

EUROPEAN INVESTMENT BANK SUPPORTS EVOTEC'S INNOVATE STRATEGY WITH € 75 M LOAN

- ▶ *EIB WILL PROVIDE FINANCING FOR FIRST-IN-CLASS DRUG DISCOVERY PROJECTS*
- ▶ *SIGNIFICANTLY LOWER COST OF CAPITAL FOR TRANSLATION FROM ACADEMIC SCIENCE TO INDUSTRY*
- ▶ *FUNDING IS SUPPORTED THROUGH THE "EUROPEAN FUND FOR STRATEGIC INVESTMENTS", A KEY ELEMENT OF THE "INVESTMENT PLAN FOR EUROPE" (SO-CALLED "JUNCKER PLAN")*

Hamburg/Germany; Brussels/Belgium, 08 September 2017:

Evotec AG (Frankfurt Stock Exchange: EVT, TecDAX, ISIN: DE0005664809) and the European Investment Bank ("EIB") announced today that the EIB has granted Evotec an unsecured loan facility of up to € 75 m to support Evotec's Innovate strategy.

The loan agreement is operated under the European Fund of Strategic Investments ("EFSI"). EFSI is an essential pillar of the Investment Plan for Europe ("IPE"), under which the EIB and the European Commission are working as strategic partners to boost the competitiveness of the European economy. The transaction is the first large success-sharing investment under EFSI in any industry anywhere in Europe. Furthermore, it represents EFSI's first contingent investment, whereupon the bank shares the risk of its client's research & development (R&D) success.

Supporting EVT Innovate at significantly lower cost of capital

Cures are still needed for more than 3,000 serious diseases. As a consequence, indirect healthcare costs for treating patients are enormous, especially considering the impact of ageing populations in many countries of the developed world. Hence, the demand for new therapies continues to see steady growth and this requires innovation in drug discovery in a capital-efficient manner as well as through innovative financing models.

The core of Evotec's business is research and development to support Pharma and biotech companies, venture capital groups, academic institutions as well as foundations

and not-for-profit organisations. Within its EVT Innovate segment, Evotec is building a sustainable pipeline of partnered disease-modifying product opportunities. Its R&D activities are based on cutting-edge science, highest quality drug discovery platforms (e.g. Evotec's integrated patient-derived induced pluripotent stem cells ("iPSC") platform) and innovative collaboration models such as the BRIDGE initiatives from Academia to Pharma. Since 2010, Evotec has built a pipeline of over 80 partnered product opportunities through such partnerships, spin-offs or equity investments. These partnerships hold significant upside value for Evotec in terms of development, clinical and commercial milestones, royalties or alternatively equity participations.

The EIB funding specifically supports Evotec's Innovate strategy through a unique, innovative and flexible financing structure including a moderate reward-sharing component for the EIB. The € 75 m total loan financing will be invested into EVT Innovate R&D over a period of four years and will mature seven years after draw down. The long-term character of this financing reduces the cost of capital for innovation substantially. At the same time, it allows Evotec to pursue innovative drug discovery and development paths even more intensively (e.g. orphan drug programmes; invest in certain technologies and platforms), always focusing on disease-modifying treatments for diseases with an urgent unmet medical need. Evotec expects the first investments with this new funding tool already in 2017.

EIB Vice President Ambroise Fayolle, responsible for Germany and EFSI, said: "We are proud to be able to support Evotec in this innovative and competitive strategy. Boosting research and development and standing by European companies is a priority for the EIB. Innovation is a key element for Europe in a global competition, to help secure competitiveness and jobs and achieve sustainable growth."

European Commission Vice-President Jyrki Katainen, responsible for Jobs, Growth, Investment and Competitiveness, added: "The development of innovative treatments is a process which requires sustained investment. This is where the Investment Plan can play a role. I am glad that, with today's agreement, the Plan is supporting research which aims to tackle serious illnesses and diseases."

Dr Werner Lanthaler, Chief Executive Officer of Evotec, commented: "We are honoured to be part of the European Investment Plan fund and are pleased with their trust in our innovation strategy. We will remain very focused on our investments and continue to build world-leading R&D efforts. The support of the EIB with the flexibility and innovative financing model will bring down our cost of capital significantly. Adding this new financing tool to the biotech industry is a truly important milestone and will have a real impact for the global innovation ecosystem in drug discovery."

The transaction has been developed in cooperation with kENUP Foundation, a NGO supporting Innovation in Europe.

ABOUT THE EIB

The European Investment Bank (EIB) is the long-term lending institution of the European Union owned by its Member States. It makes long-term finance available for sound investment in order to contribute towards EU policy goals.

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ABOUT THE INVESTMENT PLAN FOR EUROPE

The Investment Plan for Europe, the so-called “Juncker Plan”, is one of the European Commission’s top priorities. It focuses on boosting investments to create jobs and growth by making smarter use of new and existing financial resources, removing obstacles to investment and providing visibility and technical assistance to investment projects. The European Fund for Strategic Investments (EFSI) is the central pillar of the Juncker Plan. It provides a first loss guarantee, allowing the EIB to invest in more, often riskier, projects. The EFSI is already showing concrete results. The projects and agreements approved for financing under the EFSI so far are expected to mobilise more than EUR 225 billion in investments and support around 445,000 SMEs across all 28 Member States.

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 stand-alone 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 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.