Q1 2011

Go for GROWTH

Evotec AG, 1st Interim Report January – March 2011, 12th May 2011
Forward-looking statements

Information set forth in this presentation 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 report. 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.
Agenda

- **Highlights Q1 2011**
  - Update on drug discovery alliances & product development partnerships
  - Financial performance & growth outlook 2011ff
A strong start into 2011
State of play – Q1 highlights

1. 54% top-line growth, solid gross margin, significant reduction of operating loss, strong strategic cash position, very strong order book

2. Strong progress in performance-based drug discovery alliances through extensions and new contract partners, very good capacity utilization, first milestone income of 2011

3. Successful closing of M&A process with Kinaxo, good integration, first visible synergies in new partnerships (effective after period-end)

4. Highly innovative cooperation with Harvard University and Howard Hughes Medical Institute in diabetes

5. Solid progress in product development partnerships

6. Deregistration of SEC completed, Roland Oetker and Andreas Pinkwart nominated as new Supervisory Board members, Management contract of CEO extended
Strong revenue growth helps to accelerate path to sustainability

Key figures overview – Status Q1

in € m

Growth driven by discovery alliances and small milestones

<table>
<thead>
<tr>
<th>Year</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>8.2</td>
<td>9.8</td>
<td>15.1</td>
</tr>
<tr>
<td>Change</td>
<td>68%</td>
<td>+54%</td>
<td>16%</td>
</tr>
</tbody>
</table>

Further improvement of operating result

<table>
<thead>
<tr>
<th>Year</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>-20.2</td>
<td>-1.5</td>
<td>-0.8</td>
</tr>
<tr>
<td>Change</td>
<td>-55%</td>
<td>3%</td>
<td>8%</td>
</tr>
</tbody>
</table>

Strong and stable cash position

<table>
<thead>
<tr>
<th>Year</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>79.0</td>
<td>66.8</td>
<td>68.7</td>
</tr>
<tr>
<td>Change</td>
<td>+45%</td>
<td>+3%</td>
<td>+3%</td>
</tr>
</tbody>
</table>

1) Including impairment and restructuring expenses of € 8.1m
Strong outlook for 2011

Discovery alliance order book\(^1\) overview – Status April 2011

<table>
<thead>
<tr>
<th>Year</th>
<th>€ m</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>23</td>
</tr>
<tr>
<td>2009</td>
<td>24</td>
</tr>
<tr>
<td>2010</td>
<td>30</td>
</tr>
<tr>
<td>2011</td>
<td>47</td>
</tr>
</tbody>
</table>

\(^{+57\%}\)

Strong long-term demand and good capacity utilization

Increased quality of revenues due to long-term agreements

Recruitment initiative ongoing for further high quality growth

\(^1\) Sales Order Book for the current year – includes only achieved milestones
Agenda

• Highlights Q1 2011

• **Update on drug discovery alliances & product development partnerships**

• Financial performance & growth outlook 2011ff
External innovation in areas of high medical need

Our business model

- Metabolic alliances
- Pain & Inflammation alliances
- CNS alliances
- Oncology alliances

Core disease biology know-how
Best-in-class technology platforms
New alliances and good progress within growing and well balanced portfolio of partners

Selected progress within drug discovery alliances in Q1

<table>
<thead>
<tr>
<th>Partners</th>
<th>Focus area</th>
<th>Upside for Evotec</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Boehringer Ingelheim</strong></td>
<td>Oncology, pain, inflammation</td>
<td>+++</td>
<td>Milestone in further oncology target – oncology initiative getting more visibility</td>
</tr>
<tr>
<td><strong>CHDI</strong></td>
<td>CNS, Huntington disease</td>
<td>++</td>
<td>Long-term alliance expanded with even additional biology capacity</td>
</tr>
<tr>
<td><strong>ONO</strong></td>
<td>CNS, pain</td>
<td>++</td>
<td>Expansion of performance-based, long-term alliance, focused on pain</td>
</tr>
<tr>
<td><strong>Various</strong></td>
<td>Various</td>
<td>Various</td>
<td>Performance-based projects or distinct co-operations for technologies (e.g. also through Kinaxo)</td>
</tr>
</tbody>
</table>
A new world leading franchise in beta cell biology and regenerative medicine

Evotec’s CURE BETA franchise

Evotec
- 12 years of experience in beta cell regeneration
- Best-in-class drug discovery platform

Harvard Stem Cell Institute / Howard Hughes Medical Institute
- Metabolic disease targets
- Prof Doug Melton – new key strategic advisor to Evotec

MedImmune / AstraZeneca
- A perfect partner for EVT770
- First-in-class beta cell regeneration factor

Juvenile Diabetes Research Foundation (JRDF)
- Reliable supporter of Evotec’s beta cell regeneration approaches
Drug discovery efforts in regenerative medicine to initiate further drug discovery alliances

**CURE BETA and beyond**

<table>
<thead>
<tr>
<th>Disease Area</th>
<th>Description</th>
</tr>
</thead>
</table>
| Beta cell regeneration via small molecules | - Diabetes is caused by loss of beta cells  
- Current drugs do not prevent beta cell loss  
- **Approach:** Target beta cell regeneration via orally available small molecules |
| Chronic kidney disease (CKD) | - CKD has high incidence, mortality and treatment costs  
- Dialysis is the only treatment option for patients with end stage renal disease (ESRD)  
- **Approach:** Podocyte protection / regeneration |
| Muscle regeneration (e.g. heart failure) | - Leading cause of morbidity and mortality worldwide  
- Limited treatment options  
- **Approach:** Regeneration of myocytes |
| Neurodegenerative diseases | - Huntington disease, AD, PD, ALS  
- Limited treatment options  
- **Approach:** Stem cell based screening for disease modifying targets |
Building best-in-class drug discovery infrastructures
Investment focus 2011

Highly differentiated technology platforms: e.g. HCS/HTS/FBS, e-physiology, GPCRs, ion channels, kinases, computational chemistry, proteomics/mass spec., response prediction...

Ca. 8 Mio € investments for platforms, disease biology expertise

Fully integrated cutting edge disease-focused drug discovery platforms in metabolic diseases, CNS pain, inflammation, regenerative medicine...

Mechanism-based screening for disease modifying targets in metabolic diseases, CNS, chronic kidney disease...
Acquisition of Kinaxo closed

High-end mass spectrometry and world-class proteomics expertise

**Cellular Target Profiling®**

*Proteome-wide, quantitative drug/target interaction analysis*

**Application:**
- Identification of off-target liabilities
- Clinical candidate selection
- Target de-convolution
- Drug re-profiling

**KinAffinity®**

*Profiling of kinase inhibitors within the native kinome*

**Application:**
- Identification of on/off-kinase targets
- Clinical candidate selection

**PhosphoScout®**

*Global, quantitative analysis of the cellular phospho-proteome*

**Application:**
- Biomarker discovery
- Drug mode-of-action analysis in vivo
- Identification of new drug targets
**Even further reduction of own clinical risk-exposure is key for strategy**

Portfolio of product development partnerships

<table>
<thead>
<tr>
<th>Indication</th>
<th>Partner</th>
<th>Status</th>
<th>Upside for Evotec</th>
<th>Next milestone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type 1 diabetes 1)</td>
<td>Andromeda Biotech</td>
<td>Phase III</td>
<td>+++</td>
<td>Phase III data 2012</td>
</tr>
<tr>
<td>Treatment resistant depression (TRD)</td>
<td>Roche</td>
<td>Phase II</td>
<td>+++</td>
<td>Phase II data 2012</td>
</tr>
<tr>
<td>Insomnia 2)</td>
<td>Boehringer Ingelheim</td>
<td>Phase II</td>
<td>++</td>
<td>Phase IIb data 2012</td>
</tr>
<tr>
<td>Various</td>
<td>Boehringer Ingelheim</td>
<td>Phase I</td>
<td>++</td>
<td>First Phase I stopped, back-up in preparation</td>
</tr>
<tr>
<td>Inflammation</td>
<td>Pfizer</td>
<td>Phase I / preclinical</td>
<td>+++</td>
<td>First Phase I stopped, back-up in preparation</td>
</tr>
<tr>
<td>CNS; Pain, UI, others 3)</td>
<td></td>
<td>Preclinical</td>
<td>+++</td>
<td>Phase I / partnering</td>
</tr>
</tbody>
</table>

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1) DiaPep277 is being developed by Andromeda Biotech Ltd and has been partnered with TEVA Pharmaceuticals Industries Ltd
2) Chinese rights only; Safety and Phase IIb study planned starting 2011
3) H3, P2X3, P2X7, ...
# DiaPep277 – Type 1 diabetes

Example: Andromeda Biotech/Teva Pharmaceuticals

<table>
<thead>
<tr>
<th>Partner</th>
<th>Development Stage</th>
<th>Indication</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Andromeda Biotech</td>
<td>Phase III</td>
<td>Type 1 Diabetes</td>
<td>Hsp60</td>
</tr>
<tr>
<td>TEVA</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- A novel therapeutic treatment for newly diagnosed **type 1 diabetes** patients and LADA patients
  - Synthetic peptide derived from human **Hsp60**
  - Protects beta cells from autoimmune mediated destructions

- Potential market (5-10% of diabetics have Type I diabetes)
  - Andromeda/Teva estimates market potential at more than $500M
  - **Phase III data (DIA-AID 1) expected 2012**

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**DiaPep277**
NR2B-selective NMDA antagonists

Example: Roche Lead optimisation-to-clinic

<table>
<thead>
<tr>
<th>Partner</th>
<th>Development Stage</th>
<th>Indication</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roche</td>
<td>Phase II</td>
<td>e.g. TRD</td>
<td>Ion Channel</td>
</tr>
</tbody>
</table>

- Target validated in TRD, pain and Alzheimer’s by non-selective antagonists, but these produce side effects due to blockade of all receptor subtypes
- NR2B-selective antagonists **avoid side effects** and provide potential for better efficacy through wider therapeutic window
  - Identification of orally active NR2B-selective antagonists suitable for clinical development
- Molecule (EVT 101) has progressed into Phase II (TRD)
- Long-term tox programme ongoing

![Rendered image of increase in activation of the retrieval network following 15mg EVT101](image)
Agenda

- Highlights Q1 2011
- Update on drug discovery alliances & product development partnerships
- Financial performance & growth outlook 2011ff
### On track for increased FY profitability

**Key financials Q1: Condensed profit & loss statement (IFRS)**

<table>
<thead>
<tr>
<th></th>
<th>Q1 2010 Actual</th>
<th>Q1 2011 Actual</th>
<th>% vs. Actual 10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>9.8</td>
<td>15.1</td>
<td>+54%</td>
</tr>
<tr>
<td>Gross margin</td>
<td>37.9%</td>
<td>39.4%</td>
<td>+1.5%-pts.</td>
</tr>
<tr>
<td>• R&amp;D expenses</td>
<td>1.7</td>
<td>2.3</td>
<td>+33%</td>
</tr>
<tr>
<td>• SG&amp;A expenses</td>
<td>3.4</td>
<td>3.8</td>
<td>+13%</td>
</tr>
<tr>
<td>• Amortisation</td>
<td>0.1</td>
<td>0.3 ¹)</td>
<td></td>
</tr>
<tr>
<td>• Other operating expenses, net</td>
<td>0.0</td>
<td>0.4</td>
<td></td>
</tr>
<tr>
<td><strong>Operating income (loss)</strong></td>
<td>(1.5)</td>
<td>(0.8)</td>
<td>+45%</td>
</tr>
<tr>
<td><strong>Net income (loss)</strong></td>
<td>(1.2)</td>
<td>(0.4)</td>
<td>+69%</td>
</tr>
</tbody>
</table>

¹) Mainly amortisation for assets acquired with Develogen transaction

Operating income and net income significantly improved
Strong gross margin driven through integrated alliances and milestones

Revenues & gross margin Q1

<table>
<thead>
<tr>
<th>Milestones/upfronts/licenses</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.2</td>
<td>7.5</td>
<td>8.7</td>
<td>11.4</td>
</tr>
<tr>
<td>Milestones/upfronts/licenses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0.7</td>
<td></td>
<td>1.1</td>
<td></td>
</tr>
</tbody>
</table>

**Revenues in € m**
- 2009: 8.2
- 2010: 9.8
- 2011: 15.1

**Gross Margin in %**
- 2009: 36.2
- 2010: 37.9
- 2011: 39.4

+54% increase in revenues from 2009 to 2010

+1.5% increase in gross margin from 2010 to 2011
Q1 operating result of (€ 0.8)m, net result (€ 0.4)m

Overview with amortisation & impairment

in € m

<table>
<thead>
<tr>
<th>Operating result</th>
<th>Net result</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2009</td>
</tr>
<tr>
<td>Operating result</td>
<td>-13.5</td>
</tr>
<tr>
<td>before amortisation &amp; impairment</td>
<td>-1.4</td>
</tr>
<tr>
<td>Amortisation &amp; impairment</td>
<td>-6.7</td>
</tr>
<tr>
<td>Operating result before amortisation &amp; impairment</td>
<td>-20.2 1)</td>
</tr>
<tr>
<td>Operating results</td>
<td>-20.2</td>
</tr>
<tr>
<td>Non-operating results</td>
<td>-1.6</td>
</tr>
<tr>
<td>Net result</td>
<td>2009</td>
</tr>
<tr>
<td></td>
<td>-21.8</td>
</tr>
</tbody>
</table>

1) Including impairment for VR1 of € 6.6m and restructuring expenses of € 1.4m
Innovation as the key to provide the basis for new discovery alliances

Overview R&D and SG&A spend

in € m

### Focused unpartnered R&D spend for future discovery alliances

<table>
<thead>
<tr>
<th>Year</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>10.3</td>
<td>1.7</td>
<td>2.3</td>
</tr>
</tbody>
</table>

+33%

### Slight increase in SG&A reflects strong corporate growth

<table>
<thead>
<tr>
<th>Year</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>4.8</td>
<td>3.4</td>
<td>3.8</td>
</tr>
</tbody>
</table>

+13%
Expansion of team committed to growth
Management & shareholder structure

**Management Board**
- Werner Lanthaler (CEO)
  Intercell AG, McKinsey&Co, Federation of Industrialists 2)
- Mario Polywka (COO)
  17 years Evotec
- Cord Dohrmann (CSO)
  DeveloGen, MPI, Harvard Medical School
- Colin Bond (CFO)
  Novelis Europe

**Supervisory Board**
- Flemming Ørnskov
  Bayer
- Hubert Birner
  TVM Capital
- Mary Tanner
  Peter J. Solomon
- Walter Wenninger
  Ex Bayer
- Roland Oetker
  ROI 4)
- Andreas Pinkwart
  Dean of Leipzig Graduate School of Management 4)
- Heinz Riesenhuber
  Honorary Chairman

**Key scientific Advisors**
- Doug Melton
  Harvard University 3)
- William Jenkins
  Ex-Roche

**New Number of shares:** 118.2 mio 1)
**Listing:**
- Frankfurt TecDAX, OTCBB
**52 week high/low:** € 3.47 / € 1.81

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1) New number of shares after settlement of Kinaxo acquisition – expected in May
2) New CEO contract for 5 years
3) New key strategic and scientific advisor
4) Nomination for new SB Members
Global reach for global projects
Evotec employees worldwide

Abingdon, UK
~225 employees
- Medicinal chemistry
- Zebrafish screening
- ADMET
- Structural biology

Hamburg, Göttingen, Germany
~150 employees
- Screening
- HTS
- NMR
- in vitro & in vivo biology

Evotec Munich
~25 employees
- Phosphoproteomics
- Chemical proteomics

Thane, India
~140 employees
- Library synthesis & management
- Medicinal chemistry support
- Development chemistry

Singapore
- Zebrafish screening

- Sales representation (San Francisco, San Diego, Boston, Tokyo)
- Operations & sales representation
## Guidance comfortably confirmed

**Operational business overview**

<table>
<thead>
<tr>
<th></th>
<th>Q1 2010</th>
<th>Q1 2011</th>
<th>△ Q1 – Q1</th>
<th>FY Guidance 2011</th>
<th>FY 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td>9.8</td>
<td>15.1</td>
<td>+54%</td>
<td>64 - 66</td>
<td>55.3</td>
</tr>
<tr>
<td><strong>Operating income (loss)</strong></td>
<td>(1.5)</td>
<td>(0.8)</td>
<td>+45%</td>
<td>Improved over 2010</td>
<td>1.7</td>
</tr>
<tr>
<td><strong>Net income (loss)</strong></td>
<td>(1.2)</td>
<td>(0.4)</td>
<td>+69%</td>
<td>Improved over 2010</td>
<td>3.0</td>
</tr>
<tr>
<td><strong>Unpartnered R&amp;D expenses</strong></td>
<td>(1.7)</td>
<td>(2.3)</td>
<td>+33%</td>
<td>approx. 10</td>
<td>6</td>
</tr>
<tr>
<td><strong>Liquidity at period end</strong></td>
<td>66.8</td>
<td>68.7</td>
<td>+3%</td>
<td>65 1)</td>
<td>70</td>
</tr>
</tbody>
</table>

1) Excluding potential M&A activities, and payments from potential earn-out milestones to former shareholders of Kinaxo or DeveloGen
Strong news flow to come
Outlook and next steps for 2011 ff

Key milestones for 2011

1. Grow discovery alliances, build joint innovation alliances
   - Build at least two significant new integrated technology/disease alliances
   - Deliver significant and accelerated preclinical/clinical milestones
   - Show expansion success of existing alliances
   - Show operational synergies of acquisitions

2. Generate optimal pipeline progress & biotech values
   - Complete recruitment in 2011 for Phase II data of EVT 101 in 2012
   - At least 1 strategic deal for an early asset
   - Generate more innovation upsides (e.g. Harvard cooperation)

3. Manage innovation and path to profitability
   - Prepare growth of revenues by more than 15% y-o-y into 2012 ff
   - Build profitability, without infringing innovation power
   - Keep strong strategic cash position
Your contact:

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*Chief Executive Officer*

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+49.(o).40.560 81-333 Fax  
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