

02 December 2014

'RESEARCH NEVER STOPS'

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Evotec and Sanofi enter into exclusive negotiations for a major multi-component strategic collaboration

- Parties have entered into exclusive negotiations and expect to sign the transaction in H1 2015
- Goal to improve innovation effectiveness in drug discovery and pre-clinical development
- Building pipeline focused on oncology
- Innovation bridge from academia to Pharma
- Long-term outsourcing collaboration on key drug discovery services for Sanofi; Evotec will acquire Sanofi's scientific operations in Toulouse
- Creation of Evotec's European compound management facility and service
- Pioneering open innovation programme with Sanofi and Evotec offering their combined approx. 1.7 million small molecule libraries to biotech and other Pharma players
- €250 m minimum guaranteed commitment from Sanofi to Evotec over the next five years, including a sizeable upfront cash payment that will be defined in the agreement

Hamburg, Germany – 02 December 2014: Evotec AG (Frankfurt Stock Exchange: EVT, TecDAX, ISIN: DE0005664809) announced today that it has entered into exclusive negotiations with Sanofi on a major multi-component strategic alliance over the next five years.

The collaboration will comprise three major strategic initiatives all focused on improving innovation effectiveness in the drug discovery and pre-clinical development space and cement Evotec's position as the leading drug discovery collaboration partner to the Pharma and biotech industry as well as academia.

The collaboration will result in a minimum guaranteed commitment from Sanofi to Evotec of €250 m over the next five years, including a sizeable upfront cash payment that will be defined in the agreement. It will include a co-development agreement with associated upfront, development, regulatory and sales milestones as well as royalties benefiting both parties. This multi-component transaction is expected to be signed in the first half of 2015, subject to finalization of definitive agreements and completion of the appropriate social process.

Dr Werner Lanthaler, Chief Executive Officer of Evotec, said: “We are very proud that Sanofi has chosen Evotec for this significant alliance. This collaboration is a major milestone in the drug discovery space and accelerates Evotec’s strategy to become the leading drug discovery partner to the Pharma and biotech industry as well as academia. We will warmly welcome the Sanofi employees to the Evotec Group and look forward to working with them.”

“Open innovation is a key driver of Sanofi’s strategy. We believe Evotec will be an ideal partner, a company that fits our quality expectations and our strategic vision. Our collaboration will secure the future for our employees in Toulouse and importantly accelerate our pipeline productivity”, **said Dr Elias Zerhouni, President Global R&D for Sanofi.**

The alliance, upon completion, will cover three major strategic initiatives:

1. Pipeline-building collaboration with initial focus on oncology

Under the agreement, both partners will collaborate on selected pre-clinical development projects with a focus on oncology and potential Cure X/Target X initiatives.

Evotec will typically accelerate drug discovery projects to the point of pre-clinical development candidates (“PDC”) from which point Sanofi may take over the development and commercialisation. Evotec will license from Sanofi a portfolio of projects including five well-advanced pre-clinical projects in oncology that will be progressed to IND (“Investigational new drug”) jointly by Sanofi and Evotec before potential partnering.

French academic bridge programme

Evotec will continue to expand its Cure X/Target X business model to leverage scientific expertise and a broad portfolio of drug development services to capitalise on the most promising science from French and European academia. Sanofi will fund this initiative through a commitment to Evotec’s scouting strategy over the period of the agreements. Sanofi could provide support to individual projects that will be progressed through this academic bridge programme.

2. Outsourcing alliance including acquisition of Sanofi’s drug discovery operations in Toulouse to build an European centre of excellence for compound management and drug discovery services

In order to meet its strategic capacity needs, Evotec will expand its industry-leading capabilities in integrated drug discovery of currently approx. 650 scientists by integrating a state-of-the-art scientific and technological facility which has more than 200 highly qualified and experienced scientists from the Sanofi research site in Toulouse, France. Evotec will integrate the Toulouse capacities, which is a highly productive small molecule discovery site, into its global drug discovery platform. The expanded capabilities will cover the early-stage discovery and pre-clinical process from screening to medicinal chemistry. From this new facility, Evotec will perform collaborative research with its Pharma, biotech and academic partners as well as its own internal oncology research.

Strategic service agreement in compound management

Evotec will assume management of Sanofi’s global screening compound library as well as provide a broad range of drug discovery services for Sanofi for the period of the contracts.

By thus increasing capability in compound management services, Evotec will cement its position as the world leader in outsourced compound management.

3. Pioneering open innovation by offering combined libraries

In a ground-breaking initiative within the industry, Sanofi and Evotec plan to combine their libraries to make them available for screening to Evotec's partners. The Sanofi library, established on its Toulouse site with over 1,000,000 compounds, will expand Evotec's own corporate library of more than 400,000 compounds, thus creating a very large and valuable source of starting points for drug discovery. Evotec will screen the libraries against collaborators' and partners' targets under pre-agreed terms from which Sanofi will receive a contribution if a product is developed from a library hit. This initiative further consolidates Evotec's position as the leading provider of screening services in the industry.

Evotec invites you to join a conference call to provide information regarding this major alliance with Sanofi. The conference will be held in English.

Webcast/Conference Call

Conference call details

Date: **Wednesday, 03 December 2014**
Time: **9.30 am CET (08.30 am GMT, 3.30 am EST)**

From Germany: +49 (0) 69 2017 44 210
From UK: +44 20 7153 9154
From USA: +1 877 423 0830
Access Code: 129176#

A simultaneous slide presentation for participants dialling in *via phone* is available at <http://www.audio-webcast.com/> password: evotec1214.

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 2017 44 221 (Germany) or +44 20 3364 5200 (UK) and in the US by dialling +1 855 839 8920. The access code is 350788#. The on-demand version of the webcast will be available on our website:
<http://www.evotec.com/article/en/Investoren/Finanzberichte-2012-2014/238/6>.

ABOUT SANOFI

Sanofi, a global healthcare leader, discovers, develops and distributes therapeutic solutions focused on patients' needs. Sanofi has core strengths in the field of healthcare with seven growth platforms: diabetes solutions, human vaccines, innovative drugs, consumer healthcare, emerging markets, animal health and the new Genzyme. Sanofi is listed in Paris (EURONEXT: SAN) and in New York (NYSE: SNY).

ABOUT EVOTEC AG

Evotec is a drug discovery alliance and development partnership company focused on rapidly progressing innovative product approaches with leading

pharmaceutical and biotechnology companies. We operate worldwide providing the highest quality stand-alone and integrated drug discovery solutions, covering all activities from target-to-clinic. 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 neuroscience, pain, metabolic diseases as well as oncology, inflammation and infectious diseases. Evotec has long-term discovery alliances with partners including Bayer, Boehringer Ingelheim, CHDI, Genentech, Janssen Pharmaceuticals, MedImmune/AstraZeneca, Roche and UCB. In addition, the Company has existing development partnerships and product candidates both in clinical and pre-clinical development. These include partnerships with Boehringer Ingelheim and MedImmune in the field of diabetes, with Janssen Pharmaceuticals in the field of depression and with Roche in the field of Alzheimer's disease. For additional information please go to www.evotec.com.

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.*