Evotec & Sanofi enter into exclusive negotiations for major multi-component strategic collaboration
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 presentation. 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.
Welcome!

Evotec Management Team

Werner Lanthaler, CEO
Colin Bond, CFO
Mario Polywka, COO
Cord Dohrmann, CSO
Agenda

The alliance

Evotec’s strategy – Execute on Innovate

Summary and financial implications
Major collaboration across Innovate and Execute

Transaction under **final exclusive negotiations**

- Multiple high-value initiatives for EVT Execute & EVT Innovate, pipeline of joint oncology projects with significant upside for Evotec
- Approx. € 250 m guaranteed commitment from Sanofi over the next five years
- A sizeable upfront cash payment to be defined in the agreement immediately after completion of the transaction and signing, expected in H1 2015\(^1\)

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\(^1\) Subject to finalization of definitive agreements and completion of the appropriate social process
## Three big initiatives to improve innovation efficiency

### Elements of the alliance

### Pipeline-building collaboration in oncology
- Pipeline of pre-clinical oncology discovery projects licensed from Sanofi to Evotec
- Potential joint Cure X/Target X initiatives and multiple oncology discovery targets
- Creation of fund dedicated to scientific projects with academia in France & EU

### Outsourcing alliance
- Transfer of industry-leading integrated scientific operations in Toulouse with approx. 200 scientists to Evotec
- State-of-the-art compound management operations in Toulouse as “Evotec’s European centre for compound management services”
- Discovery Master Service Agreement for five years

### Pioneering open innovation – Combined small molecule libraries
- Sanofi’s global screening library will be made available for screening to Evotec’s Pharma, biotech and academic partners
Adding Toulouse & Sanofi to Evotec’s footprint

Evotec overview – A step function from approx. 650 to 860 scientists

- **San Francisco, Branford and Princeton, USA**
  ~65 employees
  - Compound ID, selection and acquisition
  - Compound QC, storage and distribution
  - Protein production

- **Abingdon and Manchester, UK**
  ~280 employees
  - Medicinal chemistry
  - ADMET
  - Structural biology
  - Anti-infective platform/screening
  - PK/PD profiling services

- **Hamburg, Germany (Manfred Eigen Campus)**
  ~290 employees
  - Hit identification platforms
  - Biophysics
  - *In vitro & in vivo* biology

- **Munich and Göttingen, Germany**
  ~85 employees
  - *In vitro & in vivo* biology
  - Chemical proteomics
  - Proteome-wide Mode-of-action studies
  - Biomarker discovery and validation

- **Toulouse, France**
  ~200 scientists
  - Library management
  - Screening
  - Proteomics
  - CMC
  - Protein production
  - Medicinal chemistry
  - Oncology discovery

*Sanofi Toulouse is a pivotal part of Oncopole; Oncopole, initiated in 2003, is aimed as major effort to fight against cancer.*
Agenda

The alliance

Evotec’s strategy – Execute on Innovate

Summary and financial implications
Outsourcing to improve R&D productivity

Market dynamics in drug discovery

Drivers of more flexible models between Pharma, biotech & CROs

1. Increasing comfort with outsourcing
2. Higher R&D capital efficiency & performance-based compensation for innovation
3. Ability to adjust speed proportional to portfolio, success, funding, strategic needs etc.

Drug discovery outsourcing is a macro trend
Market overview – Revenues, in $ bn

- 2011: 9.7
- 2012: 11.1
- 2013: 12.8
- 2014(e): 14.8
- 2015(e): 16.6
- 2016(e): 18.8
- 2017(e): 21.3

5–10% p.a.

Source: Visiongain; Drug Discovery Outsourcing: World Market 2012
Building a product pipeline by sharing development risks supported by discovery services and profits

Evotec’s strategy

- Restructuring
- Capital efficiency strategy for sustainability
- Addition of first Innovate elements

- Invest in highest quality early discovery service platform
- Build performance-based integrated discovery and clinical alliances
- Cure X/Target X strategy acceleration
- Business segmentation

- Gain royalties on top of service and milestone income through strategic product pipeline building
- Cure X/Target X initiatives in strategic disease areas with high medical need
- “High Quality Western” Execute business
- “Academic bridge” strategy in EU & US

2009

2012

2014/15

2020
Two segments – ONE company

EVT Execute & EVT Innovate

**HIGHEST QUALITY AND MOST CAPITAL EFFICIENT DRUG DISCOVERY OUTSOURCING PLATFORM**

*EVT Execute*

**THE BRIDGE FROM ACADEMIA TO PHARMA**

*EVT Innovate*
Perfect match of growth capacities, high-quality capabilities and new strategic customer

EVT Execute & Sanofi

Execute on strategy

- Increased highest quality capacity in chemistry and biology
- Additional drug discovery capabilities, e.g. antibody, therapeutic protein production, early development
Ground-breaking “Open Innovation“ initiative with Sanofi Global Screening Library

From high-content screening to target selection

“Open Innovation“ Hit Discovery Initiative

• Evotec’s high-quality library with 400,000 compounds – combined with Sanofi’s 1.3 million compound library for third-party screening

• Combination creates world-leading hit discovery service with attractive commercial terms for Pharma and biotech
## Product opportunities with significant upside

Evotec’s partnership portfolio strategy

<table>
<thead>
<tr>
<th>Molecule</th>
<th>Indication</th>
<th>Partner</th>
<th>Discovery</th>
<th>Pre-clinical</th>
<th>Phase I</th>
<th>Phase II</th>
<th>Phase III</th>
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<td>MedImmune</td>
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<td>DebiopharmGroup</td>
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<td>NEU2/Bionamics</td>
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1) RO4602522
2) Not disclosed
3) Under evaluation
### Alliance adds key capabilities especially in oncology

Strategic focus areas and key themes of EVT Innovate

#### ONCOLOGY

- Epigenetics & immunotherapy
  - Modulating pathways not single targets
  - Large emerging class of new targets
  - Adding: Tumour Microenvironment

#### NEUROSCIENCE

- Patient-derived iPS cells as disease models
  - Screening in human disease models
  - Initial focus in neuroscience
  - Motor, striatal and cortical neurons

#### DIABETES & COMPLICATIONS

- Beta cells, podocytes, PMT
  - Accessing an unlimited supply of human beta cells
  - Pursuing podocyte-related mechanisms
  - Targeting the pericyte to myofibroblast transition

### Opportunities

- Pain, anti-infectives, anti-inflammatory
## A step-function for Evotec’s pipeline-building strategy in oncology

**EVT Innovate & Sanofi**

<table>
<thead>
<tr>
<th>Molecule(s)</th>
<th>Indication (mechanism)</th>
<th>Partner</th>
<th>Status</th>
<th>Next milestone</th>
<th>Commercials</th>
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<td>Aspireo Pharmaceuticals</td>
<td>Phase IIa</td>
<td>Pharma partnership</td>
<td>Consulting fees, royalties</td>
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<td>Phase I</td>
<td>ND$^1$</td>
<td>Research payments, milestones, royalties</td>
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<td>ND$^1$/Biomarker platform</td>
<td>Oncology</td>
<td>Roche</td>
<td>Phase I</td>
<td>ND$^1$</td>
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<td>ND$^1$</td>
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<td>Research payments, milestones, royalties</td>
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<td>Pre-clinical</td>
<td>Pharma partnership</td>
<td>ND$^1$</td>
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<td>TargetImmunist</td>
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<td>Apeiron Biologics</td>
<td>Pre-clinical</td>
<td>Pharma partnership</td>
<td>ND$^1$</td>
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<td>Glioblastoma</td>
<td>Yale University</td>
<td>H2L$^2$</td>
<td>Pharma partnership</td>
<td>ND$^1$</td>
</tr>
</tbody>
</table>

- Five pre-clinical oncology assets
- Multiple early discovery projects
- Multiple Cure X/Target X initiatives as opportunities

$^1$ Not disclosed
$^2$ Hit to Lead
Five projects with multiple indications will enter clinical studies within 24 months

Highlights of EVT Innovate alliance

<table>
<thead>
<tr>
<th>Primary indication(s)</th>
<th>Pre-clinical validation</th>
<th>First-/Best-in-class</th>
<th>Format</th>
<th>Potential IND</th>
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<tbody>
<tr>
<td>Lung cancer, glioblastoma</td>
<td>✓</td>
<td>✓</td>
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<td>2016/17</td>
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<tr>
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<td>✓</td>
<td>SM</td>
<td>2016/17</td>
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<td>2016/17</td>
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<td>Pancreatic cancer</td>
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<td>SM</td>
<td>2016/17</td>
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</tbody>
</table>

Co-development agreement with Sanofi up to IND – Pre-clinical development plans are geared towards generating clinical ‘proof of mechanism’
Initiative of Evotec and Sanofi to translate first-in-class science to industry

“The French Academic Bridge”

2012

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Institution/Company</th>
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</thead>
<tbody>
<tr>
<td><strong>CureBeta</strong></td>
<td>(Harvard Stem Cell Institute)</td>
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<tr>
<td><strong>CureNephron</strong>$^1$</td>
<td>(Harvard, BWH, USC, AstraZeneca)</td>
</tr>
<tr>
<td><strong>TargetASIC</strong>$^1$</td>
<td>(BMBF/undisclosed Pharma partner)</td>
</tr>
<tr>
<td><strong>Somatoprim</strong></td>
<td>(Aspireo)</td>
</tr>
<tr>
<td><strong>TargetPicV</strong></td>
<td>(Haplogen)</td>
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<tr>
<td><strong>TargetCanMet</strong>$^1$</td>
<td>(Debiopharm)</td>
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2013

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Institution/Company</th>
</tr>
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<tbody>
<tr>
<td><strong>TargetImmuniT</strong></td>
<td>(Apeiron)</td>
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<td><strong>TargetDBR</strong></td>
<td>(Yale)</td>
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<tr>
<td><strong>TargetSP</strong></td>
<td>(Internal)</td>
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<tr>
<td><strong>TargetFX</strong></td>
<td>(Internal)</td>
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<tr>
<td><strong>TargetPGB</strong></td>
<td>(Harvard)</td>
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<tr>
<td><strong>TargetKDM</strong></td>
<td>(Dana-Farber, Belfer)</td>
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<tr>
<td><strong>CureMN</strong></td>
<td>(Harvard)</td>
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<tr>
<td><strong>TargetEEM</strong></td>
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2014

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<td><strong>TargetDR</strong></td>
<td>(Internal)</td>
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<td><strong>TargetColCan</strong></td>
<td>(Internal)</td>
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<tr>
<td><strong>TargetKX</strong></td>
<td>(undisclosed)</td>
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<tr>
<td><strong>TargetCytokine</strong></td>
<td>(Internal)</td>
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<tr>
<td><strong>Target Institutions</strong></td>
<td>e.g. Institut national de la santé et de la recherche médicale, Institut Curie, Institut Pasteur, Université de Toulouse…</td>
</tr>
</tbody>
</table>

$^1$Today at least partly progressed under commercial partnership
Agenda

The alliance

Evotec’s strategy – Execute on Innovate

Summary and financial implications
# Capacity, capabilities, customer and cash

## Summary of Alliance

### Financials
- Guaranteed commitment of approx. €250 m over the next five years, including a sizeable upfront cash payment that will be defined in the agreement
- Master Service Agreement for Drug Discovery Services with Sanofi improves revenue growth and profitability
- Increased capacity for EVT Innovate and EVT Execute with minimal Capex investment and dilution to shareholders

### Pipeline & Innovation
- Addition of first-class teams with significant oncology expertise and capabilities
- Addition of a pipeline of oncology discovery and development projects, five most advanced set to enter the clinic in next 2 years
- Sanofi screening library available for third-party collaborations
- Expands and broadens “The Bridge” from academia to Pharma in France and EU

### Others
- Parties have entered into final exclusive negotiations and expect signing within H1\(^1\)
- Evotec will give its financial guidance after closing of the transaction

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\(^1\) Subject to finalization of definitive agreements and completion of the appropriate social process
QUESTIONS AND ANSWERS