We attribute our successful 2003 to reliable and long-term partnerships

Elixir  DeveloGen  Curis

Novartis  GSK  Celgene
Analyst Meeting 2003 Results

Agenda

01 Overview
02 Commercial Review
03 Discovery and Development Services
   Operations and Science Review
04 Discovery Programs Division
05 Tools and Technologies (Evotec Technologies)
06 Consolidated Financial Statements 2003
07 Outlook
01 Overview

Defying market trends in 2003

We delivered:

- Group revenue growth of 10% to EUR77.2m
- Positive Group-EBITDA
- Positive operating income before amortisation in Discovery and Development Services
- Tools and Technologies break-even

- Numerous new or extended customer programmes: Roche, Novartis, Oxford Bioscience Partners portfolio companies, etc.
- Implementation of Discovery Programs strategy:
  - Initiated strategic alliance with DeveloGen (Metabolic Diseases)
  - Signed € 20m contract with Takeda (Alzheimer’s Disease)
  - In-licensed 5 pre-clinical compounds from Roche (CNS)
01 Overview

We are bridging the gap between early discovery and clinical trials for our partners

“The joint venture with Evotec OAI allows us to develop and exploit our pipeline of validated targets on an industrial scale and to the highest possible standards. With the collaboration, we bring our biology to the drug candidate stage which is where significant value is captured.” Günter Karmann, DeveloGen AG
01 Overview

Why do our partners need us?

Biotech

Disease biology

• extensive genetically derived disease knowledge
• sub-critical discovery process know how
• lack of chemical libraries

Need to partner

Research

Development

Need to partner

• growing focus on Phase II/III + marketing
• increasing early stage in-licensing
• concentration on fewer suppliers
Ideally suited to bring what our partners need

Biotech

Disease biology

- extensive genetically derived disease knowledge
- sub-critical discovery process know how
- lack of chemical libraries

Evotec OAI

Need to partner

Research

Need to partner

Development

- growing focus on Phase II/III + marketing
- increasing early stage in-licensing
- concentration on fewer suppliers

Marketing

Pharma
Critical success factor 1: Fully-integrated R&D solutions

01 Overview

Target > Discovery > Hit-to-Lead > Lead-to-Candidate > Pre-clinical Development > IND

Knowledge driven drug discovery

- Assay development, screening & hit profiling
- Computational chemistry & structural biology
- Parallel synthesis & medicinal chemistry
- Early ADMET
- Chemical analysis and purification
- Integrated IT / knowledge management and decision support

Evotec OAI

- Process R&D / Scale-up chemistry
- Pilot plant
- Pharmacokinetics, pharmacology & toxicology*
- Formulation
- Regulatory

* typically done by customer or subcontracted
Critical success factor 2:
Critical mass in science skills and facilities

- 27 biology and 5 cell-culture labs; >35 chemistry labs; 8 analytical labs
  - World-class screening factory: 3 uHTS platforms for biochemical and cellular assays
  - 2 cGMP kilo laboratories and 2 pilot plants (FDA and European quality standards)
- Cutting-edge analytical equipment
- World-class knowledge management system
- 500+ experienced scientific staff:
  - >300 discovery, development and analytical chemists
- Strong emphasis on speed, quality and customer service with a proven ability to execute
01 Overview

Critical success factor 3: Outstanding customer references

So far, we have delivered to our clients:

- > 20 lead compounds
- > 10 pre-clinical development candidates
- 3 clinically approved compounds
01 Overview

We offer fee-for-service projects (DDS) and run internal discovery programmes (DPD)

DDS
Fee-for-service, no target risk, short-term profits

Assays, Screens, Libraries, Med Chem, PRD, Scale-up, Formulation

Pharma pipeline
01 Overview

We offer fee-for-service projects (DDS) and run internal discovery programmes (DPD)

**DDS** Fee-for-service, no target risk, short-term profits

**DPD** Programmes for out-licensing; target risk, long-term upside

Drug candidates
Leads, DevCand., INDs, Phase I or IIa candidates

Pharma pipeline
17% proforma growth over past five years
In constant €‘s: 21% growth 2003 / 2002

EUR million
## 01 Overview

**Financial highlights 2003:**
Strong growth, EBITDA profitability and stable cash position

<table>
<thead>
<tr>
<th></th>
<th>2003</th>
<th>2003 Constant 2002 currencies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>EUR 77.2m</td>
<td>EUR 84.5m</td>
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<tr>
<td>Growth over 2002</td>
<td>10%</td>
<td>21%</td>
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<tr>
<td>- DDS</td>
<td>EUR 61.2m</td>
<td>EUR 68.5m</td>
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<td>- DDS over 2002</td>
<td>4%</td>
<td>17%</td>
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<td>Gross margin</td>
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<td>EBITDA</td>
<td>EUR 4.1m</td>
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<td>Cash as of 31/12</td>
<td>EUR 19.5m</td>
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</table>
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Commercial highlights

- Market share gain vs. main competitors in “Discovery and Development Services”
- Market share gains in “Tools and Technologies”
- Leading deal flow: within DDS > 30 new customers
- Long-standing customer base including most top pharma and biotech companies
- Repeat business growing by >10%
  (expansions of Roche, Novartis and >20 FTEs in OBP-related deals)
Market share gains in a tight market
14% in 2002 to 17% in 2003 ...

Service-related sales in $ 2002*

- AMRI** 157,9
- Arqule 62,8
- EOAI 54,0
- DPI 41,3
- Array 35,1
- PDD 29,3

Service-related sales in $ 2003*

- AMRI** 144,7
- EOAI 66,2
- Arqule 65,5
- DPI 49,8
- Array 35,1
- PDD 29,5

Growth in %

- AMRI** -8
- Arqule +23
- EOAI +4
- DPI +21
- Array 0
- PDD +0,7

* 1 EUR = 0.93 $ in 2002, 1 EUR = 1.13 $ in 2003
** incl. Organichem pro forma, excl. Allegra royalties

12/21/2006 Folie 17
... and Evotec Technologies doubled their market share

ET sales 2002: $10.6m

ET sales 2003: $19.4m

Total market* size ~ 400m US$

*Total Market = High Throughput Screening for Detection Instruments, Liquid Handling and Automation Systems

1 EUR = 0.93 $ in 2002, 1 EUR = 1.13$ in 2003
A full range of integrated drug discovery and development solutions …

Highlights 2003

- GPCR collaboration with Euroscreen
- Expansion of cellular assay capabilities
- Build-up of Structural Biology & Computational Chemistry
- Expansion of ADMET platform
- Natural product collaboration with Biofrontera
- Full integration of ProPharma formulation capabilities
... providing a significant competitive advantage

<table>
<thead>
<tr>
<th>Evotec OAI</th>
<th>Assay development</th>
<th>Target class expertise</th>
<th>(u)HT-Screening</th>
<th>Compound libraries</th>
<th>Computational chemistry</th>
<th>Structural biology</th>
<th>Medicinal chemistry</th>
<th>ADMET</th>
<th>PRD</th>
<th>Scale-Up &amp; Manufacturing</th>
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<tr>
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</table>

Source: Company websites
We complement our customers’ disease expertise

“Evotec OAI is much more than an outsourcing partner to us. Their understanding of drug discovery, biology processes and experienced consultancy complement our biology and understanding of the genetics of aging. In just over a year they have delivered a number of validated lead series and we firmly believe that the partnership has saved us overall two years in our development.” Peter DiStefano, Elixir Pharmaceuticals
A long-standing customer base including most top pharma and biotech companies
Major achievements (1)

- > 250 projects completed
- Long-term relationships
  - Grew collaborations with emerging biotech companies such as BioImage, Elixir, Infinity, Oxigene and Prolysis in the areas of assay development, screening and medicinal chemistry
  - Strengthened relationships with Alizyme, Celgene, DuPont and Serono in development chemistry
- New customers
  - Secured > 30 new customers in 2003
  - Initiated collaborations with several pharmaceutical and biotechnology companies using our full range of integrated capabilities, e.g. Dynogen, Oxagen and Toray
  - Started new collaborations with Anormed and Stiefel in development chemistry
  - Build CNS partnership with Takeda
Major achievements (2)
Novartis & Roche agreements expanded

% of repeat business

- **Novartis**
  - Partnership started 1997 with joint development of EVOscreen® uHTS technology
  - Recent deal extends into assay development and cellular assay screening

- **Roche**
  - Partnership initiated in 2001 in high quality chemical library synthesis
  - Recent expansion of relationship into medicinal chemistry on a high profile oncology compound
VC firm OBP: 7 deals with portfolio companies
> 20 FTEs involved

- Elixir
- Psychiatric Genomics
- Dynogen
- Artesian
- Rib-X
- Undisclosed
- Cantata

Disease know-how

Umbrella-contract

Individual contracts

⇒ We recently closed a comparable deal with MPM Capital
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07  Outlook
Summary of Discovery and Development Services (DDS)

- Revenues 2003: EUR 61.2m (+4%), Headcount: 440
- Product development
  - Integration of random and rational discovery progressed
  - X-ray crystallography group added
  - New ADMET assays handed over to operations
  - Informatics tools provide quick decisions
- Capacity expansion in Abingdon completed
- Improved integration of formulation capabilities at ProPharma
03 Operations and Science Review DDS

Increased use of rational design approaches: Virtual screening

- Docking performed using GOLD
- Grid of up to 250 PCs and a Linux cluster
- Database of 5.5 million compounds
- Established success in finding hits for enzyme targets
**Increased use of rational design approaches:**

**Structural biology**

- Established capability in protein engineering and purification for crystallography studies
- Experienced X-ray crystallography team recruited
- Rapid crystallisation screening
- *De novo* protein structure determination
- Structure determination of ligand-protein complexes
Structural biology facilities

- Automated crystallisation facilities
- Fully equipped X-ray crystallography laboratory
- Access to synchrotron radiation sources for HT data collection
- Ideally placed to exploit Diamond, the third generation Synchrotron site in Oxford
Full in vitro ADMET service now available

**In vitro potency and selectivity assays**
- Aqueous Solubility
- Permeability (PAMPA/Caco-2)
- Microsomal metabolism
- Protein Binding

**In vivo PK studies**
- CYP Inhibition
- HERG Inhibition
- Cytotoxicity (HEPG2)

Early ADMET studies accelerate lead optimisation
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<tr>
<td>Number of H-Bond Acceptors</td>
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<td>BBB Distribution</td>
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<td>Undesirable Functional Groups</td>
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<td>AVERAGE Energy (kcal/mol)</td>
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</table>

Rule 1: High chance of entering brain
Rule 2: No prediction
TPSA: Within range for BBB penetration
Discovery capacity extension in Oxford: Building 114 – space for 200 staff
ProPharma: Sophisticated drug formulation development and manufacture

- Parenteral formulation development
  - Pre-formulation
  - Formulation
  - Freeze-drying
- Sterile / aseptic manufacture
  (including cytotoxics)
- Labelling for clinical trials
- Regulatory support
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Discovery Programs Division Division (DPD): Tremendous progress

- Revenues 2003: EUR 1.5m, Headcount: 28
- Business model:
  - Create internal discovery of drug candidates for out-licensing
  - Long-term upside through more significant milestones and royalties
  - Leverage strong DDS discovery and development engine
- Launched research projects in CNS and Metabolic Diseases:
  - Strategic alliance with DeveloGen in Metabolic Diseases
  - € 20m contract with Takeda in Alzheimer’s Disease
  - ENS licensed 5 CNS compounds from Roche
- ENS prepared for venture capital financing
Evotec OAI / DeveloGen:
Discovery programme in obesity/diabetes/metabolic syndrome

Disease know-how:
- 200 primary, 30 validated targets
- Pharmacology

Discovery and development:
- Assay development
- Screening
- Medicinal chemistry
- Drug manufacture

Leads, POCDs, INDs, Phase I / IIa candidates

- Top expertise and professional resources over the entire value chain
- Rewards and cost to be shared 50:50
- > 40 scientists
- Early alliance with pharma partner
The DeveloGen / Evotec OAI JV’s expanding project portfolio

- Target validation
- Assay development
- Screening
- Hit to Lead
- Lead optimisation
- Pre-clinical development
- IND

254  244  070  261

Validation
In vivo

In vitro

Expression

Ion channels
Transporters

Kinases
Phosphatases

GPCR
NHRs
Enzymes

Feasibility
Projected ENS discovery portfolio 2004

- **Clinical**
- **Lead to IND**
- **Target to IND**
- **Disease to IND**

**Target validation**
- **Targets in discovery**
- **Hit to Lead**
- **Lead to Dev. Candidate**
- **Pre-clinical**
- **Phase I**
- **Phase II**
- **Phase III**

- NMDA receptor subtype-selective antagonists
- NN1
- NN2
- NN3
- NN4
- NN5
- Additional screens
- AD*
- T1,...Tx*

**Project initiated**
- **Target validated**
- **Hits validated**
- **Leads identified**
- **Dev. Candidate selected**
- **Entry into humans**
- **Go/No go safety**
- **Proof of concept**
- **Positive pivotal trials**
NMDA receptor NR2B subtype selective antagonists: Background

- Extensive studies over the last 15 years indicate a role for NMDA receptor antagonists in the treatment of neuropathic pain, Parkinson’s disease, Alzheimer’s disease, stroke and traumatic brain injury.

- However, the clinical development of non-selective antagonists has been hampered by a low therapeutic window due to mechanism related, CNS side-effects.

- Memantine, a low affinity, non-selective NMDA receptor antagonist recently approved in Europe and the US for treatment of moderate-to-severe AD.

- NMDA receptor subtypes exist which contain different NR2(A-D) subunits.

- Compounds highly selective for NR2B subunit-containing receptors have been identified that retain many of the beneficial effects of non-selective compounds but show much improved side effect profiles.
NMDA receptor NR2B subtype selective antagonists:
Key features

- Portfolio of six patents covering 5 lead compounds plus further compounds protected by these patents
- High affinity and selective compounds with good CNS bioavailability and high potency in vivo, including orally
- Lack HERG channel blocking activities (QT-prolongation) and activities at other known receptors and ion channels
- Active in pre-clinical studies of neuropathic pain and Parkinson’s disease and neuroprotection (e.g. stroke) with large therapeutic window with respect to adverse side-effects
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<tr>
<th>Target</th>
<th>Status</th>
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<tbody>
<tr>
<td>Target 1</td>
<td>uHTS completed, hits</td>
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<tr>
<td>Target 2</td>
<td>uHTS completed, Hit2Lead phase</td>
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<tr>
<td>Target 3</td>
<td>uHTS assay</td>
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<tr>
<td>Target 4</td>
<td>Assay development</td>
</tr>
<tr>
<td>Target 5</td>
<td>Assay development</td>
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Disease-to-IND programme: ENS Alzheimer‘s Disease programme

- Phase A: Identification of target and marker candidates for AD using differential gene expression analysis on human brain tissue samples and integration with clinical genetics data

- Phase B: Validation of targets and markers in human primary tissues, cellular and animal disease models (ongoing)

- Phase C-E: Identification of leads, chemical validation in animal disease models, and development to drug candidates for AD
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Tools and Technologies: Strong year for Evotec Technologies

- Revenues 2003: EUR 18.7m (+64.0%) , Headcount: 84
- Quality provider of life science tools and technologies
- First full year as stand alone company
- Products:
  - Two new bench-top devices launched: Elektra and Clarina II
  - Embargo for EVOscreen® is coming to an end
  - Successful collaborations with Pfizer and Olympus continued
- Large number of customer relationships secured
- Pfizer became 10% shareholder in Evotec Technologies
- US base established
“EVOscreen© Mark III has become a key platform for miniaturised screening in the low microliter range at GSK. ... …The features of this platform in terms of sensitivity and multi-dimensional read out provide us with highly informative data, in-well quality control and flagging of false signals.” Julio Martin, GSK
The embargo with its technology partners is coming to an end.
Clarina™ II workstation: uHTS Evoscreen® technology in bench-top format

- Same cutting-edge technology as in EVOscreen®
  - Data quality
  - Flexibility: 2080 to 96 well plates
  - Easy to use
- Seamless technology solution:
  - Assay development
  - uHTS
  - Secondary screening
- Valuable tool for:
  - Academia
  - Open access labs in pharma
  - Biotech companies
  - Current customer base
Elektra: Addressing a critical bottleneck in cell biology

Generation of positive clones

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<td>Transient expression</td>
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<td>Selection</td>
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<tr>
<td><strong>Cloning</strong></td>
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<tr>
<td>Identify &amp; pick clones</td>
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<tr>
<td>Amplify clones</td>
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<td>...</td>
<td>&gt; 7 weeks</td>
<td>10 days</td>
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Evotec Technologies in the US

Since 01/2003: Evotec Technologies into Technology Center Hialeah

- ET’s current US presence:
  - Sales managers on East Coast
  - Exclusive agent on West Coast
  - Application lab in Florida for training, demos and spare parts
  - Experienced German field service engineer to build up own service team

08/2003: Foundation of Evotec Technologies, Inc. EIN 20-0078154 (a Delaware Corporation)

- Boston site to be in operations by mid 2004
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Achieved revenue target, 4 year proforma CAGR of 17%

EUR million

- 1999: 41.2
- 2000: 55.7
- 2001: 63.2
- 2002: 70.0
- 2003: 77.2

+ 17% p.a.
Evotec Technologies contributed strongly to revenue growth

EUR million

1999 2000 2001 2002 2003

- DPD/ENS: 7.3, 12.8, 11.5, 11.4, 17.2
- DDS: 2.5, 15.5, 51.7, 58.6, 58.5
- ET: 9.8, 28.3, 63.2, 70.0, 77.2

06 Consolidated Financial Statements
At constant currencies, we would have grown 21%
Revenue by product group of DDS: Despite f/x effects, growth in both product lines

(indexed)

**Discovery**
2003: 39.6* EUR million

+ 6%

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<tbody>
<tr>
<td>2002</td>
<td>2003</td>
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**Development**
2003: 18.9 EUR million

+ 2%

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<tr>
<td>2002</td>
<td>2003</td>
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* incl. Intra-group revenues
Revenue by regions: Continued high weight of US business, despite USD decline

in % of revenues in EUR

- USA: 46% of worldwide revenues
Operating result*:
Cost reductions resulted in significant improvement

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<tr>
<td>2003</td>
<td>-5.1</td>
<td>-7%</td>
</tr>
</tbody>
</table>

* before amortisation and impairment
Net income: Improvement supported by absence of goodwill impairment
EBITDA: Positive for the first time in company history

EUR million

<table>
<thead>
<tr>
<th>Year</th>
<th>EBITDA</th>
<th>% of revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>-8.0</td>
<td>-82%</td>
</tr>
<tr>
<td>2000</td>
<td>-9.5</td>
<td>-34%</td>
</tr>
<tr>
<td>2001</td>
<td>-1.0</td>
<td>-2%</td>
</tr>
<tr>
<td>2002</td>
<td>-2.2</td>
<td>-3%</td>
</tr>
<tr>
<td>2003</td>
<td>+4.1</td>
<td>+5%</td>
</tr>
</tbody>
</table>
EBITDA effects: Improvement primarily from SG&A and R&D reduction

EUR million

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth</td>
<td>+3.2</td>
<td>+7.0</td>
</tr>
<tr>
<td>F/x effect on GrossProfit</td>
<td>-4.2</td>
<td>-1.5</td>
</tr>
<tr>
<td>SG&amp;A</td>
<td></td>
<td>+2.7</td>
</tr>
<tr>
<td>Other</td>
<td>-1.5</td>
<td></td>
</tr>
<tr>
<td>R&amp;D @ equity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oth. margin effects*</td>
<td>0.8</td>
<td></td>
</tr>
</tbody>
</table>

*Sales mix, utilisation/efficiency, pricing
### Group P & L

<table>
<thead>
<tr>
<th></th>
<th>2003 Actual</th>
<th>2002 Actual</th>
<th>% vs. Act 02</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td>77,2</td>
<td>70,0</td>
<td>+10%</td>
</tr>
<tr>
<td><strong>COGS</strong></td>
<td>-46,2</td>
<td>-38,5</td>
<td>-20%</td>
</tr>
<tr>
<td><strong>Gross Profit</strong></td>
<td>31,0</td>
<td>31,5</td>
<td>-2%</td>
</tr>
<tr>
<td>Gross Profit in % of Sales</td>
<td>40,2%</td>
<td>45,0%</td>
<td></td>
</tr>
<tr>
<td><strong>R&amp;D</strong></td>
<td>-15,5</td>
<td>-23,0</td>
<td>+33%</td>
</tr>
<tr>
<td><strong>SG+A</strong></td>
<td>-17,9</td>
<td>-20,5</td>
<td>+13%</td>
</tr>
<tr>
<td>Other Operating Exp.</td>
<td>-2,7</td>
<td>-2,1</td>
<td>-29%</td>
</tr>
<tr>
<td>Amortization Intangibles</td>
<td>-10,7</td>
<td>-121,4</td>
<td>+91%</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td>-15,8</td>
<td>-135,5</td>
<td>+88%</td>
</tr>
<tr>
<td>Equity in net loss of affiliate</td>
<td>-1,6</td>
<td>-0,1</td>
<td></td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>-16,9</td>
<td>-134,7</td>
<td>+87%</td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>-14,2</td>
<td>-131,6</td>
<td>+89%</td>
</tr>
<tr>
<td><strong>EBITA</strong></td>
<td>-6,2</td>
<td>-13,3</td>
<td>+53%</td>
</tr>
<tr>
<td>Depreciation</td>
<td>-10,3</td>
<td>-11,1</td>
<td>+7%</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>4,1</td>
<td>-2,2</td>
<td>+286%</td>
</tr>
</tbody>
</table>

**Delivering on promises**

**US Dollar impact**

**Reduction of technology R&D**

**DeveloGen JV**

**Absence of goodwill impairment**

+ cost containment

**Positive**
Reductions in platform R&D (DDS + TT), growing emphasis on discovery R&D (DPD)

EUR million

<table>
<thead>
<tr>
<th>Year</th>
<th>DDS</th>
<th>TT</th>
<th>DPD since '03</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>13.0</td>
<td></td>
<td></td>
<td>13.0</td>
</tr>
<tr>
<td>2000</td>
<td>18.5</td>
<td></td>
<td></td>
<td>18.5</td>
</tr>
<tr>
<td>2001</td>
<td>23.0</td>
<td></td>
<td></td>
<td>23.0</td>
</tr>
<tr>
<td>2002</td>
<td>13.3</td>
<td>7.8</td>
<td>1.9**</td>
<td>21.0</td>
</tr>
<tr>
<td>2003</td>
<td>6.5</td>
<td>5.0</td>
<td>16.9*</td>
<td>28.0</td>
</tr>
</tbody>
</table>

Δ in %

- + 42.3
- + 24.3
- + 0.0
- -26.5

* Incl. €m 1.4 R&D expenses shown at equity, ** ENS GmbH
DDS has achieved positive operating income before amortisation

P&L Discovery and Development Services (Segment)

<table>
<thead>
<tr>
<th></th>
<th>2002**</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>58.6</td>
<td>61.2*</td>
</tr>
<tr>
<td>COGS</td>
<td>12.4</td>
<td>10.2</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>5.5</td>
<td>1.7</td>
</tr>
<tr>
<td>CRD Alloc.</td>
<td>9.7</td>
<td>6.4</td>
</tr>
<tr>
<td>SG&amp;A</td>
<td>34.8</td>
<td>37.3</td>
</tr>
<tr>
<td>COH Alloc.</td>
<td>8.7</td>
<td>4.8</td>
</tr>
</tbody>
</table>

* incl. intragroup revenues
Actual ’03: 2.6m
** incl. early DPD activities
Evotec Technologies streamlined operations and came close to positive operating result before amortisation

P&L Tools and Technologies (Segment)
EUR million

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>COGS</td>
<td>-1.7</td>
<td>-0.2</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>3.8</td>
<td>5.0</td>
</tr>
<tr>
<td>CRD Alloc.</td>
<td>7.8</td>
<td>0.6</td>
</tr>
<tr>
<td>SG&amp;A</td>
<td>0.1</td>
<td>0.1</td>
</tr>
<tr>
<td>COH Alloc.</td>
<td>1.5</td>
<td>2.7</td>
</tr>
</tbody>
</table>

*Incl. intragroup revenues
Actual ’03: 1.5m

*incl. intragroup revenues
ET GmbH shows +0.6m EUR

12/21/2006 Folie 64
Break even in Operating Result in established businesses, supported creation of Programs Division with > EUR 5 m

<table>
<thead>
<tr>
<th>EUR million</th>
<th>DDS</th>
<th>Discovery Programs</th>
<th>ET</th>
<th>Consol</th>
<th>Group</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual</td>
<td>Actual</td>
<td>Actual</td>
<td>Actual</td>
<td>Actual</td>
</tr>
<tr>
<td>Revenues</td>
<td>58,6</td>
<td>1,5</td>
<td>17,2</td>
<td>0,0</td>
<td>77,2</td>
</tr>
<tr>
<td>Intra-Group Revenues</td>
<td>2,6</td>
<td>0,0</td>
<td>1,5</td>
<td>-4,1</td>
<td>0,0</td>
</tr>
<tr>
<td>Total CoGS</td>
<td>-37,3</td>
<td>-0,7</td>
<td>-10,5</td>
<td>2,2</td>
<td>-46,2</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>23,9</td>
<td>0,8</td>
<td>8,2</td>
<td>-1,9</td>
<td>31,0</td>
</tr>
<tr>
<td>G.P. in % of revenues</td>
<td>39,0%</td>
<td>55,6%</td>
<td>43,7%</td>
<td></td>
<td>40,2%</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>-8,1</td>
<td>-4,3</td>
<td>-5,1</td>
<td>2,0</td>
<td>-15,5</td>
</tr>
<tr>
<td>SG+A</td>
<td>-13,1</td>
<td>-1,8</td>
<td>-3,3</td>
<td>0,2</td>
<td>-17,9</td>
</tr>
<tr>
<td>Other Operating Expenses</td>
<td>-2,7</td>
<td>0,0</td>
<td>0,0</td>
<td>0,0</td>
<td>-2,7</td>
</tr>
<tr>
<td>Operating Income</td>
<td>0,0</td>
<td>-5,3</td>
<td>-0,2</td>
<td>0,4</td>
<td>-5,2</td>
</tr>
<tr>
<td>before amortisation and impairment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Continued hiring in drug discovery

**Headcount**

<table>
<thead>
<tr>
<th>Date</th>
<th>DDS</th>
<th>DP</th>
<th>ET</th>
<th>OH</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>31.12.02</td>
<td>635</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>31.12.03</td>
<td>642</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Net headcount increase: +7 employees
Cash and marketable securities:
We have successfully managed our cash position

EUR million

<table>
<thead>
<tr>
<th>Quarter</th>
<th>02 Q1</th>
<th>02 Q2</th>
<th>02 Q3</th>
<th>02 Q4</th>
<th>03 Q1</th>
<th>03 Q2</th>
<th>03 Q3</th>
<th>03 Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>26.1</td>
<td>18.3</td>
<td>14.9</td>
<td>21.3</td>
<td>21.0</td>
<td>16.3</td>
<td>19.0</td>
<td>19.5</td>
</tr>
</tbody>
</table>
Capital expenditures:
Significant investment in new labs on top of regular capex

EUR million

<table>
<thead>
<tr>
<th>Year</th>
<th>Capital Expenditures (EUR million)</th>
<th>Δ in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>5.1</td>
<td></td>
</tr>
<tr>
<td>2000</td>
<td>8.1</td>
<td>+58.8</td>
</tr>
<tr>
<td>2001</td>
<td>17.5</td>
<td>+116.0</td>
</tr>
<tr>
<td>2002</td>
<td>8.7*</td>
<td>-50.3</td>
</tr>
<tr>
<td>2003</td>
<td>15.6*</td>
<td>+79.3</td>
</tr>
</tbody>
</table>

*Including capital leases

Capacity expansion
Cash Flow:
Strong operating CF helped finance our investments

<table>
<thead>
<tr>
<th>EUR Million</th>
<th>31.12.03 Actual</th>
<th>31.12.02 Actual</th>
<th>% vs. Act. 02</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash from operations</td>
<td>+7,8</td>
<td>-1,0</td>
<td>+881%</td>
</tr>
<tr>
<td>Net cash from investing**</td>
<td>-15,6</td>
<td>-7,0</td>
<td>-123%</td>
</tr>
<tr>
<td>thereof leasehold improvement</td>
<td>-8,1</td>
<td>-2,1</td>
<td></td>
</tr>
<tr>
<td>Net cash from financing**</td>
<td>+7,2</td>
<td>+4,1</td>
<td>+75%</td>
</tr>
<tr>
<td>thereof loan finance</td>
<td>+5,5</td>
<td>+4,1</td>
<td></td>
</tr>
<tr>
<td>thereof capital increases subsidiaries</td>
<td>+3,0 *</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net in-/decrease in cash and securities</td>
<td>-0,6</td>
<td>-3,9</td>
<td>+85%</td>
</tr>
<tr>
<td>F/X Differences</td>
<td>-1,2</td>
<td>-2,7</td>
<td>+55%</td>
</tr>
<tr>
<td>Cash and securities at beginning of period</td>
<td>+21,3</td>
<td>+27,8</td>
<td>-23%</td>
</tr>
<tr>
<td>Cash and securities at end of period</td>
<td>+19,5</td>
<td>+21,3</td>
<td>-8%</td>
</tr>
<tr>
<td>working capital movement</td>
<td>-2,3</td>
<td>0,1</td>
<td></td>
</tr>
</tbody>
</table>

* Pfizer capital contribution

** without leasing
Assets:
Regular amortisation continued to reduce our intangibles

EUR million

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Other assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intangible assets</td>
<td>132.5</td>
<td>115.1</td>
</tr>
<tr>
<td>Property, plant and</td>
<td>62.0</td>
<td>62.1</td>
</tr>
<tr>
<td>equipment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and marketable</td>
<td>21.3</td>
<td>19.5</td>
</tr>
<tr>
<td>securities</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

241.0                              220.9
25.2                               24.2

Liabilities and stockholders‘ equity:
Solid equity position, stable long-term liabilities

EUR million

Stockholders‘ equity
Long-term liabilities incl. minorities and deferred taxes
Other short-term liabilities
Accruals

31.12. 2002
241.0
195.4
26.3
15.9
5.6
24.1
220.9
172.1
14.7
7.8
31.12. 2003
Agenda

01 Overview

02 Commercial Review

03 Operations and Science Review
   Discovery and Development Services

04 Discovery Programs Division

05 Tools and Technologies (Evotec Technologies)

06 Consolidated Financial Statements 2003

07 Outlook
2004 expectations

- Market weakness appears to have bottomed out at the end of 2003
- Signs of recovery in core markets
  - US and Japan
  - Europe lagging behind
- More significant growth only in the second half of 2004
  - Time lag between funding events and orders placed
  - Unfavourable foreign exchange rate Euro / Dollar 1st half 2004 / 2003
- Continued growth and good operational performance for full year 2004
  - Individual quarters will deviate from last year’s performance (EVOscreen)
- Ideally positioned to benefit from upswing in the outsourcing market
- Growth in internal programmes
Good order book and prospects

Sales and order book
Status as of February each year

EUR million

<table>
<thead>
<tr>
<th>Year</th>
<th>&gt; 75% potentials</th>
<th>Customer 3</th>
<th>Customer 2</th>
<th>Customer 1</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>37</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2003</td>
<td>53*</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2004</td>
<td>42</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Adjusted for a contract change with customer 2 in 2003
Synergistic partnerships