

12 August 2015

'RESEARCH NEVER STOPS'

info@evotec.com | www.evotec.com

For further information,
please contact

Gabriele Hansen
*VP, Corporate Communications &
Investor Relations*
+49.(0)40.560 81-255
+49.(0)40.560 81-333 Fax
gabriele.hansen@evotec.com

Evotec AG
Manfred Eigen Campus
Essener Bogen 7
22419 Hamburg (Germany)

Evotec AG reports results of first half of 2015

- **STRONG PERFORMANCE OF EVT EXECUTE SERVICES**
- **ACCELERATION OF EVT INNOVATE STRATEGY**

Hamburg, Germany – 12 August 2015: Evotec AG (Frankfurt Stock Exchange: EVT, TecDAX, ISIN: DE0005664809) today reported financial results and corporate updates for the first half of 2015.

EVT Execute reports excellent revenue growth, EVT Innovate shows significant transaction success and accelerates investments

- EVT Execute revenues up 49% compared to the prior-year period; Group revenues grew by 37% to € 55.0 m (2014: € 40.1 m); EVT Innovate initiates two significant Pharma alliances (after period-end) and increased R&D investments by 48% to € 10.4 m
- Strong EBITDA before contingent considerations of € 9.8 m for EVT Execute; Group EBITDA (adjusted for changes in contingent consideration as well as for one-time effects with regards to the bargain purchase resulting from the acquisition of Evotec (France) SAS) positive at € 0.8 m and increased compared to the same period of the previous year (2014: € 0.6 m)
- Strongest liquidity position in the Company history at € 140.9 m
- One-time positive effect on operating result due to income from bargain purchase

EVT Execute

Excellent performance of service business provides strong basis for future growth

- Drug discovery collaboration with Facio Therapies
- Strong screening pipeline of new deals and continued success in ongoing collaborations
- Milestones achieved in endometriosis collaboration with Bayer HealthCare
- Research initiative with Gladstone Institutes and Dolby Family Ventures in Alzheimer's disease (after period-end)

EVT Innovate

Despite clinical failure, business model works, first-in-class drug discovery to create long-term value

- Phase IIb study of Sembragiline (EVT302) conducted by Roche did not meet primary endpoint
- Successful partnering of TargetBCD (Diabetes) with Sanofi and TargetImmuniT (Immuno-oncology) with Apeiron and Sanofi, two Cure X/Target X initiatives which combined have the potential to deliver more than € 500 m in upfront and milestone payments plus

high royalties in addition to significant research payments (after period-end)

Revenue guidance 2015 raised

— All elements of financial guidance as of 12 May 2015 confirmed

1. Operational performance

EVT Execute reports excellent revenue growth, EVT Innovate shows significant transaction success and accelerates investments

Segment information for the **first six months of 2015**:

<i>In T€</i>	<i>EVT Execute</i>	<i>EVT Innovate</i>	<i>Intersegment eliminations</i>	<i>Not allocated</i>	<i>Evotec Group</i>
Revenues	59,170	8,223	(12,435)	-	54,958
Costs of revenue	(45,101)	(4,466)	10,375	-	(39,192)
Gross profit	14,069	3,757	(2,060)	-	15,766
Operating income and (expenses)					
R&D expenses	(190)	(10,376)	2,060	-	(8,506)
SG&A expenses	(9,324)	(3,062)	-	-	(12,386)
Amortisation of intangible assets	(1,275)	(189)	-	-	(1,464)
Impairment of intangible assets	-	(69)	-	-	(69)
Income from bargain purchase	-	-	-	18,476	18,476
Other operating income	3,953	529	-	-	4,482
Other operating expenses	(3,269)	(108)	-	-	(3,377)
Total operating income and (expenses)	(10,105)	(13,275)	2,060	18,476	(2,844)
Operating income (loss)	3,964	(9,518)	-	18,476	12,922
EBITDA adjusted	9,846	(9,051)	-	-	795

Segment information for the first **six months of 2014**:

<i>In T€</i>	<i>EVT Execute</i>	<i>EVT Innovate</i>	<i>Intersegment eliminations</i>	<i>Evotec Group</i>
Revenues	39,690	8,631	(8,236)	40,085
Costs of revenue	(30,507)	(4,777)	6,990	(28,294)
Gross profit	9,183	3,854	(1,246)	11,791
Operating income and (expenses)				
R&D expenses	(518)	(7,012)	1,246	(6,284)
SG&A expenses	(6,733)	(2,147)	-	(8,880)
Amortisation of intangible assets	(1,163)	(190)	-	(1,353)
Income from bargain purchase	-	152	-	152
Other operating income	2,119	62	-	2,181
Other operating expenses	(1,172)	-	-	(1,172)
Total operating expenses	(7,467)	(9,135)	1,246	(15,356)
Operating income (loss)	1,716	(5,281)	-	(3,565)
EBITDA adjusted	5,520	(4,913)	-	607

Revenues from the EVT Execute segment amounted to € 59.2 m in the first half of 2015, an increase of 49% compared to the same period of the previous year (first six months of 2014: € 40.0 m). This increase is primarily attributable to growth of the base business, supported by a positive development of the anti-infectives business unit and foreign exchange rate effects. Included in this amount are € 12.4 m of intersegment revenues (first six months of 2014: € 8.2 m). The EVT Innovate segment generated revenues in the amount of € 8.2 m consisting entirely of third-party revenues (first six months of 2014: € 8.6 m). Gross margin at EVT Execute was 23.8% while EVT Innovate generated a gross margin of 45.7%. R&D expenses for the EVT Innovate segment increased from € 7.0 m in the first six months of 2014 to € 10.4 m in the first six months of 2015 due to investments in projects in the oncology space at the Toulouse site as well as increased investments in existing Cure X and Target X initiatives. In the first six months of 2015, the adjusted EBITDA (before changes in contingent consideration) of the EVT Execute segment was high at € 9.8 m and significantly improved compared to the same period of the previous year (first six months of 2014: € 5.5 m) due to the strong increase in revenues. The EVT Innovate segment reported an EBITDA

before changes in contingent consideration of € (9.0) m (first six months of 2014: € (4.9) m).

Evotec's Group revenues for the first half of 2015 grew to € 55.0 m, an increase of 37% compared to the same period of the previous year (2014: € 40.1 m). This increase is due to growth in the core EVT Execute business, the contribution of the Sanofi collaboration, milestone achievements and favourable foreign exchange rate effects. Excluding milestones, upfronts and licences and revenue contributions from the acquired businesses of Bionamics, Euprotec and Sanofi, Evotec's revenues for the first half of 2015 were € 36.7* m and increased by 7*% over the same period of the previous year (2014: € 34.3* m).

Adjusted Group EBITDA in the first six months of 2015 amounted to € 0.8 m (first six months of 2014: € 0.6 m). EBITDA was adjusted for changes in contingent consideration as well as for one-time effects with regards to the bargain purchase resulting from the acquisition of Evotec (France) in 2015 and Bionamics GmbH in 2014. Evotec's operating income for the first half of 2015 amounted to € 12.9 m (2014: operating loss of € 3.6 m) and is mainly due to the preliminary income from bargain purchase resulting from the acquisition of Evotec (France).

Liquidity including cash and cash equivalents and investments amounted to € 140.9 m at the end of June 2015, marking the strongest liquidity position in the Company's history. This increase in liquidity is mainly attributable to the cash inflow resulting from the Sanofi transaction.

*Corrections of transmission error from 12 August 2015, 5pm CET

2. EVT Execute and EVT Innovate

EVT Execute

Excellent performance of service business provides strong basis for future growth

Drug discovery collaboration with Facio Therapies

At the end of April 2015, Evotec and Facio Therapies announced the start of an agreement aimed at the identification of compounds showing activity as a potential treatment to stop the progression of Facioscapulohumeral dystrophy ("FSHD"), a muscle wasting disease. The compounds that show promising activity in this screen are expected to be available in the first half of 2016. These compounds will require extensive further testing to produce compounds that are suitable for the development of a therapeutic for the treatment of FSHD.

Strong screening pipeline of new deals and continued success in ongoing collaborations

The EVT Execute segment continued its strong performance in the first half of 2015. Many new alliances were signed with companies such as Spero, Padlock and C4X Discovery. The screening pipeline grew substantially with screens initiated by, amongst others, UCB and Biogen. Established collaborations with Navitor and Active Biotech were extended and a major work order was agreed through our long-term compound management partnership with NIH. Furthermore, the build-up of the new protein production facility in Princeton (USA) is proceeding according to plan and has already delivered on its first

projects to a major US Pharma client.

Milestones achieved in endometriosis collaboration with Bayer HealthCare

In the first half of 2015, Evotec reached two important milestones in its multi-target collaboration with Bayer for the transition of early lead candidate molecules into lead-structure optimisation for two key targets. These milestones were achieved under the five-year agreement between Evotec and Bayer signed in October 2012. The goal of this collaboration is to identify three pre-clinical candidates for the treatment of endometriosis within the five-year alliance which Bayer will then bring to the IND stage. Both parties contribute innovative drug targets and high-quality technology infrastructures and share the responsibility for early research and pre-clinical characterisation of potential clinical candidates in the disease area of endometriosis.

Research initiative with Gladstone Institutes and Dolby Family Ventures in Alzheimer's disease (after period-end)

After period-end, Evotec announced that it is going to be part in a research initiative initiated by Gladstone Institutes and Dolby Family Ventures, called the Cure Network Ventures, Inc., a newly established for-profit company. This initiative bridges the gap between basic science and advanced drug discovery by combining a highly innovative scientific research programme with state-of-the-art drug discovery capabilities and a funding source interested in identifying new therapeutic avenues for Alzheimer's disease.

EVT Innovate

Despite clinical failure, business model works, first-in-class drug discovery to create long-term value

Phase IIb study of Sembragiline (EVT302) conducted by Roche did not meet primary endpoint

At the end of June 2015, Roche analysed the initial results of the Phase IIb trial with Sembragiline (RG1577, EVT302), a MAO-B inhibitor for the treatment of Alzheimer's disease. In this study, Sembragiline failed to demonstrate benefit on the primary endpoint (Alzheimer's Disease Assessment Scale – Cognitive Behaviour Subscale, ADAS-cog-11) after 52 weeks of treatment. Preliminary safety analyses showed that Sembragiline was well tolerated with no safety signals identified.

Successful partnering of TargetBCD (Diabetes) with Sanofi and TargetImmuniT (Immuno-oncology) with Apeiron and Sanofi, two Cure X/Target X initiatives which combined have the potential to deliver more than € 500 m in upfront and milestone payments plus high royalties in addition to significant research payments (after period-end)

In August 2015, Evotec and Sanofi announced a strategic risk-shared collaboration in the field of diabetes (TargetBCD). The goal of this collaboration will be to develop a beta cell replacement therapy based on functional human beta cells derived from human stem cells. In addition, Sanofi and Evotec will also use human beta cells for high-throughput drug screening to identify beta cell active small molecules or biologics. The agreement between Evotec and Sanofi triggers an upfront payment of € 3 m, potential pre-clinical, clinical, regulatory and commercial milestones which could total over € 300 m as well as significant royalties and research payments.

Effective after period-end, Evotec, Apeiron Biologics and Sanofi entered into a strategic collaboration to develop novel small molecule-based cancer immunotherapies (*TargetImmuniT*). This collaboration includes major research and development efforts to advance a first-in-class small molecule approach to treat solid and haematopoietic cancers by enhancing the anti-tumour activity of human lymphocytes. The agreement triggers two years of substantial research payments for Evotec and Apeiron Biologics with the opportunity to receive pre-clinical, clinical, regulatory and commercial milestones which could total over € 200 m as well as royalties upon commercialisation.

JingXin Pharmaceuticals shows good progress of Phase II study with EVT201

In the first half of 2015, JingXin Pharmaceuticals Co., Ltd. (China) informed Evotec about positive development progress of EVT201 for the treatment of insomnia in China.

3. Sanofi transaction – Accelerator for EVT Execute and EVT Innovate segments

On 31 March 2015, Evotec closed a five-year, major multi-component strategic alliance with Sanofi effective 01 April 2015. One of the major cornerstones of this alliance is the acquisition of Sanofi's research site in Toulouse, France, including more than 200 highly experienced employees to support the expansion of Evotec's drug discovery capabilities and capacities.

The integration of the new research site is proceeding successfully and the first small third-party projects were launched in the second quarter of 2015, ahead of expectations. The bargain purchase resulting from the acquisition was not allocated to segments. The initial accounting is provisional with regard to the fair values used to measure the assets and liabilities of the combination. It may therefore be subject to material changes.

4. Revenue guidance 2015 raised

Evotec's financial guidance was updated in March 2015 and May 2015 due to the financial impact of the Sanofi transaction.

In 2015, total Group revenues excluding milestones, upfronts and licences are expected to increase more than 35%.

Evotec's Group EBITDA before changes in contingent considerations is expected to be positive. EBITDA is defined as earnings before interest, taxes, depreciation and amortisation of intangibles. EBITDA excludes impairments on other intangibles, tangible assets and goodwill as well as the total non-operating result.

Evotec expects research and development (R&D) expenses to grow to € 15 m – € 20 m in 2015.

In 2015, Evotec will continue to invest in its technology platforms and capacities in order to drive its long-term growth strategy. It is therefore planned that up to € 10 m will be invested in further capacity increases and the upgrade of Evotec's technological capabilities.

Liquidity is expected to be well in excess of € 100 m at 31 December 2015. This forecast excludes any potential cash outflow from M&A or similar transactions.

The Company's mid-term financial plan does not envisage the need for any additional external financing for Evotec's operating business. However, all strategically desirable moves such as potential company or product acquisitions will need to be considered on a case by case basis.

The statements on business direction and strategy, expected research and development, business opportunities and dividends continue to be valid as published in Evotec's Annual Report 2014 on pages 68 to 70.

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. The conference will be held in English.

Conference call details

Date: **Wednesday, 12 August 2015**
Time: **02.00 pm CEST (01.00 pm BST/08.00 am EDT)**

From Germany: +49 (0) 69 22 22 29 043
From UK: +44 20 3009 2452
From USA: +1 855 402 7766
From France: +33 170 75 07 05
Access Code: 37969784#

A simultaneous slide presentation for participants dialling in *via phone* is available at <http://www.audio-webcast.com/> password: evotec0815.

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 22 22 33 985 (Germany) or +44 20 3426 2807 (UK) and in the US by dialling +1 866 535 8030. The access code is 654573#. The on-demand version of the webcast will be available on our website:
<http://www.evotec.com/article/en/Investors/Finance/Financial-Reports-2013-2015/188/6/26>.

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. 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.*

