depreciation, and amortisation of intangibles. Adjusted EBITDA excludes contingent considerations, income from bargain purchase and impairments on goodwill, other intangible and tangible assets as well as the total non-operating result

Webcast/Conference Call

The Company is going to hold a conference call to discuss the results as well as to provide an update on its performance. Furthermore, the Management Board will present an outlook for fiscal year 2021. The conference call will be held in English.

Conference call details

Date: **Thursday, 25 March 2021**

Time: **02.00 pm CET (09.00 am EDT, 01.00 pm GMT)**

From Germany: +49 69 201 744 220
From France: +33 170 709 502
From Italy: +39 02 3600 6663
From the UK: +44 20 3009 2470
From the USA: +1 877 423 0830
Access Code: 54325009#

A simultaneous slide presentation for participants dialling in via phone is available at <https://www.webcast-eqs.com/evotec20210325/no-audio>.

Webcast details

To join the audio webcast and to access the presentation slides you will find a link on our home page www.evotec.com shortly before the event.

A replay of the conference call will be available for 24 hours and can be accessed in Europe by dialling +49 69 201744221 (Germany) or +44 20 3364 5150 (UK) and in the USA by dialling +1 (844) 307-9362. The access code is 315614520#. The on-demand version of the webcast will be available on our website: www.evotec.com/financial-reports

NOTE

Just – Evotec Biologics (former Just.Bio) was acquired effective 02 July, 2019. Effective 01 April 2020, Evotec GT started its operations. Furthermore, the acquisition of the assets (land and buildings) and people of BBS Biopark in Toulouse was effective on 01 July 2020. All three units were fully consolidated in the Group numbers from the respective dates onwards.

ABOUT EVOTEC SE

Evotec is a drug discovery alliance and development partnership company focused on rapidly progressing innovative product approaches with leading pharmaceutical and biotechnology companies, academics, patient advocacy groups and venture capitalists. We operate worldwide and our more than 3,500 employees provide the highest quality stand-alone and integrated drug discovery and development solutions. We cover all activities from target-to-clinic to meet the industry's need for innovation and efficiency in drug discovery and development (EVT Execute). The Company has established a unique position by assembling top-class scientific experts and integrating state-of-the-art technologies as well as substantial experience and expertise in key therapeutic areas including neuronal diseases, diabetes and complications of diabetes, pain and inflammation, oncology, infectious diseases, respiratory diseases, fibrosis, rare diseases and women's health. On this basis, Evotec has built a broad and deep pipeline of more than 100 co-owned product opportunities at clinical, pre-clinical and discovery stages (EVT Innovate). Evotec has established multiple long-term alliances with partners including Bayer, Boehringer Ingelheim, Bristol Myers Squibb, CHDI, Novartis, Novo Nordisk, Pfizer, Sanofi, Takeda, UCB and others. For additional information please go to www.evotec.com and follow us on Twitter @Evotec.

FORWARD-LOOKING STATEMENTS

Information set forth in this press release contains forward-looking statements, which involve a number of risks and uncertainties. The forward-looking statements contained herein represent the judgement of Evotec as of the date of this press release. Such forward-looking statements are neither promises nor guarantees, but are subject to a variety of risks and uncertainties, many of which are beyond our control, and which could cause actual results to differ materially from those contemplated in these forward-looking statements. We expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any such

statements to reflect any change in our expectations or any change in events, conditions or circumstances on which any such statement is based.