

EVOTEC EXPANDS ITS iPSC-BASED CELL THERAPY PLATFORM EVOCELLS THROUGH LICENSING AGREEMENT WITH PANCELLA

- ▶ *EVOTEC LICENSES PANCELLA'S STATE-OF-THE-ART iPSC TECHNOLOGIES IACT STEALTH CELL™ AND FAILSAFE™ FOR USE IN CELL THERAPY*
- ▶ *ACCESS TO PANCELLA'S TECHNOLOGY HAS THE POTENTIAL TO ENABLE SAFE AND OFF-THE-SHELF CELL THERAPY PRODUCTS AND LIFTS EVOTEC'S iPSC-BASED CELL THERAPY PLATFORM ("EVOCELLS") TO THE NEXT LEVEL*
- ▶ *EVOTEC TAKES MINORITY SHAREHOLDING IN PANCELLA*

Hamburg, Germany, and Toronto, Canada, 02 April 2020: Evotec SE (Frankfurt Stock Exchange: EVT, MDAX/TecDAX, ISIN: DE0005664809) and the innovative biotechnology company panCELLa Inc. announced today that the companies have entered into a licensing and investment agreement.

Under the terms of the agreement, Evotec will receive a non-exclusive licence to access panCELLa's proprietary iPS cell lines "iACT Stealth Cells™", which are genetically modified to prevent immune rejection of derived cell therapy products ("cloaking"). Furthermore, Evotec will also have access to a new-generation cloaking technology known as hypoimmunogenic cells. In addition, the "FailSafe™" mechanism effectively addresses a key challenge in iPSC-based cell therapy, potential tumour formation by residual undifferentiated cells.

Using the cell lines, Evotec will be able to develop iPSC-based, off-the-shelf cell therapies with long-lasting efficacy that can be safely administered to a broad population of patients without the use of medication to suppress the patients' immune system. With a growing portfolio of iPSC-based cell therapy projects at Evotec, access to research as well as GMP-grade iPSC lines modified with one or both of the panCELLa technologies significantly accelerates Evotec's cell therapy discovery and development efforts. Modified iPSC lines will be available for the development of cell therapy approaches across a broad range of indications by Evotec and potential partners. Furthermore, Evotec has made an investment to take a minority stake in panCELLa and has nominated Dr Andreas Scheel to join panCELLa's supervisory board.

Dr Cord Dohrmann, Chief Scientific Officer of Evotec, commented: “Cell therapies hold enormous potential as truly regenerative or curative approaches for a broad range of different diseases with significant medical need. Integrating panCELLa’s technology and cell lines into our ongoing proprietary research and development efforts strengthens Evotec’s position in cell therapy. It is our goal to provide safe highly-effective cell therapy products to as many patients as possible. In addition to small molecules and biologics, cell therapy will become yet another major pillar of Evotec’s multimodality discovery and development platform.”

Mahendra Rao, MD, PhD, CEO at panCELLa, added: “We welcome the partnership with Evotec. Evotec’s widely recognised expertise and existing portfolio of iPSC-related technology platforms will allow panCELLa to rapidly advance its own therapeutic interests in NK cell therapy, pancreatic islet production and iPSC-derived MSC platform, in addition to enabling panCELLa to make its platform technologies widely available. I believe that the investment by Evotec in our company is a strong validation of the leading role of panCELLa in the field of regenerative medicine and in the utility of its platform technologies. We welcome Dr Andreas Scheel to our Board.”

No financial details of the agreement were disclosed.

About Evotec and iPSC

Induced pluripotent stem cells (also known as iPSC cells or iPSCs) are a type of pluripotent stem cell that can be generated directly from adult cells. The iPSC technology was pioneered by Shinya Yamanaka’s lab in Kyoto, Japan, who showed in 2006 that the introduction of four specific genes encoding transcription factors could convert adult cells into pluripotent stem cells. He was awarded the 2012 Nobel Prize along with Sir John Gurdon “for the discovery that mature cells can be reprogrammed to become pluripotent”. Pluripotent stem cells hold great promise in the field of regenerative medicine. Because they can propagate indefinitely, as well as give rise to every other cell type in the body (such as neurons, heart, pancreatic and liver cells), they represent a single source of cells that could be used to replace those lost to damage or disease.

Evotec has built an industrialised iPSC infrastructure that represents one of the largest and most sophisticated iPSC platforms in the industry. Evotec’s iPSC platform has been developed over the last years with the goal to industrialise iPSC-based drug screening in terms of throughput, reproducibility and robustness to reach the highest industrial standards, and to use iPSC-based cells in cell therapy approaches via the Company’s proprietary **EVOcells** platform.

About cell therapy and panCELLa's FailSafe™ iPSC technology

Cell therapy, one of the most promising regenerative medicine approaches, replaces a patient's missing or broken cells with functioning cells from a range of different sources, either from a donor, from the patient's own material, or from stem cells. The advent of induced pluripotent stem cells ("iPSC") has opened up stem cells as an almost unlimited source of consistent-quality material for such cell therapies. At the same time, differentiating cell therapies from a single validated source circumvents critical risks of contamination associated with administering both donor and patient cell material.

However, the patient's immune system will treat such iPSC-based transplants as "foreign" and use the body's immune system to counteract the therapy, thus undermining its long-term efficacy. While organ transplants require an often lifelong regimen of immunosuppressants, iPSC-derived cells used for cell therapies can be cloaked to make them undetectable by the patient's immune system, thus avoiding rejection and enabling effective long-term relief of the patient's symptoms.

To increase the safety of such iPSC-derived cell products, panCELLa's proprietary FailSafe™ technology is able to inactivate any iPSC-derived proliferating cell before and after transplantation through the use of a readily available anti-infective medication. FailSafe™ is the only quantifiable "safety switch" on the market which is expected to be critical for regulators, clinicians and patients to make informed decisions when evaluating treatment options.

ABOUT PANCELLA INC.

Incorporated in August 2015, panCELLa (www.pancellacom) was founded by Dr Andras Nagy and Dr Armand Keating based on Dr Nagy's ground-breaking work in the area of stem cell research. Through panCELLa, Drs Keating and Nagy are seeking to create an effective cell therapy derived from stem cells, which are modified to provide a sufficient and very high level of safety before and after the cells are introduced to the patient. panCELLa serves those companies developing products from stem cells. panCELLa seeks to create universal "off the shelf" FailSafe™ Cells and to assist pharmaceutical and biotechnology sectors to achieve such with their own cell lines. Targeted medical applications include deadly, debilitating, or aggressive diseases requiring immediate treatment where there is no time to cultivate a customized stem cell treatment from the patient (i.e. cancer, cardiac infarct, diabetes, stroke and spinal cord injury).

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.