

EVOTEC SE REPORTS FIRST HALF-YEAR 2020 RESULTS AND CORPORATE UPDATES

- ▶ *CONTINUED STRONG PERFORMANCE ACROSS ALL BUSINESS LINES DESPITE COVID-19 WITH AN INCREASE IN GROUP REVENUES OF 12%*
- ▶ *IMPORTANT STRATEGIC EXPANSION INTO BUSINESS FIELDS OF GENE THERAPY AND ANTISENSE THERAPY INCLUDING FIRST ALLIANCES*
- ▶ *FULL-YEAR 2020 GUIDANCE FOR REVENUES AND ADJUSTED EBITDA CONFIRMED AND INCREASED FOR UNPARTNERED R&D EXPENSES TO APPROX. € 45 M*
- ▶ *WEBCAST AND CONFERENCE CALL TODAY AT 02.00 PM CEST*

Hamburg, Germany, 12 August 2020:

Evotec SE (Frankfurt Stock Exchange: EVT, MDAX/TecDAX, ISIN: DE0005664809) today announced its financial results for the first half-year of 2020.

OVERALL POSITIVE FINANCIAL PERFORMANCE REFLECTING GROWTH ACROSS ALL BUSINESS LINES

- ▶ Significant Group revenue growth of 12% to € 231.0 m (H1 2019: € 207.1 m)
- ▶ Revenue growth in both business segments: EVT Execute revenues up 16% to € 228.2 m (H1 2019: € 196.8 m); EVT Innovate revenues up 8% to € 44.6 m (H1 2019: € 41.2 m)
- ▶ Adjusted Group EBITDA amounting to € 47.3 m (H1 2019: € 58.2 m)
- ▶ Increased investments in unpartnered R&D of € 21.6 m (H1 2019: € 18.7 m)
- ▶ Robust liquidity position of € 275.7 m (31 December 2019: € 320 m)
- ▶ No material impact by COVID-19 pandemic on overall financial and strategic development so far; slight delays in conclusion of contracts and milestone achievements

CONVINCING OPERATIONAL PROGRESS

- ▶ Multiple new and extended drug discovery and development agreements
- ▶ New 5-year contract with the US Environmental Protection Agency
- ▶ Just – Evotec Biologics strengthens its position: contract with U.S. Department of Defense to develop and manufacture monoclonal antibodies for treatment and/or prevention of COVID-19 (after period-end)

- ▶ Construction of first J.POD® biologics manufacturing facility in Seattle, WA, USA progressing well
- ▶ Evotec partner Zogenix received marketing approval from FDA for FINTEPLA®; Evotec as supporting long-term partner will supply commercial API (Active Pharmaceutical Ingredients)
- ▶ Continued progress in co-owned pipeline, despite certain COVID-19 related delays
- ▶ New QRbeta initiative based on Evotec's iPSC-based beta cell replacement therapy regained from Sanofi
- ▶ New BRIDGE ("Autobahn Labs") and equity participations as well as successful follow-on financings

INCREASING EXPANSION OF INFRASTRUCTURE IN MULTIMODALITY

- ▶ Establishment of new site Evotec GT in Austria, dedicated to gene therapy-based projects; multi-year gene therapy research alliance between Evotec GT and Takeda
- ▶ Further expansion of Evotec's multimodality platform into Antisense Therapy through cooperation with Secarna Pharmaceuticals

CORPORATE

- ▶ Virtual Annual General Meeting 2020 approved all proposed agenda items
- ▶ Election of new Supervisory Board Member Mr Kasim Kutay
- ▶ Acquisition of "Biopark By Sanofi SAS" in Toulouse making Evotec the full owner of the Toulouse site; rebranding of the site into "Campus Curie Toulouse" (after period-end)

GUIDANCE FOR FULL-YEAR 2020 CONFIRMED WITH REGARD TO REVENUES AND ADJUSTED EBITDA, HIGHER INVESTMENTS IN R&D PLANNED

- ▶ Unchanged business outlook in terms of revenue and adjusted EBITDA, taking into account currently visible COVID-19 effects
- ▶ Group Revenues from contracts with customers expected to range from € 440 – 480 m (2019: € 446.4 m)
- ▶ Adjusted Group EBITDA expected to be in the range of € 100 – 120 m (2019: € 123.1 m)
- ▶ Due to promising investments in EVT Innovate, increase of guidance for "unpartnered R&D" to approx. € 45 m (before approx. € 40 m)

STRONG FINANCIAL POSITION

Key figures of consolidated income statement & segment information

Evotec SE & subsidiaries – First six months of 2020

<i>In T€</i>	<i>EVT Execute</i>	<i>EVT Innovate</i>	<i>Intersegment Eliminations</i>	<i>Transition³⁾</i>	<i>Evotec Group H1 2020</i>	<i>Evotec Group H1 2019</i>
External revenues	177,145	44,626	–	9,218	230,989	207,088
Intersegment revenues	51,047	–	(51,047)	–	–	–
Gross margin in %	24.6	3.4	–	–	23.0	30.8
R&D expenses ¹⁾	(2,586)	(31,863)	4,653	–	(29,796)	(29,288)
SG&A expenses	(29,745)	(6,787)	–	–	(36,532)	(29,905)
Other operating income (expenses), net	8,135	24,045	–	–	32,180	31,348
Operating result	31,988	(13,071)	–	–	18,917	24,036
Adjusted EBITDA²⁾	58,245	(10,977)	–	–	47,268	58,210

¹⁾ Thereof unpartnered R&D expenses of € 21.6 m in H1 2020 (H1 2019: € 18.7 m)

²⁾ Before contingent considerations, income from bargain purchase and excluding impairments on goodwill, other intangible and tangible assets as well as the total non-operating result; adjusted for positive exchange rate effects in the amount of € 1.7 m, EBITDA amounts to € 45.6 m

³⁾ Not allocated to segments: Revenues from recharges according IFRS 15

In the first six months of 2020 Evotec continued on its growth path: Group revenues from contracts with customers increased by 12% to € 231.0 m (H1 2019: € 207.1 m) due to a positive performance across all business lines, for the first time added revenues from Just – Evotec Biologics (€ 16.3 m) and despite the anticipated loss of payments of Sanofi for the Toulouse site (€ 7.5 m) from April 2020. Also, favourable exchange rate effects had a positive impact of € 2.4 m.

Thereof, base revenues accounted for € 223.2 m, an increase of 19% over the same period of the previous year (H1 2019: € 188.0 m), while revenues from upfront, milestone and licence payments decreased to € 7.8 m (H1 2019: € 19.1 m).

Due to the significant lower upfront, milestone and license payments as well as the anticipated expiring payments from Sanofi for the Toulouse site from April 2020 onwards, gross margin decreased to 23.0% (H1 2019: 30.8%).

In the first half-year of 2020, Evotec continued to strongly invest into its unpartnered R&D. Thus, the expenses for unpartnered R&D increased to € 21.6 m (H1 2019: € 18.7 m), mainly due to intensified research investments into oncology and platforms such as PanOmics and cell therapy. The lower partnered R&D expenses of € 8.2 m (H1 2019: € 10.6 m) were primarily related to the infectious disease portfolio. Whereas costs of the partnership with Sanofi in this area are predominantly reported as R&D expenses the full

reimbursement by Sanofi is recognised under other operating income. Total R&D expenses of € 29.8 m nearly remained stable compared to 2019 (H1 2019: € 29.3 m).

The Group's selling, general and administrative ("SG&A") expenses for the first half-year of 2020 increased by 22% to € 36.5 m (H1 2019: € 29.9 m), which mainly resulted from the overall staff increase and the related costs as well as from transaction and integration cost from equity engagements, the consolidation of Just – Evotec Biologics and the founding of Evotec GT.

Other operating result in the first six months of 2020 amounted to € 32.2 m (H1 2019: € 31.3 m) and was mainly influenced by R&D tax credits as well as recharges of Sanofi for ID Lyon. Due to a change in the tax regulations in Italian legislation, total R&D tax credits grew less as expected compared to prior period.

The operating income decreased to € 18.9 m (H1 2019: € 24.0 m), mainly due to the significantly lower upfront, milestone and licence revenues. Most of the half-year milestones are expected to be only slightly delayed, but not lost.

The lower upfront, milestone and licence revenues also affected the adjusted Group EBITDA which decreased by 19% to € 47.3 m (H1 2019: € 58.2 m). Favourable exchange rate developments had a positive impact of approx. € 1.7 m on the adjusted Group EBITDA.

The net result in the first half-year of 2020 amounted to € 7.3 m (H1 2019: € 10.7 m).

Evotec's liquidity position in the first six months of 2020 continued to remain robust amounting to € 275.7 m (31 December 2019: € 320.0 m). The cash-outflow resulted mainly from the high investments in capex and equity investments.

CONVINCING OPERATIONAL PERFORMANCE IN BOTH BUSINESS SEGMENTS

In the first half of 2020, the EVT Execute segment continued its strong progress of the previous quarters.

Evotec signed multiple new drug discovery and development agreements, e.g. with Boston Pharmaceuticals and Ildong, as well as multiple undisclosed partners and extended or expanded existing long-term agreements (e.g. with Amgen, Takeda). Evotec's wholly-owned US subsidiary Cyprotex was again selected by the US Environmental Protection Agency (EPA) as its preferred service partner for the next five years. The contract is worth up to \$ 13 m.

Evotec's fully-owned subsidiary Just – Evotec Biologics had a successful start with the J.POD® construction, progressing well, and its first J.POD® collaboration with MSD for the development of innovative technologies for the production of biologics of the highest quality. Further multiple new agreements were concluded (e.g. with ABL, Ology). After period-end, Just – Evotec Biologics entered into a partnership with the U.S. Department of Defense to develop and manufacture monoclonal antibodies (mAbs) for treatment and/or prevention of COVID-19. The contract with the DOD values up to \$ 18.2 m.

Also, the Evotec Development Business showed very good performance and started strategic initiatives in the first half-year 2020, despite the extraordinary difficult circumstances especially at the Evotec site in Verona. In June 2020, Evotec's long-term partner Zogenix received its marketing approval from FDA for the company's drug FINTEPLA® for Dravet & LGS syndromes, securing 7-year orphan drug exclusivity for commercial exploitation in the US. Evotec will continue to be the commercial manufacturing partner of Zogenix.

In its second segment, EVT Innovate, Evotec was also very successful within the first half-year 2020.

Evotec expanded its leading position in iPSC (Induced pluripotent stem cells). After having regained the global development and commercialisation rights of the iPSC-based diabetes cell therapy programme from Sanofi, Evotec intends to move this programme forward within its QRbeta initiative. Multiple other unpartnered iPSC based initiatives showed very good progress in the first half-year 2020 (e.g. Retinal Diseases).

Evotec's long-term partner, Bayer AG, continues to advance its P2X3 antagonist BAY1817080, an asset originating from Evotec. The Phase IIa-PoC study had a positive outcome in patients with refractory chronic cough. Preparations for a Phase-IIb study in patients with refractory chronic cough are ongoing, as are preparations for further studies in additional indications.

Together with Samsara, Biocapital and KCK Evotec initiated "Autobahn Labs", a novel virtual early stage drug discovery incubator (BRIDGE) to design and execute an accelerated path to deliver transformational new therapies. Autobahn Labs already entered into a first-of-a-kind strategic collaboration with UCLA Technology Development Group to identify and advance the most promising areas of research.

Over the first half of 2020, Evotec continued to expand its strategy of generating upside through equity investments, e.g. in leon-nanodrugs, QUANTRO Therapeutics and Exscientia. Other equity participations were made as follow-on investments (e.g. Carrick) or small seed commitments (e.g. Cajal Neuroscience).

IMPORTANT STRATEGIC BUSINESS EXPANSION INTO NEW MODALITIES AND MARKETS

A very important step towards Evotec's long-term vision of becoming a fully modality-agnostic drug discovery and development partnership company was the establishment of the new site Evotec GT in Austria, dedicated to research and development of gene therapy-based projects. In April, Evotec GT signed a long-term research alliance with Takeda covering selected Takeda gene therapy projects for core therapeutic areas like oncology, rare diseases, neuroscience and gastroenterology.

In June 2020, Evotec signed a strategic partnership with Secarna Pharmaceuticals in the field of Antisense Therapy and already initiated a first project with the aim to establish a pipeline of co-owned antisense oligonucleotide therapies.

Already in the first quarter of 2020, Evotec entered into the field of formulation nanotechnology by signing a strategic partnership with the Munich-based company leon-nanodrugs.

CORPORATE

Evotec's shareholders at the virtual Annual General Meeting 2020 approved all proposals the Company's Management put to vote with the required majority. The shareholders elected a new Supervisory Board member: Mr Kasim Kutay, CEO of Novo Holdings A/S, succeeds Dr Michael Shalmi, who resigned from the Board.

In May, Kara Carter, Executive Vice President Infectious Disease of Evotec, was appointed as President of the International Society of the Antiviral Research (ISAR).

Shortly after period-end, on 01 July 2020 Evotec acquired the "Biopark By Sanofi SAS" in Toulouse including all land and buildings of the Sanofi site. The acquisition will allow Evotec to significantly expand its existing capacities at its Toulouse site and to secure further, long-term growth of its Toulouse-based operations. The site will be rebranded into "Campus Curie Toulouse".

FINANCIAL GUIDANCE 2020

At present, the management of Evotec confirms the financial guidance published in the 2019 Annual Report on 26 March 2020 and confirmed in the Q1 Quarterly Statement on 14 May 2020 with regard to revenues and adjusted EBITDA.

Due to additional very promising investments in innovative technology platforms and development candidates in EVT Innovate, Evotec plans to invest even more in research and development. For this reason, the forecast for "unpartnered R&D" has been raised from previously approx. € 40 m to now approx. € 45 m.

	Guidance 2020	31 December 2019
Group revenues from contracts with customers	€ 440 - 480 m ²⁾	€ 446.4 m
Unpartnered R&D expenses	Approx. € 45 m	€ 37.5 m
Adjusted Group EBITDA ¹⁾	€ 100 - 120 m ³⁾	€ 123.1 m

¹⁾ EBITDA is defined as earnings before interest, taxes, depreciation, and amortisation of intangibles. Adjusted EBITDA excludes contingent considerations, income from bargain purchase and impairments on goodwill, other intangible and tangible assets as well as the total non-operating result

²⁾ Projections are based on constant 2019 exchange rates

³⁾ Despite increased R&D investments, the expected loss of the Sanofi payments for the Toulouse site after Q1 2020 and significantly ramping up the Just – Evotec Biologics business by investing in and building highly innovative J.POD® capacities in the USA

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. Furthermore, the Management Board will present an outlook for the fiscal year 2020. The conference call will be held in English.

Conference call details

Date: **Wednesday, 12 August 2020**
 Time: **02.00 pm CEST (08.00 am EDT, 01.00 pm BST)**

From Germany: +49 69 201 744 220

From France: +33 170 709 502

From Italy: +39 02 3600 6663

From the UK: +44 20 3009 2470

From the USA: +1 877 423 0830

Access Code: 17056811#

A simultaneous slide presentation for participants dialling in *via phone* is available at <https://webcasts.eqs.com/evotec20200812/no-audio>

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 seven days after the conference and can be accessed in Europe by dialling +49 69 20 17 44 222 (Germany) or +44 20 3364 5150 (UK) and in the USA by dialling +1 844 307 9362. The access code is 315597273#.

The on-demand version of the webcast will be available on our website:

<https://www.evotec.com/financial-reports>.

NOTE

Just - Evotec Biologics (former Just.Bio) was acquired effective July 02, 2019 and was fully consolidated in the Group numbers from the respective date onwards. Furthermore, effective 01 April 2020, Evotec GT started its operations. Hence, numbers for the first half-year 2019 and 2020 are not fully comparable.

ABOUT EVOTEC SE

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 and our more than 3,000 employees provide the highest quality stand-alone and integrated drug discovery and development solutions. We cover all activities from target-to-clinic to meet the industry's need for innovation and efficiency in drug discovery and development (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 neuronal diseases, diabetes and complications of diabetes, pain and inflammation, oncology, infectious diseases, respiratory diseases, fibrosis, rare diseases and women's health. On this basis, Evotec has built a broad and deep pipeline of approx. 100 co-owned product opportunities at clinical, pre-clinical and discovery stages (EVT Innovate). Evotec has established multiple long-term alliances with partners including Bayer, Boehringer Ingelheim, Bristol-Myers Squibb, CHDI, Novartis, Novo Nordisk, Pfizer, Sanofi, Takeda, UCB and others. For additional information please go to www.evotec.com and follow us on Twitter [@Evotec](https://twitter.com/Evotec).

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.