

EVOTEC SE REPORTS FIRST QUARTER 2019 RESULTS AND PROVIDES CORPORATE UPDATE

- ▶ *VERY GOOD START WITH 27% INCREASE IN GROUP REVENUES AND STRONG UNDERLYING INDICATIONS FOR FY 2019*
- ▶ *GOOD PROGRESS IN EXISTING CO-OWNED PORTFOLIO AND EXPANDING WITH NEW ALLIANCES*
- ▶ *WEBCAST AND CONFERENCE CALL TODAY AT 02.00 PM CEST*

Hamburg, Germany, 14 May 2019:

Evotec SE (Frankfurt Stock Exchange: EVT, MDAX/TecDAX, ISIN: DE0005664809) today reported financial results and corporate updates for the first quarter of 2019.

STRONG FINANCIAL PERFORMANCE

- ▶ Group revenues up 27% to € 103.8 m (Q1 2018: € 81.6 m)
- ▶ Adjusted Group EBITDA up 114% to € 30.0 m (Q1 2018: € 14.0 m)
- ▶ Unpartnered R&D expenses of € 8.1 m (Q1 2018: € 4.6 m)
- ▶ Strong strategic liquidity position of € 141.6 m despite full repayment of bridge loan facility (total volume: € 140 m) drawn in August 2017 in context of Aptuit acquisition (last tranche after period-end)

EXCELLENT OPERATIONAL AND SCIENTIFIC PROGRESS

- ▶ Multiple new and extended drug discovery and development agreements
- ▶ Good progress with co-owned, clinical pipeline; multiple important milestone achievements
- ▶ Consolidation of Basel activities into Toulouse site with transfer of projects to increase overall efficiency of high-throughput screening operations
- ▶ New licence agreement with Galapagos in fibrosis
- ▶ Anti-infective research alliances with Helmholtz (HZI) and GARDP
- ▶ Agreement with The Mark Foundation in immuno-oncology based on Evotec's discovery platform *TargetAlloMod*
- ▶ Participation in further financing rounds of Eternygen and Exscientia
- ▶ Strategic collaboration on precision medicine for colorectal cancer with Indivumed (after period-end)

CORPORATE

- ▶ Conversion into European Company (SE) effective 29 March 2019

FINANCIAL GUIDANCE 2019 CONFIRMED

1. STRONG FINANCIAL PERFORMANCE

Key figures of consolidated income statement & segment information

Evotec SE & subsidiaries

<i>In T€</i>	<i>EVT Execute</i>	<i>EVT Innovate</i>	Evotec Group Q1 2019	Evotec Group Q1 2018*
External revenues**	81,571	18,824	103,849	81,637
Intersegment revenues	18,745	–	–	–
Gross margin in %	29.0	24.8	30.5	22.6
R&D expenses***	(131)	(16,320)	(14,359)	(4,616)
SG&A expenses	(11,975)	(2,787)	(14,762)	(13,294)
Other operating income (expenses), net	4,850	11,676	16,526	5,953
Operating result	21,820	(2,762)	19,058	6,531
Adjusted EBITDA****	32,330	(2,294)	30,036	14,015

* 2018 data including reclasses of recharges according to IFRS 15

** Revenues in the segments consist of revenues from contracts with customers without revenues from recharges as those are not of importance for the management to assess the economic situation of the segments.

*** Thereof unpartnered R&D expenses of € 8.1 m in Q1 2019

**** 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

In Q1 2019, Evotec's Group revenues increased by 27% to € 103.8 m (Q1 2018: € 81.6 m). This increase was driven primarily by the strong performance in the base business and milestone contributions. Revenues from milestones, upfronts and licences significantly increased to € 10.1 m in comparison to the previous year (Q1 2018: € 2.7 m) and included, amongst others, milestone payments from Bayer and Boehringer Ingelheim.

In Q1 2019, Evotec focused its unpartnered R&D expenses of € 8.1 m primarily on projects in the metabolic and oncology space as well as on its iPSC research. Its partnered R&D expenses of € 6.3 m on its infectious disease portfolio were fully reimbursed under other operating income by its partner Sanofi. This split into unpartnered and partnered R&D expenses had not been applied in Q1 2018, where total R&D expenses of € 4.6 m were recorded compared to € 14.4 m in the reporting quarter.

In Q1 2019, the Group's selling, general and administrative ("SG&A") expenses increased as expected by 11% to € 14.8 m (Q1 2018: € 13.3 m). This increase resulted primarily from increased personnel expenses following the addition of Evotec ID (Lyon), consultancy fees, and from overall Company growth.

The significant step-up in the adjusted Group EBITDA for Q1 2019 to € 30.0 m (Q1 2018: € 14.0 m) resulted mainly from the strong performance in the base business, considerably higher milestone contributions, and effects from the first-time application of the new

accounting standard IFRS 16, yielding an adjusted EBITDA margin of 28.9% (Q1 2018: 17.2%).

Evotec's operating result amounted to € 19.1 m in Q1 2019 (Q1 2018: € 6.5 m) being positively impacted by higher R&D tax credits and reimbursed R&D expenses from Sanofi. The Company's net result in Q1 2019 amounted to € 13.1 m (Q1 2018: € 3.5 m).

Evotec ended Q1 2019 with a strong liquidity of € 141.6 m (31 Dec 2018: € 149.4 m), which was composed of cash and cash equivalents (€ 111.6 m) and investments (€ 30.0 m). Shortly after period-end, Evotec completed the repayment of the € 140 m debt bridge facility within less than two years after it was drawn down in context of the acquisition of Aptuit in August 2017, mainly due to the strong cash inflow from Evotec's operational activities and through refinancing at significantly more attractive conditions.

2. EXCELLENT OPERATIONAL AND SCIENTIFIC PROGRESS – EVT EXECUTE & EVT INNOVATE

The EVT Execute segment continued its strong progress of previous quarters also in Q1 2019. Evotec signed multiple new and extended drug discovery and development agreements in the first quarter of 2019. Multiple EVT Execute alliances recorded milestone achievements, such as the chronic cough alliance with Bayer and the pain alliance with Boehringer Ingelheim, contributing to the strong performance of this segment. The high-throughput ADME-tox testing business of Cyprotex continued its excellent performance.

EVT Innovate recorded the acceleration of first-in-class science across various ventures in Q1 2019. Existing pipeline projects continued to move forward. New agreements were signed in the first quarter of 2019, e.g. a new licence agreement with Galapagos in fibrosis, and two new partnerships in oncology with The Mark Foundation (immuno-oncology) and Indivumed (focus on precision medicine in colorectal cancer, after period-end). In addition, Evotec's BRIDGE model is gaining even more momentum with further projects selected in its existing BRIDGE initiative LAB150. An ongoing clinical trial with Second Genome was put on hold (after period end).

Regarding its strong focus on infectious diseases, Evotec entered into new alliances with Helmholtz and GARDP (The Global Antibiotic Research and Development Partnership) to accelerate much-needed innovation in this field.

3. CORPORATE

CONVERSION INTO EUROPEAN COMPANY (SE) EFFECTIVE 29 MARCH 2019

Effective 29 March 2019, Evotec completed its conversion into a company under European law (Societas Europaea, "SE") with its registration in the commercial register.

The new legal form has no impact on the Company's day-to-day operations and reflects the continuing European and international focus of the whole Evotec Group, with major subsidiaries in France, Germany, Italy, UK and the USA.

4. FINANCIAL GUIDANCE 2019 CONFIRMED

	Guidance 2019	Actual 2018
Group revenues from contracts with customers without revenues from recharges	Approx. 10% growth	€ 364.0 m ¹⁾
Unpartnered R&D expenses	Approx. € 30-40 m	€ 22.9 m
Adjusted Group EBITDA ²⁾	Improve by approx. 10% compared to 2018	€ 92.0 m ³⁾

¹⁾ 2018 total revenues excluding revenues from recharges according to IFRS 15

²⁾ 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

³⁾ 2018 total adjusted Group EBITDA excluding € 3.5 m one-off effects in 2018

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 fiscal year 2019. The conference call will be held in English.

Conference call details

Date: **Tuesday, 14 May 2019**

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: 35899832#

A simultaneous slide presentation for participants dialling in *via phone* is available at <https://webcasts.eqs.com/evotec20190514/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 24 hours 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 315534322#. The on-demand version of the webcast will be available on our website:

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

NOTE

The 2018 and 2019 results are not fully comparable. The difference stems from the acquisition of Evotec ID (Lyon) SAS, effective 01 July 2018. The results from Evotec ID (Lyon) SAS are only included from 01 July 2018 onwards. The accounting policies used to prepare this interim information are the same as those used to prepare the audited consolidated financial statements for the year ended 31 December 2018, except for the adoption of IFRS 16 as of 01 January 2019. From 01 January 2019 onwards, Evotec applies IFRS 16.

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 2,600 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 and fibrosis. 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, Celgene, 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.