

NEWS RELEASE, 20 MAY 2019

## **EVOTEC JUMP-STARTS BIOLOGICS WITH ACQUISITION OF JUST BIOTHERAPEUTICS**

- ▶ *EVOTEC'S OFFERING OF INTEGRATED SOLUTIONS EXTENDED TO BIOLOGICS*
- ▶ *ADDITION OF LONGSTANDING BIOLOGICS EXPERTISE BASED ON KEY TALENTS, INNOVATIVE ML (MACHINE LEARNING) DRIVEN TECHNOLOGIES AND SOPHISTICATED PROCESSES*
- ▶ *EXPANDING EVOTEC'S US FOOTPRINT IN SEATTLE, A BIOLOGICS HUB*
- ▶ *ACCRETIVE TO EVOTEC'S REVENUE GROWTH*
- ▶ *CONSIDERATION OF UP TO \$ 90 M (APPROX. € 81 M) INCLUDING POTENTIAL EARN-OUTS 2019 – 2022 (E)*
- ▶ *TRANSACTION PAID IN CASH*
- ▶ *CONFERENCE CALL SCHEDULED FOR TUESDAY, 21 MAY 2019, AT 01.30 PM (CEST) TO INTRODUCE THE TRANSACTION*

**Hamburg, Germany, 20 May 2019:** Evotec SE (Frankfurt Stock Exchange: EVT, MDAX/TecDAX, ISIN: DE0005664809) announced today the signing of a definitive agreement under which Evotec will acquire Just Biotherapeutics, Inc. (“Just.Bio”), for up to \$ 90 m including potential performance-based earn-out components expected within the next three years. Just.Bio is a unique technology company that integrates highly synergistic scientific expertise and ML driven technologies for design, development, and manufacturing of biologics. Founded only in 2014/15, Just.Bio has approx. 90 employees, mainly scientists, all working at a state-of-the-art discovery, development and manufacturing facility in Seattle, WA, USA. The acquisition is expected to close in the second quarter 2019.

### ***Opens new growth opportunities as Evotec diversifies into biologics***

The acquisition of Just.Bio will add considerable business opportunities for further acceleration of Evotec's long-term strategy to be the industry partner of choice for external end-to-end innovation. Evotec's drug discovery and development value proposition today is to offer the highest quality integrated services mainly in the field of small molecules. The acquisition grows Evotec's business into a comprehensive offering including biologics in therapeutic areas such as oncology, CNS, pain, inflammation, metabolics, and infectious diseases. Like Evotec in small molecules, Just.Bio is defined by its excellence in science and technology, defined outcomes, smart and highly efficient

solutions for developing and manufacturing of biologics at highest standards, thus making an excellent fit.

Just.Bio's capabilities and expertise comprise an in-house, integrated technology platform, J.DESIGN, enabling smart and efficient biologics' drug development from design and lead optimisation to manufacturing:

- J.MD™ is a technology-based process development tool using Abacus™ as machine learning-based computer-aided design tool to predict and select optimal molecules for further development
- JP3® includes lab and computational tools for rapid development of a high-yielding manufacturing process along with a cGMP early clinical manufacturing facility
- Significant further potential lies in the company's J.POD® technology for flexible and modular larger scale manufacturing of clinical and commercial stage biologics

### ***Transaction structure reflects value potential***

During recent years, Just.Bio has been able to attract a diversified customer portfolio resulting in strong financial growth. With reported 2018 revenues of approx. € 20 m, Just.Bio was able to achieve revenue growth rates that are above the general market growth. Evotec will pay a total consideration of up to \$ 90 m (approx. € 81 m; €/ \$ fx rate of 1.117) including potential earn outs in the next three years. The initial consideration upon closing is \$ 60 m<sup>1)</sup> (approx. € 54 m; €/ \$ fx rate of 1.117). The acquisition of 100% of the issued and outstanding equity interests of the company will be paid in cash to a syndicate of institutional investors of ARCH Venture Partners, Merck & Co., Lilly Asia Ventures and the Bill & Melinda Gates Foundation. The acquisition will add to Evotec's revenue growth and will strengthen Evotec's overall strategic plan. The potential guidance update will be given latest upon reporting of half-year 2019 figures. Just.Bio will be financially fully consolidated under the Evotec Group.

**Dr Werner Lanthaler, Chief Executive Officer of Evotec, said:** "We are excited about the acquisition and warmly welcome Just.Bio's expert team as a new part of the Evotec family and also welcome Dr Jim Thomas in his new management role EVP, Global Head, Biotherapeutics, President US Operations. Broadening our platform into biologics has always been key to our strategy. With this acquisition we finally found the perfect match to complement our leadership in small molecules."

**Dr James Thomas, Chief Executive Officer of Just.Bio, commented:**

"Combining Just.Bio with Evotec creates a technological powerhouse that will fuel our

long-term mission to make important biologics accessible to patients worldwide. We are thrilled to be part of the Evotec family.”

<sup>1)</sup> Subject to customary adjustments for net debt and net working capital

### **Webcast/Conference Call**

Evotec invites you to join a conference call to provide information regarding the acquisition of Just.Bio. The conference will be held in English.

### **Conference call details**

**Date: 21 May 2019**

**Time: 01.30 pm CEST (07.30 am EDT/ 12.30 pm BST)**

From Germany: +49 69 20 17 44 220

From France: +33 170 709 502

From Italy: +39 0 236 006 663

From the UK: +44 20 3009 2470

From the USA: +1 877 423 0830

Access Code: 75781959#

A simultaneous slide presentation for participants dialling in *via phone* is available at <https://webcasts.eqs.com/evotec20190521/no-audio>.

### **Webcast details**

To join the *audio webcast* and to access the *presentation slides* you will find a link on our homepage [www.evotec.com](http://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 3155459882#. The on-demand version of the webcast will be available on our website:

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

#### **ABOUT JUST BIOTHERAPEUTICS**

*Just.Bio is a unique platform company that integrates the design, development and manufacture of biologics. With deep experience in the fields of protein, process and manufacturing sciences, the Just team came together to solve the scientific and technical hurdles that block access to life-changing protein therapeutics, from the design of therapeutic molecules to the design of the manufacturing plants used to produce them. Our focus and passion is to create access and value for a global market through scientific and technological innovation. For more information visit <http://just.bio>.*

*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](http://www.evotec.com) and follow us on Twitter [@EvotecAG](https://twitter.com/EvotecAG).*

*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.*