

EVOTEC ACHIEVES FIRST MILESTONE IN DIABETES ALLIANCE WITH SANOFI

Hamburg, Germany 05 April 2017: Evotec AG (Frankfurt Stock Exchange: EVT, TecDAX, ISIN: DE0005664809) today announced that its strategic alliance (TargetBCD) with Sanofi in the field of diabetes has reached an important milestone, triggering a payment of € 3.0 m to Evotec, for achieving pre-clinical proof-of-concept.

This milestone was achieved under the agreement between Evotec and Sanofi signed in August 2015. The goal of this collaboration is to develop a beta cell replacement therapy based on functional beta cells derived from human stem cells. In addition, Sanofi and Evotec also aim to use human beta cells for high-throughput drug screening to identify small molecules or biologics beneficial for beta cell activity.

Dr Cord Dohrmann, Chief Scientific Officer of Evotec, commented:

"Diabetes represents one of the major threats to global healthcare systems and we are committed to discover new treatment options together with our colleagues at Sanofi. We are very pleased to have achieved this very important milestone that represents a major step forward towards developing a new therapeutic option for diabetes patients."

ABOUT BETA CELLS

Beta cells play a key role in the pathogenesis of diabetes, a condition which currently affects 415 million patients worldwide. Beta cells reside in clusters of hormone producing cells ("islets") within the pancreas. They respond to elevated blood glucose levels (e.g. after a meal) by secreting the glucose lowering hormone insulin. In the type 1 form of diabetes ("T1D"), beta cells are destroyed by the patient's own immune system. As a result, T1D patients have to follow a life-long regimen of carefully dosed insulin injections. In patients with type 2 diabetes ("T2D"), beta cells are functionally impaired and yet have to work in the presence of metabolic stress and increased work load due to an impaired tissue insulin response. T2D is progressive, and current therapeutic options cannot prevent the deterioration of beta cell function, eventually also creating a need for insulin injections. Insulin injections represent a significant

burden to patients. They cannot fully mimic the normal control of blood glucose levels by normal beta cells, frequently resulting in debilitating acute and long-term complications. There is an enormous medical need for novel therapeutic options which can restore beta cell mass and thereby reduce or eliminate the need for insulin injections, or which can prevent or reverse the decline in beta cell function in type 2 diabetes.

ABOUT DIABETES

Diabetes mellitus (“Diabetes”) is a chronic incapacitating disease associated with severe lifelong conditions which require intensive monitoring and control, such as cardiovascular diseases, kidney diseases, nerve damage and eye diseases. At present, there is no cure for diabetes and only symptomatic treatment options are available. According to the International Diabetes Federation, approximately 415 million people worldwide have diabetes in 2015 (2014: 387 million). Of these, about 46.5% have not yet been diagnosed and are at risk of costly and debilitating diabetes complications. Concerning the diabetes market volume, approx. \$ 673 bn were spent on the treatment of diabetes in 2015 (2014: \$ 612 bn).

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, academics, patient advocacy groups and venture capitalists. We operate worldwide providing the highest quality stand-alone and integrated drug discovery solutions, covering all activities from target-to-clinic to meet the industry's need for innovation and efficiency in drug discovery (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 neuroscience, diabetes and complications of diabetes, pain and inflammation, oncology and infectious diseases. On this basis, Evotec has built a broad and deep pipeline of more than 70 partnered product opportunities at clinical, pre-clinical and discovery stages (EVT Innovate). Evotec has established multiple long-term discovery alliances with partners including Bayer, CHDI, Sanofi or UCB and development partnerships with e.g. Sanofi in the field of diabetes, with Pfizer in the field of tissue fibrosis and Celgene in the field of neurodegenerative diseases. For additional information, please go to www.evotec.com and follow us on Twitter [@EvotecAG](https://twitter.com/EvotecAG).

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.