EVOTEC INVESTS IN EXSCIENTIA TO ADVANCE AI-DRIVEN DRUG DISCOVERY

- EVOTEC TO INVEST € 15 M IN EXSCIENTIA, A PIONEER OF ARTIFICIAL INTELLIGENCE (“AI”) IN DRUG DISCOVERY
- NEW FUNDS WILL ENABLE EXSCIENTIA TO ACCELERATE GROWTH
- EXPANSION OF EXISTING PARTNERSHIP TO DISCOVER NOVEL IMMUNO-ONCOLOGY THERAPEUTICS
- FIRST EVOTEC PROJECT SUPPORTED BY RECENT € 75 M LOAN FACILITY FROM THE EUROPEAN INVESTMENT BANK

Hamburg, Germany, Dundee, UK: 28 September 2017

Evotec AG (Frankfurt Stock Exchange: EVT, TecDAX, ISIN: DE0005664809) and Exscientia Ltd (“Exscientia”) today announced that Evotec has made a € 15 m investment to take a minority stake in Exscientia. Through this investment, Evotec becomes the first strategic shareholder in the UK-based company. Exscientia is focused on Artificial Intelligence (“AI”)-driven drug discovery and design. With more than 1,800 scientists, Evotec has one of the largest and leading drug discovery platforms in the industry.

Exscientia and Evotec have cooperated since early 2016 to advance small molecules and bispecific small molecules in immuno-oncology. The ongoing success of this partnership was the basis of this expanded and deepened corporate relationship. Exscientia is the world leader in developing and applying AI approaches specifically to design new and better therapeutic molecules in a faster and more cost-effective manner. Exscientia’s approach fuses the power of AI with the discovery experience of seasoned drug hunters and chemistry experts. This investment will enable Exscientia to drive higher value partner programmes and expand discovery on its automated design platform.

Dr Werner Lanthaler, Chief Executive Officer of Evotec, said: “Our investment in Exscientia represents Evotec’s single biggest equity placement to date and in, what we feel, is the world leading AI technology company. Working with Exscientia on a joint immuno-oncology project over the past year, we have experienced first-hand how its AI approaches, along with our medicinal chemistry platform, can positively and radically impact drug discovery. We are very excited about the joint potential to leverage AI in chemistry. This investment is also the first time that we can efficiently use our
recently awarded € 75 m loan facility from the European Investment Bank to bring down cost of capital for such an investment.”

**Commenting on the investment, Prof. Andrew Hopkins, Chief Executive Officer of Exscientia, added:** “Exscientia and Evotec have built a close relationship over the past year sharing mutual interest in agile innovation. We are delighted that Evotec has made this investment for a minority equity stake, allowing Exscientia to deliver more drug discovery projects in a rapid and capital efficient manner. I’m also delighted that Dr Mario Polywka, Chief Operating Officer of Evotec, will join Exscientia’s Board of Directors, allowing us to benefit from his strong operational expertise in growing successful biotech companies.”

**About Exscientia and AI-driven drug discovery**
Exscientia is at the forefront of Artificial Intelligence (AI)-driven drug discovery and design. By fusing the power of AI with the discovery experience of seasoned drug hunters, Exscientia is the first company to automate drug design, surpassing conventional approaches.

The innovative platform enables breakthrough productivity gains as well as new approaches to improve drug efficacy. Novel compounds prioritised for synthesis by Exscientia’s AI systems simultaneously balance potency, selectivity and pharmacokinetic criteria in order to deliver successful experimental outcomes.

By applying a rapid design-make-test cycle, the Exscientia AI system actively learns from the preceding experimental results and rapidly evolves compounds towards the desired candidate criteria. Exscientia systems learn from both existing data resources and experimental data from each design cycle. The principle is similar to how a human would learn, but the AI process is far more effective at identifying and assimilating multiple subtle and complex trends to balance potency, selectivity and pharmacokinetic criteria. As a result, the AI-driven process is more likely to achieve the end goal and to do this more rapidly and efficiently than traditional human endeavour. Exscientia is collaborating with several leading pharmaceutical companies. In addition to Evotec, partners include Sanofi (metabolic disease), Sumitomo Dainippon Pharma and Sunovion Pharmaceuticals (CNS) and GSK. Exscientia was established as a spinout company from Prof. Andrew Hopkins laboratory at the University of Dundee.

For more information visit [www.exscientia.co.uk](http://www.exscientia.co.uk). Follow on Twitter [www.twitter.com/exscientialtd](http://www.twitter.com/exscientialtd).
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ABOUT EVOTEC AG
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 providing the highest quality standalone and integrated drug discovery solutions, covering all activities from target-to-clinic to meet the industry’s need for innovation and efficiency in drug discovery (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 neuroscience, diabetes and complications of diabetes, pain and inflammation, oncology and infectious diseases. On this basis, Evotec has built a broad and deep pipeline of more than 80 partnered product opportunities at clinical, pre-clinical and discovery stages (EVT Innovate). Evotec has established multiple long-term discovery alliances with partners including Bayer, CHDI, Sanofi or UCB and development partnerships with e.g. with Sanofi in the field of diabetes, with Pfizer in the field of tissue fibrosis and Celgene in the field of neurodegenerative diseases. For additional information please go to www.evotec.com.

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.