Q1 2012 – Invest to Grow!

ACTION PLAN 2016
Innovation Efficiency

Evotec AG, Q1 2012 Interim Report, 10th May 2012
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Agenda

- **Highlights Q1 2012**

- Action Plan 2016 – Innovation Efficiency
  - EVT Execute
  - EVT Integrate
  - EVT Innovate

- Financial performance & growth outlook 2012ff
Very strong 33% top-line growth, planned temporary effect on gross margin, marginal €1.3 m operating loss due to high upfront investments for EVT Execute, strong order book, guidance 2012 confirmed

EVT Execute – Investing in successful ramp-up
- USD10 m multi-year agreement with US Environmental Protection Agency in compound management*
- Extension with Janssen on proteomic alliance

EVT Integrate – Expanding portfolio
- Extension with Active Biotech for med chem*
- New strategic alliance with IR Pharma in respiratory diseases

EVT Innovate – Good progress in product development and new initiatives
- DiaPep277 delivers significant Phase III development milestone in diabetes
- EVT 401 development partnership with Conba especially for inflammation (for China only)*
- Initiation of CureNephron with Harvard University / Brigham and Women’s Hospital
- Initiation of Antibody business in strategic alliance with 4-Antibody*

*) after period end
Strong revenue growth, significant investments, marginal operating loss

Key figures overview – Status Q1

### Growth driven by discovery alliances and acquisitions 1)

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue (€ m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>9.8</td>
</tr>
<tr>
<td>2011</td>
<td>15.1</td>
</tr>
<tr>
<td>2012</td>
<td>20.1</td>
</tr>
</tbody>
</table>

Growth driven by discovery alliances and acquisitions increased by 33% from 2010 to 2012.

### Ramp up and investments influence operating result

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating Result (€ m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>-1.5</td>
</tr>
<tr>
<td>2011</td>
<td>-0.8</td>
</tr>
<tr>
<td>2012</td>
<td>-1.3²</td>
</tr>
</tbody>
</table>

1) Growth “like for like” is a 14.2%.
2) Including fair value adjustment in the context of the contingent consideration (earn-out DeveloGen) of € 0.3m.
Agenda

• Highlights Q1 2012

• Action Plan 2016 – Innovation Efficiency
  – EVT Execute
  – EVT Integrate
  – EVT Innovate

• Financial performance & growth outlook 2012ff
Action Plan 2016 successfully started

Action Plan 2016 – Evotec’s offering for Innovation Efficiency

1. EVT Execute
   - Stand alone screening, medicinal chemistry, compound management, compound profiling,…
   - Highest quality solution tools and processes
   - No risk-exposure, lower margin, but long-term repeat business

2. EVT Integrate
   - Integrated drug discovery alliances on partner targets
   - Best-in-class integrated drug discovery alliances (multi-target projects)
   - Risk-shared performance-based alliances with research fees, milestones and royalties

3. EVT Innovate
   - CureBeta, CureNephron,..ProductDevelopmentPartnerships
   - First-in-class discovery and product development innovations
   - Modest R&D investments for high upfront, higher milestone and higher royalty alliances
Strong growth in high quality services – EVT Execute

Comprehensive Drug Discovery Platform – “EVO Apps”

- Significant new contracts won, but ramp up time needed (e.g. undisclosed major US Pharma)
- approx. € 3 m capex investments for new customer alliances in Q1
- Synergies and potential of recent acquisitions become more visible e.g. Janssen, EPA 1)

1) United States Agency for Environmental Protection (EPA)
Expanding portfolio with increasingly more opportunities for milestones

EVT Integrate - Business model

Examples of integrated alliances

Milestones and royalties create significant long-term upside

Illustrative

<table>
<thead>
<tr>
<th>Fixcost</th>
<th>EVT Base</th>
<th>MS 1</th>
<th>MS 2</th>
<th>MS 3</th>
<th>MS 4</th>
<th>Clinical Start</th>
<th>MS 5</th>
<th>MS 6</th>
<th>MS 7</th>
<th>Total Outsourcing-cost</th>
<th>Royalties</th>
</tr>
</thead>
<tbody>
<tr>
<td>100</td>
<td>70</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td></td>
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</tbody>
</table>

*NEW*

*EXTENDED*

- Boehringer Ingelheim
- MedImmune
- Pfizer
- AstraZeneca
- CHDI Foundation
- Genentech
Good Phase III progress on DiaPep277, EVT 401 back in human development pipeline

Portfolio of product development partnerships

<table>
<thead>
<tr>
<th>Indication</th>
<th>Partner</th>
<th>Status</th>
<th>Next milestone</th>
<th>Commercials</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diabetes 1)</td>
<td>TEVA Biotech</td>
<td>2nd Phase III recruiting</td>
<td>Final Phase III data</td>
<td>Approx. € 40 m milestones, royalties; potential market approx. € 500 m</td>
</tr>
<tr>
<td>Alzheimer’s Disease 2)</td>
<td>Roche</td>
<td>Phase II</td>
<td>Phase IIb initiation</td>
<td>Approx. $ 820 m milestones, royalties; potential market $ 3–5 bn</td>
</tr>
<tr>
<td>Treatment resistant depression 3)</td>
<td>Open</td>
<td>Phase II</td>
<td>New partnering</td>
<td>Open</td>
</tr>
<tr>
<td>Insomnia 4)</td>
<td>Union Pharmaceuticals</td>
<td>Phase II</td>
<td>Phase IIb start</td>
<td>Milestones, royalties</td>
</tr>
<tr>
<td>Inflammation (P2X7)</td>
<td>CONBA PHARMA</td>
<td>Phase I / II</td>
<td>Phase II start</td>
<td>Approx. 60 m milestones, royalties</td>
</tr>
<tr>
<td>Inflammation in animal health 5)</td>
<td>Evotec (undisclosed)</td>
<td>Phase I/II</td>
<td>Phase II start</td>
<td>Milestones, royalties</td>
</tr>
<tr>
<td>Others 6)</td>
<td>Open</td>
<td>Pre-clinical</td>
<td>Partnering</td>
<td>Open</td>
</tr>
</tbody>
</table>

1) DiaPep277 is being developed by Andromeda Biotech Ltd and has been partnered with TEVA Pharmaceuticals Industries Ltd
2) EVT 302 (Mao-B); 3) EVT 104 (P2X3); 4) Chinese rights only; safety and Phase IIb study planned starting 2012 (EVT 201)
5) Animal Health (undisclosed) (EVT 401 (P2X7)); 6) EVT 501 (H3), P2X3, ...
DiaPep277 earns milestone and shows Phase III development success

Update on DiaPep277 – Type 1 diabetes

- A novel therapeutic treatment for newly diagnosed type 1 diabetes patients and LADA patients - Protects beta cells from autoimmune mediated destructions
- Met primary endpoint of 1st Phase III trial (beta cell function); demonstrated a significant preservation of C-peptide levels - A key marker for assessing insulin secretion by pancreatic cells
- Recruitment of 2nd Phase III with approx. 500 patients is expected to be completed by mid 2012
- Next milestone upon completion of 2nd Phase III study in 2014
- Final data of 2nd Phase III in 2014/2015(e); first sales projected for 2015 / 2016 (e)

<table>
<thead>
<tr>
<th>Partner</th>
<th>Development Stage</th>
<th>Indication</th>
<th>Target</th>
</tr>
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<tbody>
<tr>
<td>AndromedaBiotech</td>
<td>Phase III</td>
<td>Type 1 Diabetes</td>
<td>Hsp60</td>
</tr>
</tbody>
</table>

Final Phase III data will be presented mid May 2012 by Andromeda
Building up a significant portfolio of high-value assets without financial risk

Update on assets

**EVT 302**
- Development, regulatory responsibilities and all costs have been transferred to Roche
- Development profile can potentially target stand alone application or combination treatments in AD
- Large Phase IIb trial in preparation for start in 2012
- Phase IIb completion and Phase III start end 2013/2014

**EVT 101 / 103**
- Completed multiple dose finding studies, solid safety profile
- Partnering process ongoing

**EVT 401**
- Exclusive licence granted to Conba Pharma – one of the largest Chinese Pharma companies, for China only
- Upfront, approx. € 60 m milestones and tiered double-digit royalties especially for inflammation diseases
- Ongoing trials in Animal Health;

**Other clinical / pre-clinical programmes**
- EVT 201 – Phase IIb start expected for China in 2012
- VR 1 – In preparations for clinical entry at Pfizer
- Others: B1, P2X3, H3 still active
- € 0.5 m option fee achieved from MedImmune cooperation
Investing in CureBeta and CureNephron

Kidney disease focused drug discovery

**Evotec**
- Proven regenerative medicine approach
- Experience and expertise in diabetic complications
- Fully integrated drug discovery platform

**Harvard / Brigham and Women’s Hospital**
- Prof. Andy McMahon
- Prof. Ben Humphreys
- World leading science in kidney disease

**Unique kidney cell tools / capabilities**
- Customized kidney assays and animal models
- HCS capabilities for target identification

**Paediatric Renal Medicine at the University of Bristol**
- Prof. Moin A Saleem
  - Podocyte biology
EVOmAb: Full antibody service integrating Evotec’s experience in HTS/HCS

Strategic rational

1. Fully human antibody libraries, cell-based platform
2. High-throughput cell-based assays to screen for functionality early
3. Captures the largest antibody diversity
4. Screen in lowest volume - consume minimal target and antibody

EVOmAb – 4-Antibody partnership

- Therapeutic area expertise
- Innovation in Antibody Selection
- Customer orientated project management
- HTS/HCS platform

Innovation in Antibody Selection

Therapeutic area expertise

Customer orientated project management

HTS/HCS platform
Evotec has a broad expertise to screen antibody pools and libraries

Experience for cell-based screens

Established Evotec HTS/HCS Expertise

<table>
<thead>
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<th>Cell-based assays</th>
<th>First-in-class equipment &amp; capabilities</th>
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<tbody>
<tr>
<td>Cytokines</td>
<td>HCS</td>
<td>• FLIPR384</td>
</tr>
<tr>
<td>Receptors</td>
<td></td>
<td>• FLIPR Tetra</td>
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<tr>
<td>Integrins</td>
<td></td>
<td>• Tecan Safire II</td>
</tr>
<tr>
<td>GPCRs</td>
<td>GPCR</td>
<td>• Perkin Elmer EnVision</td>
</tr>
<tr>
<td>Ion Channels</td>
<td>Ion Channels</td>
<td>• TopCount</td>
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<td>• SynchroPatch©</td>
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<td></td>
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<td>• IonWorks® Quattro™</td>
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<td></td>
<td>• Q-patch HTX®</td>
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<td></td>
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<td>• PatchLiner©</td>
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Antibodies

1000^a of clones

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• Financial performance & growth outlook 2012ff
Strong growth, planned temporary effect on gross margin

Revenues & gross margin Q1

<table>
<thead>
<tr>
<th>Revenues</th>
<th>Gross Margin</th>
</tr>
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<tbody>
<tr>
<td>in € m</td>
<td>in %</td>
</tr>
<tr>
<td>8.7</td>
<td>9.8</td>
</tr>
<tr>
<td>1.1</td>
<td>3.7</td>
</tr>
</tbody>
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+33% effect on Q1 revenue growth
Q1 reflects the impact of investments in new businesses and infrastructure – invest for growth!

Operating result and net result Q1

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating result</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>before</td>
<td>-1.5</td>
<td>-0.8</td>
<td>-0.8</td>
</tr>
<tr>
<td>amortisation &amp;</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>fair value</td>
<td>-0.1</td>
<td>-0.8</td>
<td>-1.3</td>
</tr>
<tr>
<td>adjustments</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Net result /     | 2010 | 2011 | 2012 |
| operating result |      |      |      |
| non op result    |      |      |      |
| 2010             | -1.2 | 0.3  | 0.4  |
| 2011             | -1.5 | -0.4 | -0.8 |
| 2012             | -2.0 | -1.3 | -0.7 |
## Expectation of increased FY profitability unaltered

### Key financials Q1: Condensed profit & loss statement (IFRS)

<table>
<thead>
<tr>
<th>in €m</th>
<th>Q1 2011 Actual</th>
<th>Q1 2012 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>15.1</td>
<td>20.1</td>
</tr>
<tr>
<td>Gross margin</td>
<td>39.4%</td>
<td>32.5%</td>
</tr>
<tr>
<td>• R&amp;D expenses</td>
<td>2.3</td>
<td>1.9</td>
</tr>
<tr>
<td>• SG&amp;A expenses</td>
<td>3.8</td>
<td>4.4</td>
</tr>
<tr>
<td>• Amortisation</td>
<td>0.3</td>
<td>0.5</td>
</tr>
<tr>
<td>• Other operating expenses, net</td>
<td>0.4</td>
<td>0.9 ¹)</td>
</tr>
<tr>
<td><strong>Operating income (loss)</strong></td>
<td>(0.8)</td>
<td>(1.3)</td>
</tr>
<tr>
<td><strong>Net income (loss)</strong></td>
<td>(0.4)</td>
<td>(2.0)</td>
</tr>
</tbody>
</table>

¹) Including fair value adjustment in the context of the contingent consideration (earn-out Developgen) of €0.3m

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Marginal loss in Q1; strong order book and milestones opportunities support expectation of increased FY profitability
Guidance comfortably confirmed - double digit growth, higher profitability, more innovation

Operational business overview

<table>
<thead>
<tr>
<th></th>
<th>Q1 2011</th>
<th>Q1 2012</th>
<th>Δ Q1 – Q1</th>
<th>FY Guidance 2012</th>
<th>FY 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>15.1</td>
<td>20.1</td>
<td>+33%</td>
<td>88 - 90</td>
<td>80.1</td>
</tr>
<tr>
<td>Operating income (loss)</td>
<td>(0.8)</td>
<td>(1.0)</td>
<td>-20%</td>
<td>Improved over 2011</td>
<td>5.8</td>
</tr>
<tr>
<td>Unpartnered R&amp;D expenses</td>
<td>(2.3)</td>
<td>(1.9)</td>
<td>+17%</td>
<td>approx. 10</td>
<td>8.4</td>
</tr>
<tr>
<td>Liquidity at period end</td>
<td>68.7</td>
<td>57.1</td>
<td>-17%</td>
<td>&gt;60 2)</td>
<td>62.4</td>
</tr>
<tr>
<td>Capex investments</td>
<td>0.6</td>
<td>2.5</td>
<td></td>
<td>&gt;10</td>
<td>8.1</td>
</tr>
</tbody>
</table>

1) Operating result before impairments and changes in contingent consideration
2) Excluding any potential cash outflow for M&A transactions and related payments
AGM and Manfred Eigen Campus opening 14th of June

Significant upgrading processes at all sites

Sales representation (Boston, Tokyo)
Operations & sales representation

San Francisco, US
~35 employees
- Compound procurement
- Compound QC and storage

Abingdon, UK
~215 employees
- Medicinal chemistry
- ADMET
- Structural biology

Munich, Germany
~30 employees
- Phospho-proteomics
- Chemical proteomics

Göttingen, Germany
~45 employees
- Metabolics
- Regenerative Medicine

Thane, India
~130 employees
- Library synthesis & mgmt.
- Development chemistry

~180 employees
- Screening
- HTS, NMR
- In vitro & in vivo biology

Manfred Eigen 1) Campus

1) Manfred Eigen (*1927), German biophysical chemist and one of the worldwide leading pioneers in biotechnology. In 1967, he won the Nobel Prize in Chemistry for his work on a special measuring method of fast chemical reactions, which, until then, were considered to be immeasurable. He initiated the foundation of Evotec AG.
## Key milestones for 2012

### EVT Execute
- Double digit revenue growth 2012 – 2016
- Expansion success of existing alliances
- Significant long-term deals with major pharma (undisclosed)

### EVT Integrate
- At least 2 significant new integrated technology/disease alliances
- Deliver significant and accelerated preclinical/clinical milestones
- Show operational synergies of recent acquisitions

### EVT Innovate
- At least 1 strategic deal for early assets
- Expand offering into larger molecules offering (e.g. Antibodies)
- Commercialize innovation (e.g. Cure X, …)
- Phase III data in DiaPep277 and Phase IIb start within AD product development partnership
Your contact:

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