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'RESEARCH NEVER STOPS'

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## Evotec acquires Kinaxo, expanding its drug discovery platform with cutting-edge technologies

- **ADDS PROPRIETARY TECHNOLOGIES FOR RESPONSE PREDICTION AND DRUG EFFICACY AND SAFETY ASSESSMENT; ESPECIALLY IN KEY INDICATION AREA ONCOLOGY**
- **ADDS FAST GROWING BUSINESS WITH AN EXPECTED REVENUE OF €2.5M IN 2011**
- **INITIAL PURCHASE PRICE OF APPROX €12M CONSISTS OF €3M IN CASH AND 2.6M SHARES; PLUS EARN-OUT PAYMENTS OF UP TO €4M DEPENDENT ON PERFORMANCE MILESTONES**

**Hamburg, Germany – 9 February 2011:** Evotec AG (Frankfurt Stock Exchange: EVT, TecDAX) today announced the signing of a definitive agreement to acquire all shares in Kinaxo Biotechnologies GmbH, a Munich-based drug discovery alliance company supporting the development of targeted drugs.

### ***Strengthening Evotec's position as quality leader in drug discovery***

The acquisition of Kinaxo confirms Evotec's leading position as fully integrated drug discovery and early development partner for pharma and biotechnology companies. Integration of Kinaxo's novel technologies enables Evotec and its partners to take earlier educated decisions on drug efficacy, safety and response in patients.

Kinaxo's capabilities comprise a unique combination of innovative technologies improving drug development across the entire pharma value chain:

- Cellular Target Profiling® uncovers the molecular targets of compounds with unknown mode-of-action and reveals possible off-target side effects early in the discovery and development process.
- KinAffinity® determines the cellular selectivity of kinase inhibitors, which represent the most important class of targeted cancer drugs.
- PhosphoScout® provides valuable knowledge on drug modes-of-action *in vivo* and how they respond to drug treatment.

“Through the acquisition of Kinaxo, Evotec gains access to a highly innovative technology base in drug discovery, which allows us to integrate a powerful response prediction platform with our leading drug discovery expertise. We are proud to significantly strengthen our performance-based discovery offering to our customers with this unique value proposition,” **said Dr Werner Lanthaler, Chief Executive Officer of Evotec AG.** “

**Dr. Andreas Jenne, CEO of Kinaxo, adds:** “We are excited to join forces with Evotec. Our technology portfolio perfectly fits into Evotec’s integrated service offering. This will allow us to fully leverage our capabilities and grow our business much faster within larger discovery alliances.”

**Prof. Dr. Axel Ullrich, Director of the Max-Planck-Institute for Biochemistry, Martinsried, and co-founder of Kinaxo commented:** “Kinaxo has built a unique technology platform that allows comprehensive analysis of cancer signal transduction processes and their response to drug treatment. The integration of the leading drug discovery capability will implement Evotec as a driver towards personalised medicine in the future.”

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

The purchase price consists of a cash consideration of € 3m and 2.597.400 shares from authorised capital. In addition an earn-out component of up to € 4m in cash will become due if certain performance-based milestones are reached. Parts of the shares are held in escrow and their release is subject to certain company events and representations. All shares issued are subject to certain lock-up provisions. The deal is expected to close in April 2011.

Despite cash requirements for transaction and integration costs of approx. € 4m resulting from the acquisition, Evotec confirms to keep a very strong strategic cash balance also in 2011. For the current fiscal year, the Company expects to grow revenues by more than 15% and to end the year 2011 with a liquidity of more than € 64 m.

Evotec invites you to join a conference call announcing the acquisition of Kinaxo.

#### **Details of the Conference Call:**

Thursday 10 February 2011 at  
8.30 a.m. CET  
7.30 a.m. GMT/2.30 a.m. US Time (East Coast)

#### **Dial-in Numbers:**

Europe:  
+49 (0) 6958 999 0805 (Germany)  
+44 (0) 207 153 2027 (UK)  
US: +1 480 629 9724

Pass Code: 4407349

A simultaneous slide presentation for participants dialing in via phone is available at [www.equitystory.com](http://www.equitystory.com), password: evotec0211. You can also listen to the conference call via audio webcast including presentation slides at [www.evotec.com](http://www.evotec.com).

If you are unable to attend, a recording will be available for 24 hours after the call at the following phone numbers: +49 (0) 69 58 99 90

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568 (Germany), +44 (0) 20 7959 6720 (UK), +1 303 590 3030 (US). The access code is 4407349#. The on-demand version of the webcast will be available on our website: [www.evotec.com](http://www.evotec.com) - Investors/Events/Financial Calendar.

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#### **ABOUT EVOTEC AG**

Evotec is a leader in the discovery and development of novel small molecule drugs with operational sites in Europe and Asia. The Company has built substantial drug discovery expertise and an industrialised platform that can drive new innovative small molecule compounds into the clinic. In addition, Evotec has built a deep internal knowledge base in the treatment of diseases related to neuroscience, pain, oncology, inflammation and metabolic diseases. Leveraging these skills and expertise the Company intends to develop best-in-class differentiated therapeutics and deliver superior science-driven discovery alliances with pharmaceutical and biotechnology companies. Evotec has long-term discovery alliances with partners including Boehringer Ingelheim, CHDI, Genentech, Novartis, Ono Pharmaceutical and Roche. Evotec has product candidates in clinical development and a series of preclinical compounds and development partnerships, including for example a strategic alliance with Roche for the EVT 100 compound family, subtype selective NMDA receptor antagonists for use in treatment-resistant depression and an alliance in the field of diabetes with Andromeda (Teva). For additional information please go to [www.evotec.com](http://www.evotec.com).

#### **ABOUT KINAXO**

Kinaxo is a privately held biotechnology company based in Munich, Germany. The company was founded in 2005 and currently employs 25 employees. Following the transaction, Kinaxo will be fully integrated into Evotec's operations.

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**FORWARD-LOOKING STATEMENTS** — *Information set forth in this press release contains forward-looking statements, which involve a number of risks and uncertainties. Such forward-looking statements include, but are not limited to, statements about our expected 2010 financial results and financial growth in 2011, our anticipated financing needs, our ability to deliver on our liquidity guidance, our belief that we are on course to sustainable profitability latest in 2012, our expectations and assumptions concerning regulatory, clinical and business strategies, the progress of our clinical development programmes and timing of the commencement and results of our clinical trials, strategic collaborations and management's plans, objectives and strategies. These 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. In particular, the risks and uncertainties include, among other things: risks that product candidates may fail in the clinic or may not be successfully marketed or manufactured; the risk that we will not achieve the anticipated benefits of our collaborations, partnerships and acquisitions in the timeframes expected, or at all; risks relating to our ability to advance the development of product candidates currently in the pipeline or in clinical trials; our inability to further identify, develop and achieve commercial success for new products and technologies; the risk that competing products may be more successful; our inability to interest potential partners in our technologies and products; our inability to achieve commercial success for our products and technologies; our inability to protect our intellectual property and the cost of enforcing or defending our intellectual property rights; our failure to comply with regulations relating to our products and product candidates, including FDA requirements; the risk that the FDA may interpret the results of our studies differently than we have; the risk that clinical trials may not result in marketable products; the risk that we may be unable to successfully secure regulatory approval of and market our drug candidates; and risks of new, changing and competitive technologies and regulations in the U.S. and internationally. The list of risks above is not exhaustive. Our most recent Annual Report on Form 20-F, filed with the Securities and Exchange Commission, and other documents filed with, or furnished to the Securities and Exchange Commission, contain additional factors that could impact our businesses and financial performance. 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.*

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