

# Land and Expand



## Cautionary statement regarding forward-looking statements

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Information set forth in this presentation contains forward-looking statements, which involve a number of risks and uncertainties. All statements other than statements of historical fact are forward-looking statements, which are often indicated by terms such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “goal”, “intend”, “look forward to”, “may”, “plan”, “potential”, “predict”, “project”, “should”, “will”, “would” and similar expressions. The forward-looking statements contained herein represent the judgement of Evotec as of the date of this presentation. 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. Given these risks, uncertainties, and other factors, you should not place undue reliance on these forward-looking statements.

# Welcome

## The Management Team

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**Werner  
Lanthaler**  
CEO



**Enno  
Spillner**  
CFO



**Craig  
Johnstone**  
COO



**Matthias  
Evers**  
CBO



**Cord  
Dohrmann**  
CSO



*“I have spent my career as a scientist and consultant in life sciences on the confluence of biology, chemistry, and technology more broadly, i.e., data, AI/ML as well as automation.*

*Evotec is uniquely positioned to capitalize on this opportunity as we enter a new era of science and disease understanding.”*

**Matthias Evers**

# Agenda

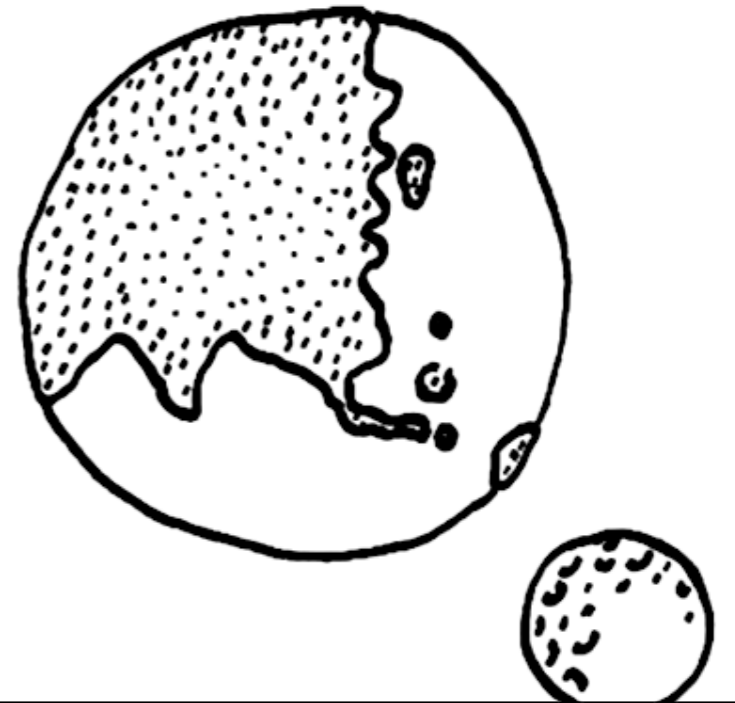
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## Highlights

Financial performance Q1 2022

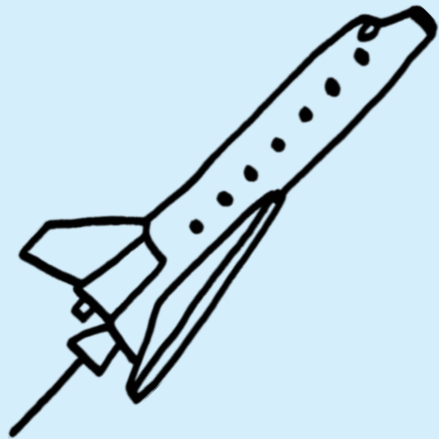
Scientific and operational performance Q1 2022

Outlook and Guidance 2022



# Good start and strong performance in all building blocks

Q1 2022 – Highlights & lowlights



## Highlights

- Strong momentum in all areas
- New collaborations with Boehringer Ingelheim (iPSC) and Eli Lilly (metabolic diseases)
- Launch of E.MPD
- Bayer initiated Phase II of bradykinin receptor B1 BAY 2395840 in diabetic neuropathic pain
- Grant from BMBF to support clinical development of EVT075
- Further progress in neuroscience collaboration with Bristol Myers Squibb (“BMS”)
- Expansion with JingXin for EVT201, submission of regulatory approval in China (after period-end)
- Expansion of **EVO**equity portfolio with investments in Centauri, IMIDomics & Tubulis (after period-end)
- Major expansion and extension of targeted protein degradation alliance with BMS (after period-end)

## Lowlights

- Termination of further development of P2X3 antagonist eliapixant by Bayer

# Growth trajectory ahead of plan

Financials Q1 2022 & FY 2022 guidance

## Improving momentum

- Group revenues up 24% (€ 164.7 m vs. Q1 2021: € 133.1 m)
  - Like-for-like growth of Group revenues (adj. for fx effects) up 19%
  - Like-for-like growth of base business (excl. milestones, upfront payments, licenses) up 25%
- Adjusted Group EBITDA<sup>3)</sup> of € 18.9 m down 11% (Q1 2021: 21.1 m) due to capacity expansion and unpartnered R&D
- Increased investment into unpartnered R&D expenses of € 16.6 m (Q1 2021: € 14.9 m)

## Guidance confirmed

- **Very good top-line growth expected**
  - Total Group revenues **€ 700-720 m** (2021: € 618 m) (€ 690-710 m at constant exchange rates<sup>1)</sup>)
- **Accelerated R&D investments for sustained growth**
  - Unpartnered Group R&D expenses of **€ 70-80 m<sup>2)</sup>** (2021: € 58 m)
- **At least stable adj. EBITDA – investing in growth**
  - Adjusted Group EBITDA<sup>3)</sup> **€ 105-120 m** (2021: € 107.3 m) (€ 95-110 m at constant exchange rates<sup>1)</sup>)

# Agenda

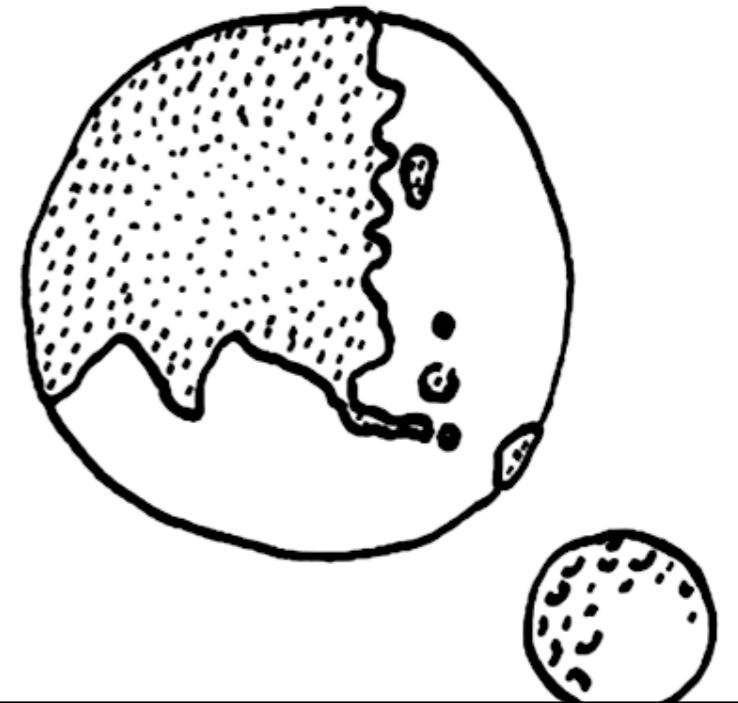
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Highlights

**Financial performance Q1 2022**

Scientific and operational performance Q1 2022

Outlook and Guidance 2022





## Very strong growth – On track for 2022 goals

### Condensed income statement Q1 2022

in EUR m<sup>1)</sup>

	Q1 2022	Q1 2021	% vs. 2021
Revenues from contracts with customers	<b>164.7</b>	133.1	24%
Gross margin	<b>19.6%</b>	23.1%	–
• R&D expenses	<b>(18.1)</b>	(18.5)	(2)%
• SG&A expenses	<b>(31.6)</b>	(21.2)	49%
• Other op. income (expenses), net	<b>17.8</b>	15.8	13%
<b>Operating income</b>	<b>0.5</b>	6.8	(93)%
<b>Adjusted Group EBITDA<sup>2)</sup></b>	<b>18.9</b>	21.1	(11)%
<b>Net income</b>	<b>(73.2)</b>	52.7	nm

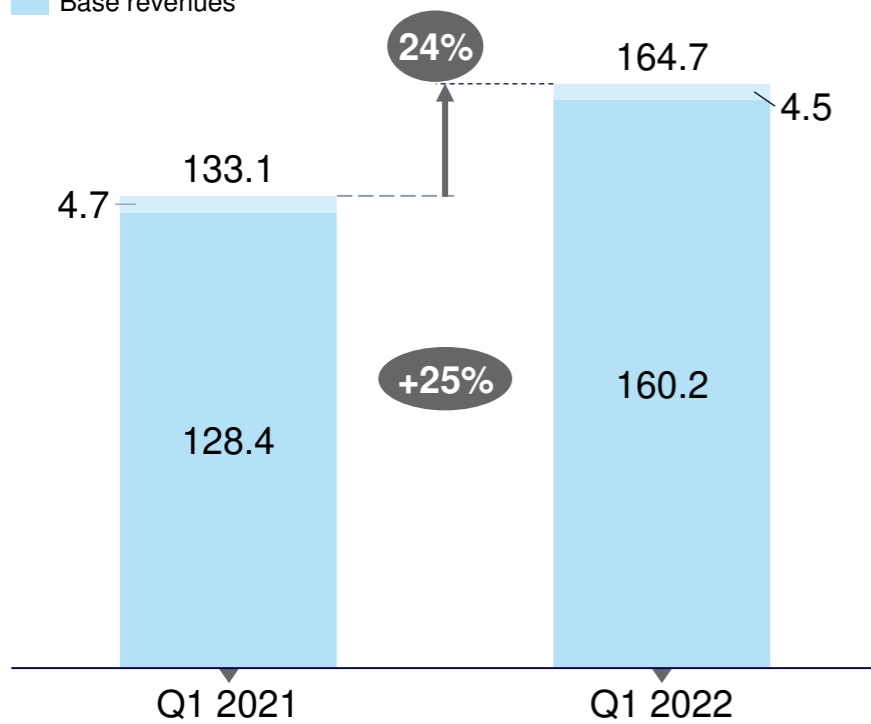
- Fx adj. Group revenue growth 19%
- 25% growth of base business
- Just – Evotec Biologics +27% adjusted for accounting of upfront payment in previous year
- Unpartnered R&D as well as SG&A expenses up - within expected ranges
- Adj. EBITDA down 11% due to expansion of capacity
- Net income influenced by non-cash effect of share price development of Exscientia (**EVO**equity)

# Very dynamic organic growth in base revenues

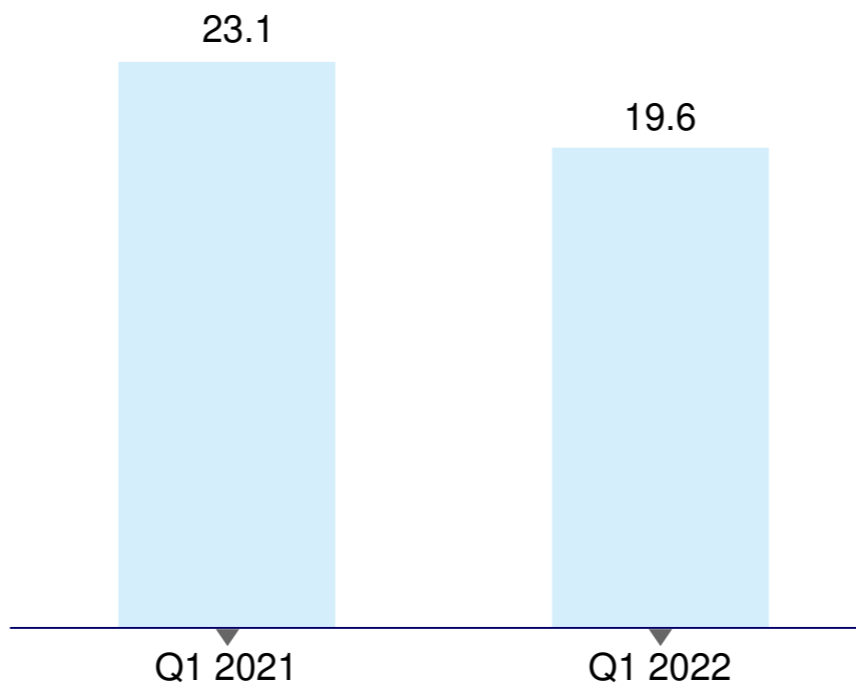
## Revenues & Gross margin overview

### Revenues (in € m)

■ Milestones, upfronts and licences  
■ Base revenues



### Gross margin (in %)



- Growth across all business lines
  - Base business up 25%; Like-for-like growth up 19% (adj. for fx)
  - Almost unchanged upfront, milestones and license payments
  - positive fx effects (€ 5.7 m)
- Milestones, upfront payments, licenses of € 4.5 m in-line with expectations after Bayer's decision to terminate eliapixant (Q1 2021: € 4.7 m)
- Gross margin influenced by significantly higher depreciations and ramp up costs for J.POD<sup>®</sup> Redmond (US)

# Integrated platform fostering growth acceleration

Segment information Q1 2022 – Evotec SE and subsidiaries

in EUR m<sup>1)</sup>

	<b>EVT Execute</b>	<b>EVT Innovate</b>	<b>Inter- segment elimination</b>	<b>Evotec Group</b>
Revenues	174.5	35.9	(45.8)	<b>164.7</b>
<i>Gross margin</i>	19.7%	5.6%	–	<b>19.6%</b>
• R&D expenses	(1.0)	(21.2)	4.0	<b>(18.1)</b>
• SG&A expenses	(25.2)	(6.3)	–	<b>(31.6)</b>
• Other op. income (expenses), net	6.8	11.0	–	<b>17.8</b>
<b>Operating income</b>	15.0	(14.5)	–	<b>0.5</b>
<b>Adjusted Group EBITDA<sup>2)</sup></b>	32.2	(13.4)	–	<b>18.9</b>

- **EVT Execute:** 27% revenue growth including inter-segment revenues. Intersegment-revenue +43% implies accelerating demand for integrated offering; 23% growth of external revenues driven by strong base business
- **EVT Innovate:** Strong revenue growth of 27% driven by demand for precision medicine platforms
- **Adjusted Group EBITDA**
  - capacity expansion and increased expenses for unpartnered R&D
  - Positive fx effect of € 2.4 m
  - Adj. EBITDA of EVT Execute +14%

## Strong balance sheet and cash position

Balance sheet – 31 March 2022 versus 31 December 2021

**Balance sheet total**  
in € m

2,235.2 ..... **2,185.0**

**Equity ratio**  
in %

61.6 ..... **59.9**

**Net Debt / *adjusted EBITDA*<sup>1)</sup>**

(5.5) ..... **(5.5)**

**Liquidity**  
in € m

858.2 ..... **854.8**

- Strong equity ratio at 60%
- Leverage ratio remained stable with (5.5)x EBITDA versus year-end; excellent financial flexibility to support growth
- Liquidity as of Q1 2022 € 854.8 m, as reduction of receivables compensate for capex

# Agenda

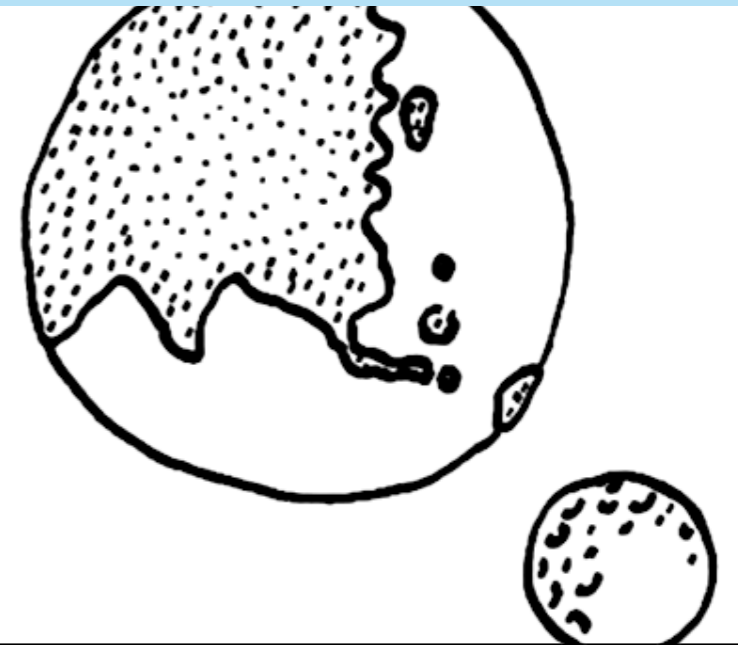
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Highlights

Financial performance Q1 2022

**Scientific and operational performance Q1 2022**

Outlook and Guidance 2021



## Landing and expanding meaningful partnerships

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Landmark developments at the beginning of 2022

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- **Land...**

- **Eli Lilly:** Discovery of potential drug candidates for the treatment of diabetes and chronic kidney diseases from targets identified by Lilly or Evotec



- **Land again...**

- **Boehringer Ingelheim:** iPSC-based disease modelling for ophthalmologic disorders, supported by **EVOpanOmics** platform, to identify small molecules able to modulate disease




- **...and Expand**

- **BMS:** Massive extension and expansion of partnership with Bristol Myers Squibb in targeted protein degradation, originally signed in 2018


# **Delivering breakthrough therapies via targeted protein degradation**

*Drugging the undruggable via molecular glues*



*“Our breakthroughs in the understanding of the mechanism of action of CELMoDs<sup>®</sup> will enable the discovery of more drugs that can direct the degradation of proteins known to be causing disease.”*

**Rupert Vessey, BMS**



*“Molecular glue degraders represent the most important innovation in small molecules in recent history. Industrialized omics combined with AI/ML will help garner the full potential.”*

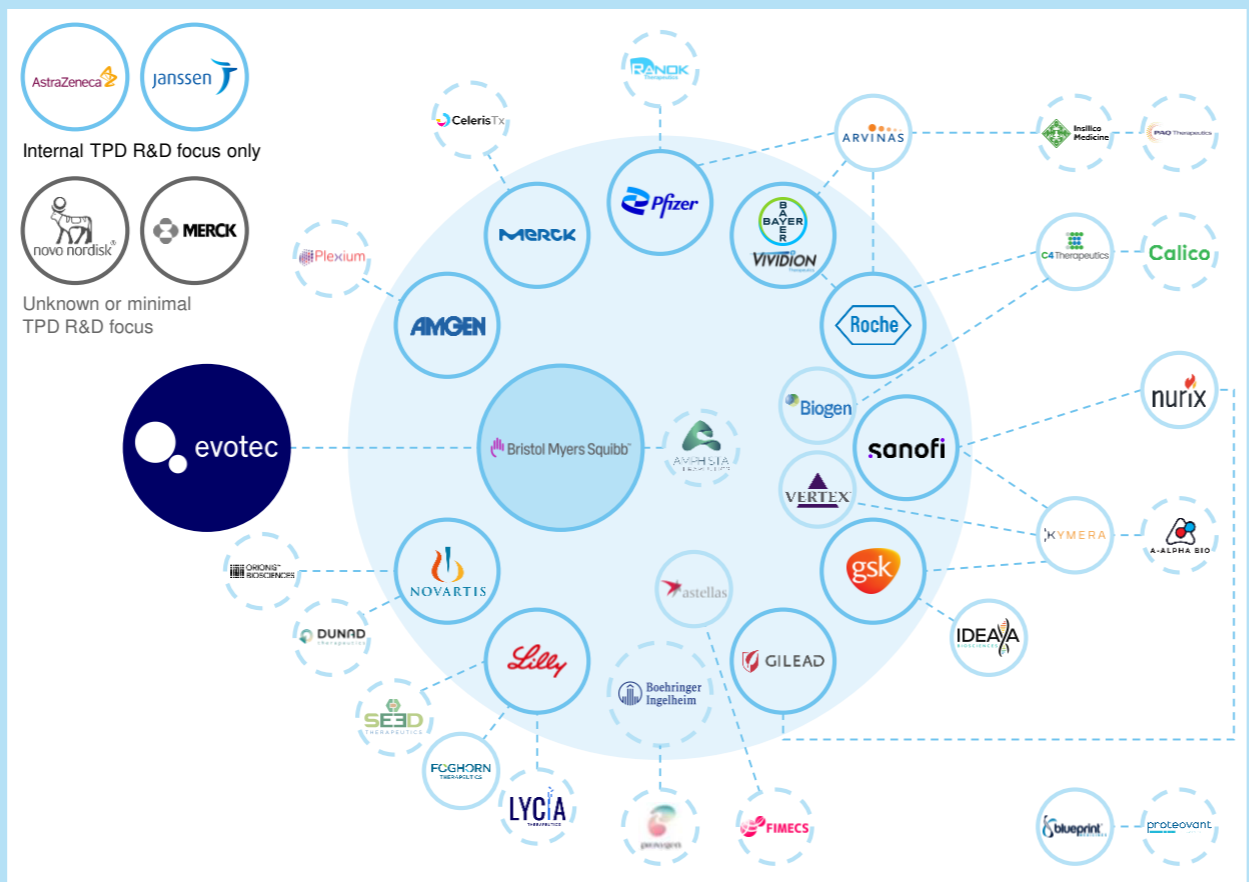
**Cord Dohrmann, Evotec**



# Unique potential translates into a strong engagement industry

## BMS & Evotec – Global Leadership in TPD

### The expanding universe of Targeted Protein Degradation



- The targeted protein degradation enabling technologies market, anticipated to be **worth over \$ 3.3 bn by 2030 (CAGR of around 27%)**
- Partnership activity has **grown significantly between 2014 and 2021 R&D agreements (25%) and research agreements (23%)** emerged as the most popular types of partnership models
- **> \$ 5 bn** has been invested by private & public investors **since 2014**
- **>180 investors** have actively financed projects / initiatives in this domain

○ Public (> \$ 25 bn mkt. cap) 
 ○ Public (< \$ 25 bn mkt. cap) 
 ⊖ Private / subsidiary 
 --- Strategic collaboration and/or license agreement

## Moving from exploration to a long-term strategic partnership

Strategic expansion of a successful partnership in targeted protein degradation

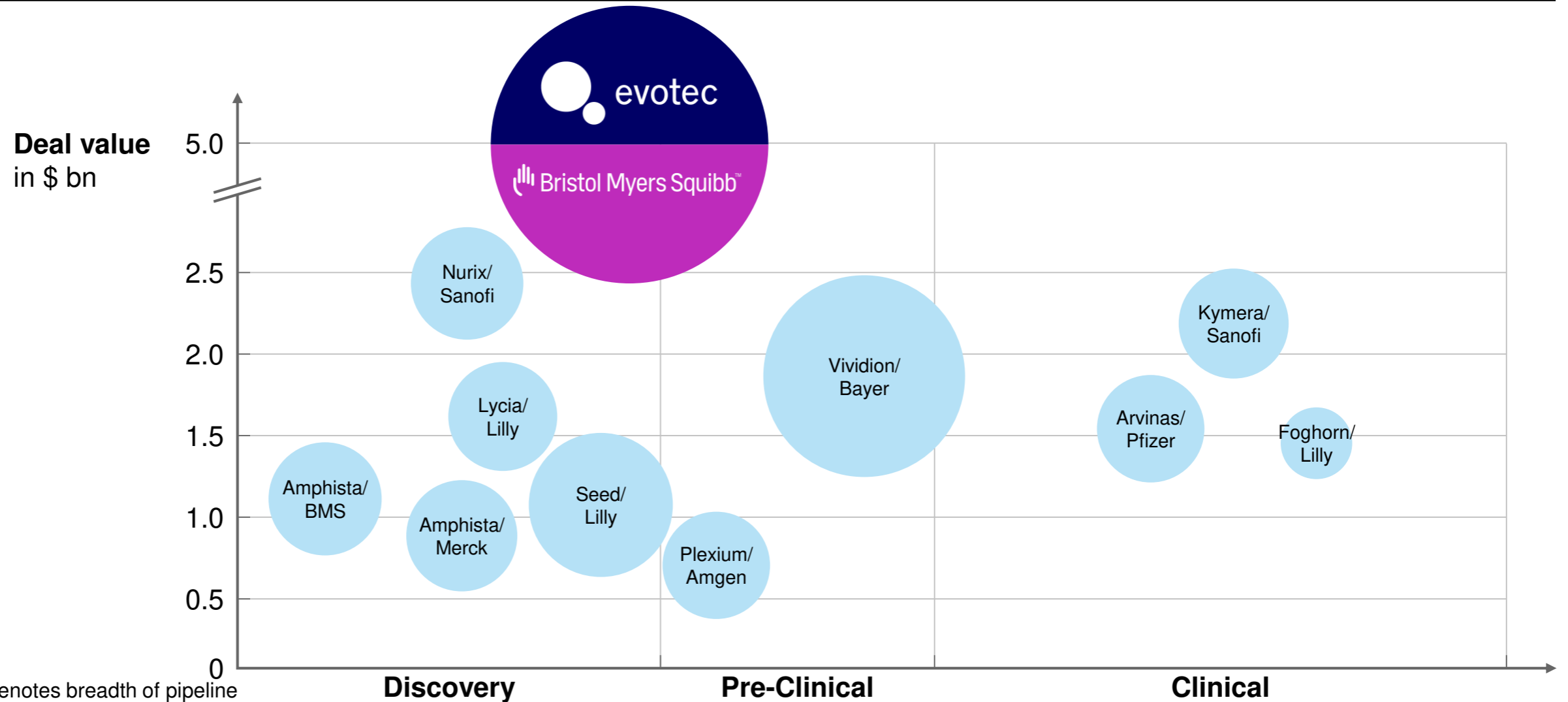


### Developing a pipeline of breakthrough therapies based on molecular glue degraders

- 8-year extension and significant expansion of original agreement signed in 2018
- Collaboration leverages Evotec's **EVOpanOmics** and **EVOpanHunter** platforms including AI/ML capabilities
- Upfront payment of \$ 200 m
- Deal potential of > \$ 5 bn, milestone based payments
- Tiered royalties for each programme

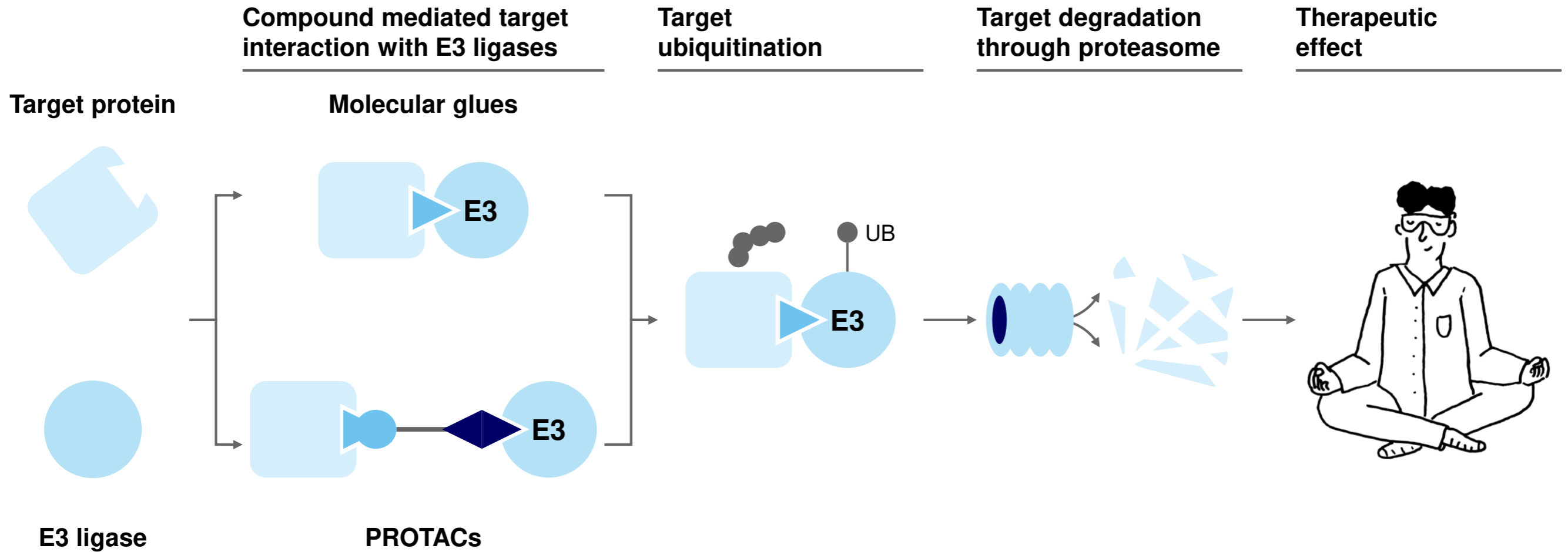
## Scope of deal places BMS & Evotec ahead of key players

Analysis of selected licensing deals – strong momentum in the last 2 years



# Targeted Protein Degradation opens a new path to fight disease

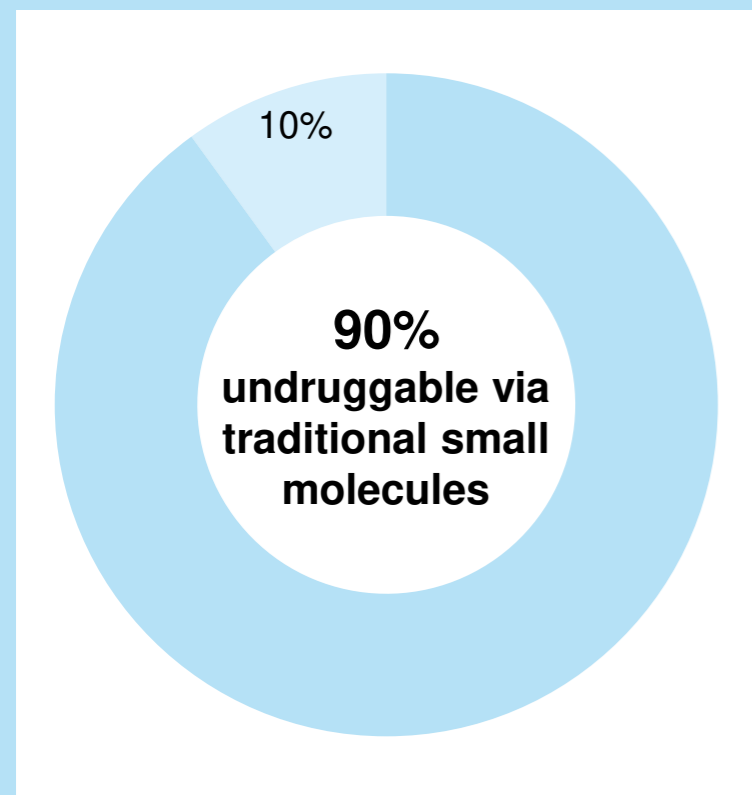
Mechanism of Action of targeted protein degraders



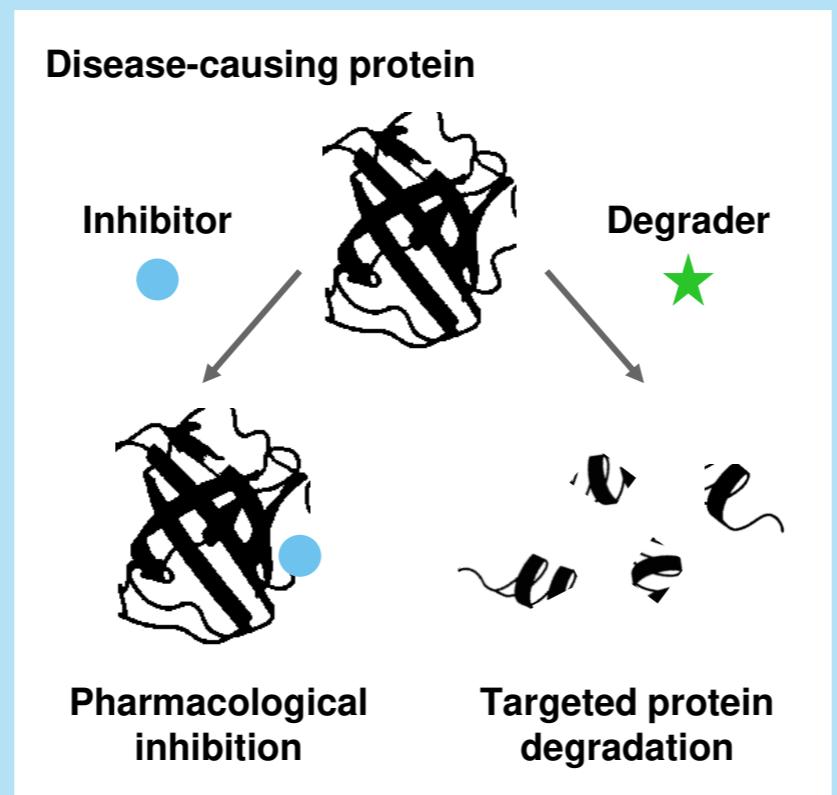
# Drugging the undruggable harbours enormous potential

Vast majority of the proteome is currently not addressed by small molecules

## Human proteome ~30,000



## Degradation is a new paradigm



## Major advantages of degraders

- Degradator compounds rely primarily on binding
  - Rather than binding and activity inhibition
- Catalytic, event driven, pharmacology
  - Enabling responses at lower exposures over longer intervals
- Degradation of target proteins
  - Less likely to lead to resistance

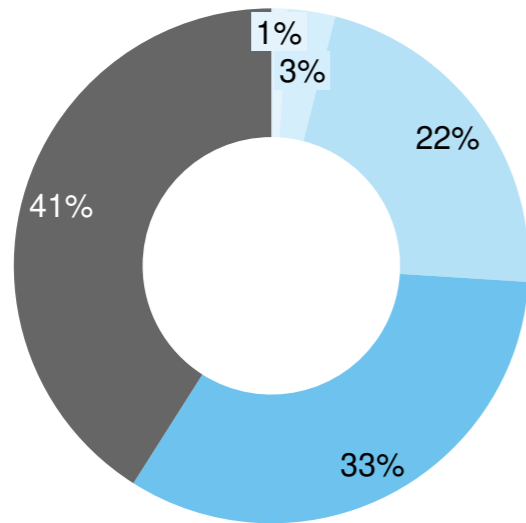
■ Undrugged opportunity    ■ Classically defined as “druggable” by small molecules / targeted by approved drugs

# Rapidly expanding therapeutic space reflects the potential of TPD

150 TPD projects currently in development

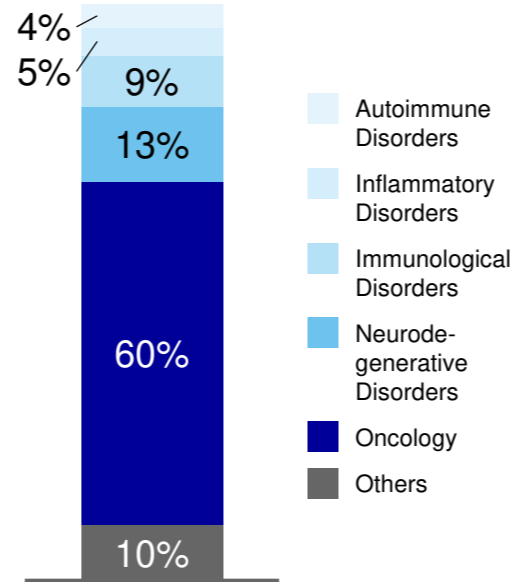
## Targeted Protein Degradation Therapeutics

Distribution by Phase of Development



Phase 1 Phase 2 Phase 3 Preclinical Discovery

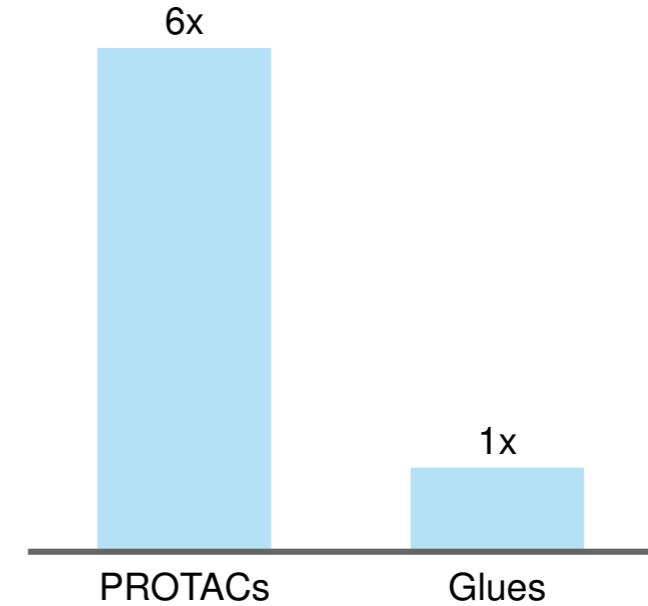
Distribution by Therapeutic Area



Autoimmune Disorders  
Inflammatory Disorders  
Immunological Disorders  
Neurodegenerative Disorders  
Oncology  
Others

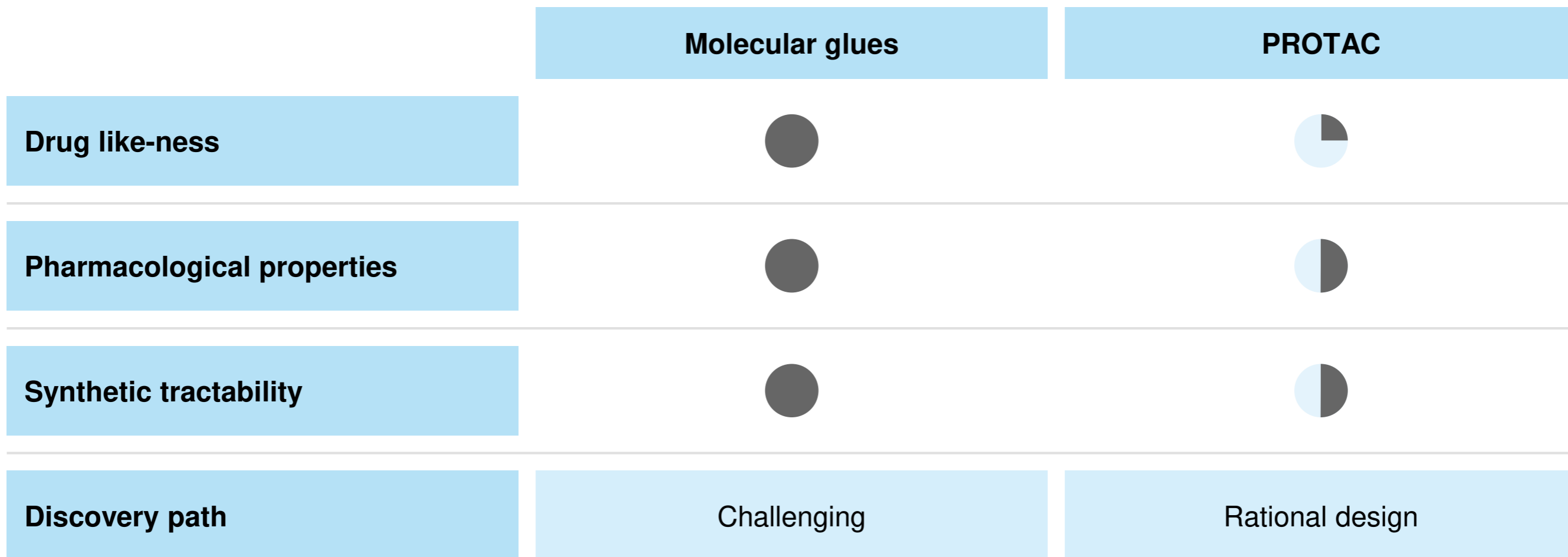
## Current TPD pipeline is dominated by PROTAC development

Therapeutic projects within TPD space by modality











# Molecular glues are the more attractive degraders

Glues are currently under-represented in the TPD pipeline



## BMS is a leader in targeted protein degradation

Molecular glue targeted protein degraders on market and in clinical development

Company	Degrader	Target	Indications	E3 ligase	Highest phase
 Bristol Myers Squibb™	CC-220 (Iberdomide)	IKZF1/3	Multiple Myeloma	CRBN	Phase II
 Bristol Myers Squibb™	CC-92480	IKZF1/3	Multiple Myeloma	CRBN	Phase II
 Bristol Myers Squibb™	CC-90009	GSPT1	AML	CRBN	Phase I
 Bristol Myers Squibb™	CC-99282	IKZF1/3	Chronic myeloid leukaemia, non-Hodgkin lymphoma	CRBN	Phase I
 Bristol Myers Squibb™	CC-91633	CK1a	AML	CRBN	Phase I
 C4 Therapeutics	CFT7455	IKZF1/3	MM	CRBN	Phase I
 biotheryx	BTX1188	IKZF1/3 GSPT1	HM, Solid tumours	CRBN	Phase I
 NOVARTIS	DKY709	IKZF2	Solid tumours (NSCLC)	CRBN	Phase I

- **Strong sales**

- Revlimid & Pomalyst together > \$ 15 bn Sales in 2021

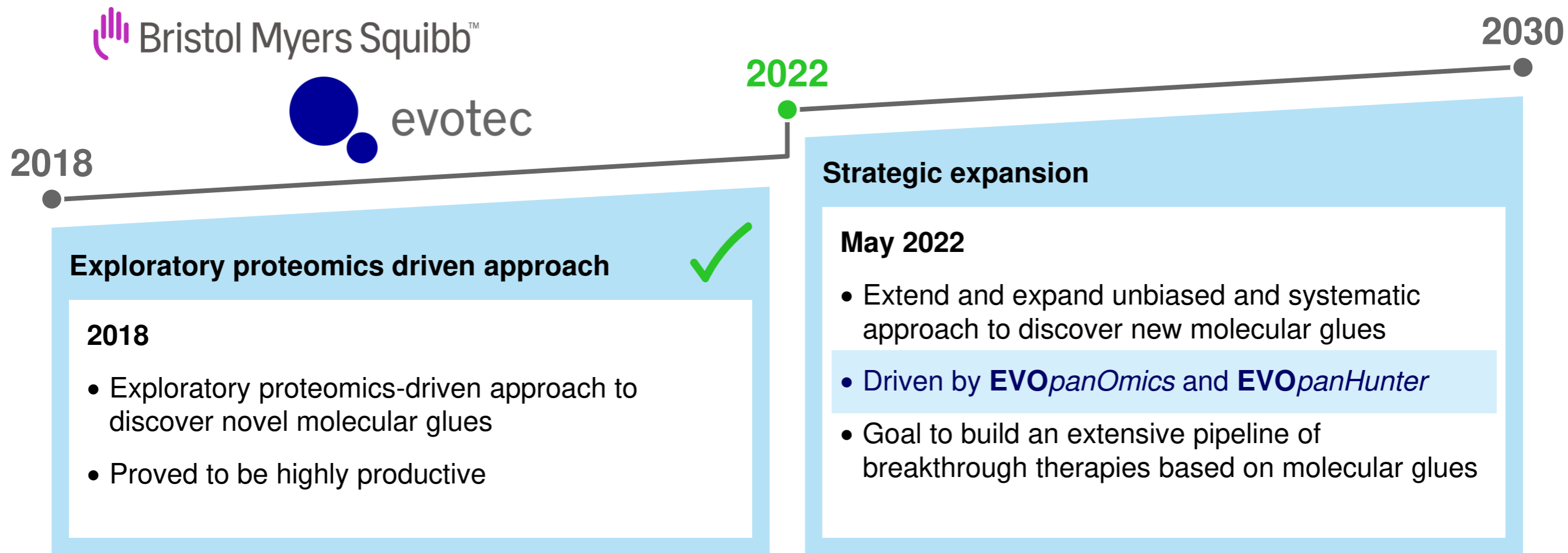
- **Strong pipeline**

- 5 CELMoD®s and 1 PROTAC in clinical development
- 2 PROTACs and 5 CELMoDs in full discovery



# Unbiased and systematic discovery of molecular glues

From exploratory to strategic partnership



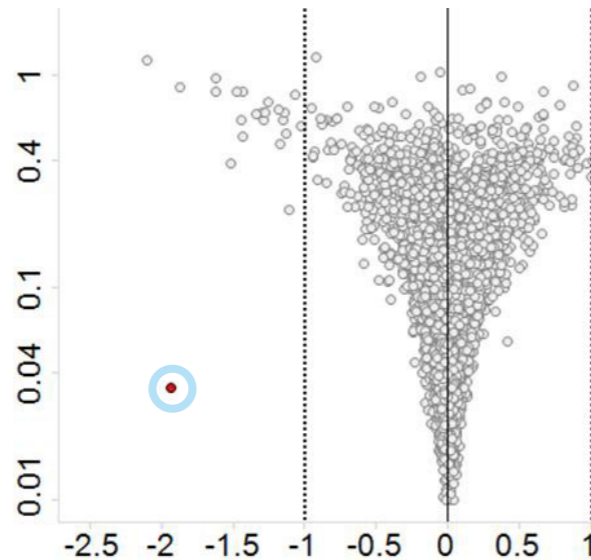
# Selecting the most promising molecules via Omics profiling

*EVOpanOmics* – High performance transcriptome and proteome analysis as the starting point

## **EVO***panOmics*

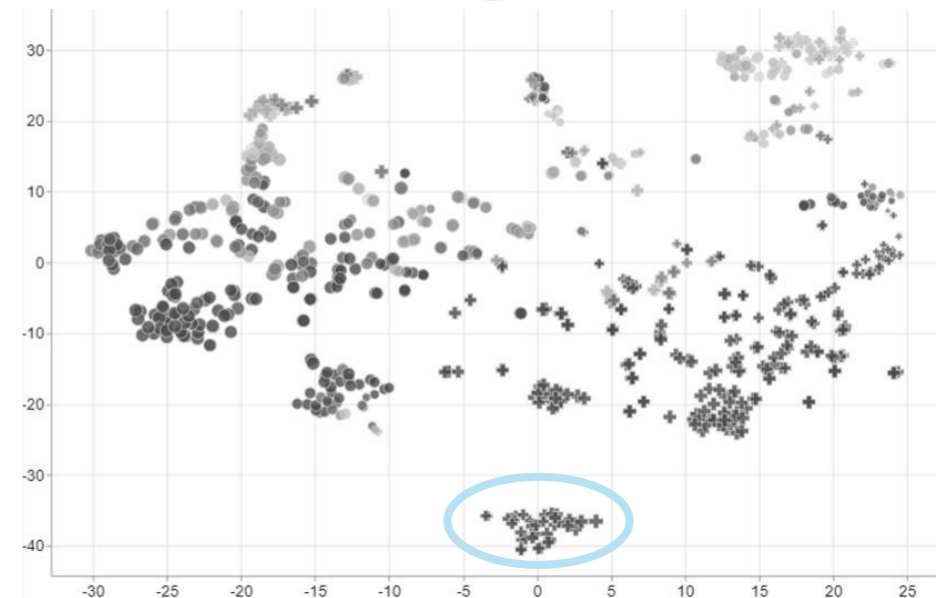
 **ScreenPep** High performance proteomics

Unprecedented scale and protein coverage



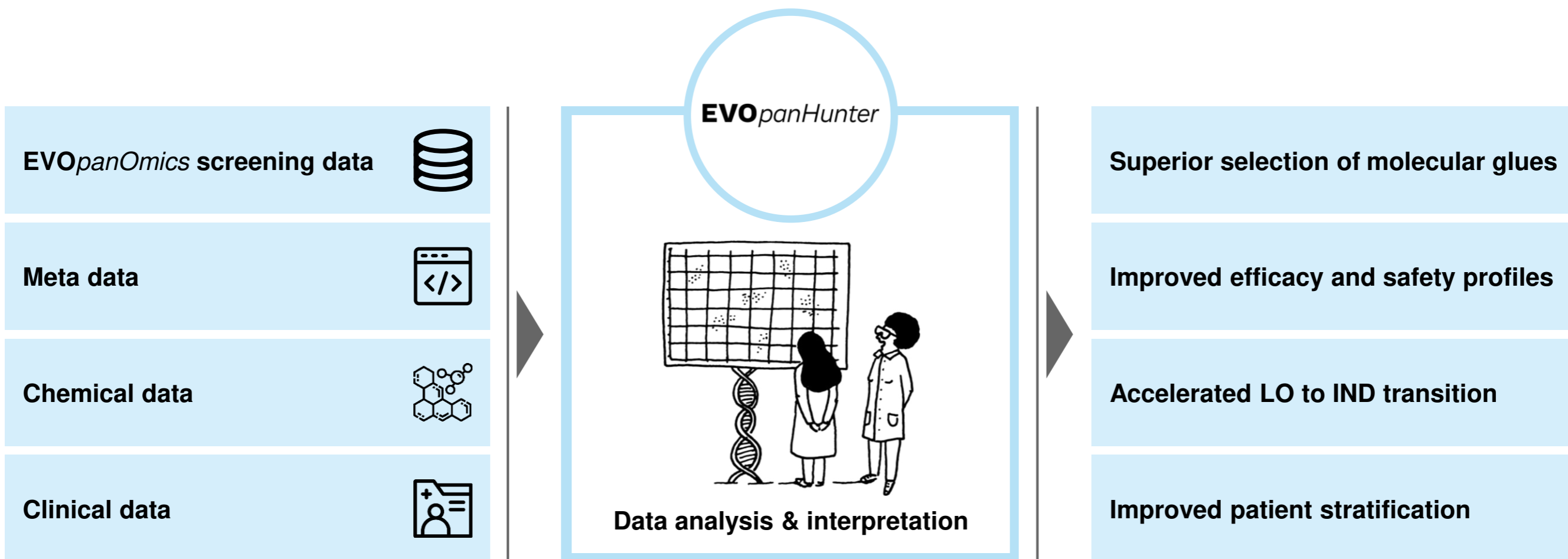
 **ScreenSeq** High performance transcriptomics

Unprecedented throughput and sequencing depth



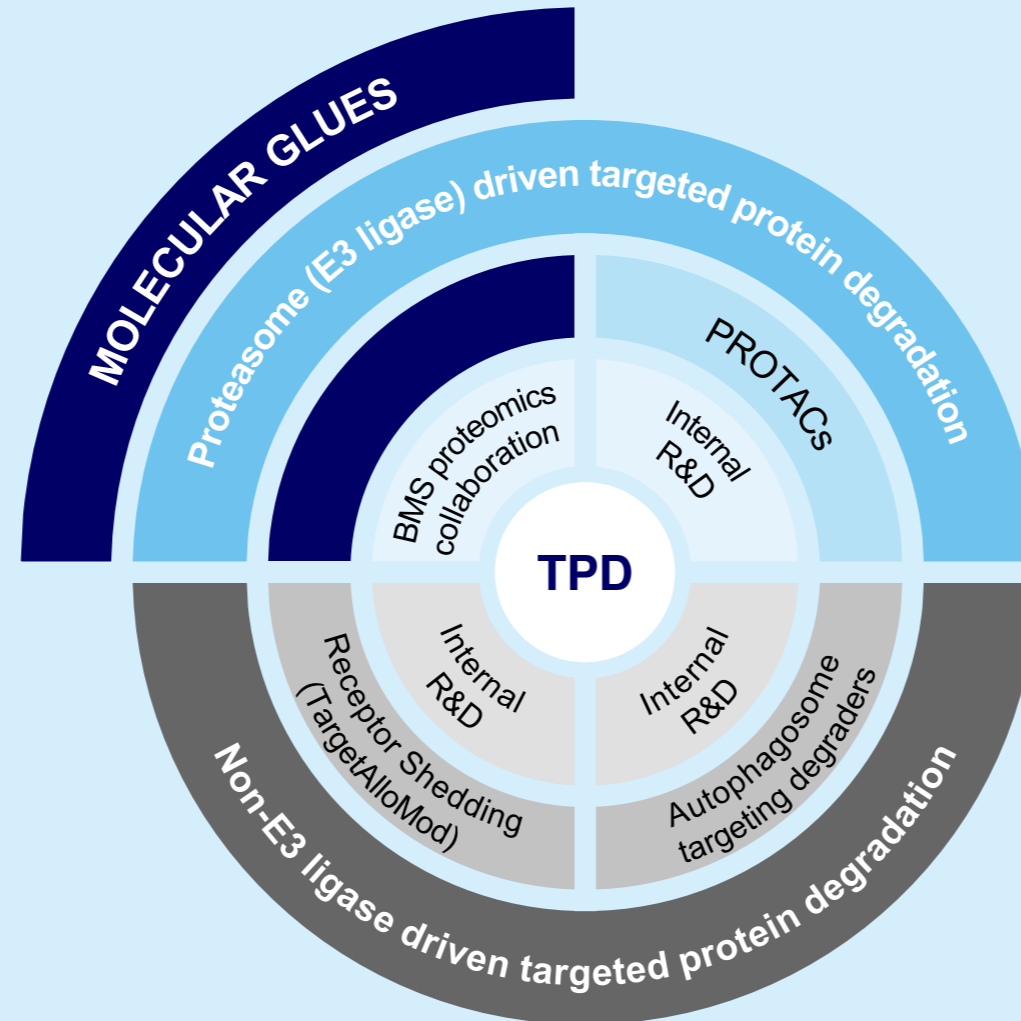
# Billions of datapoints require AI/ML-driven analytics

*EVOpanOmics & EVOpanHunter*



# Systematic pursuit of TPD just at the beginning ...

Harnessing various mechanisms of protein degradation



# Agenda

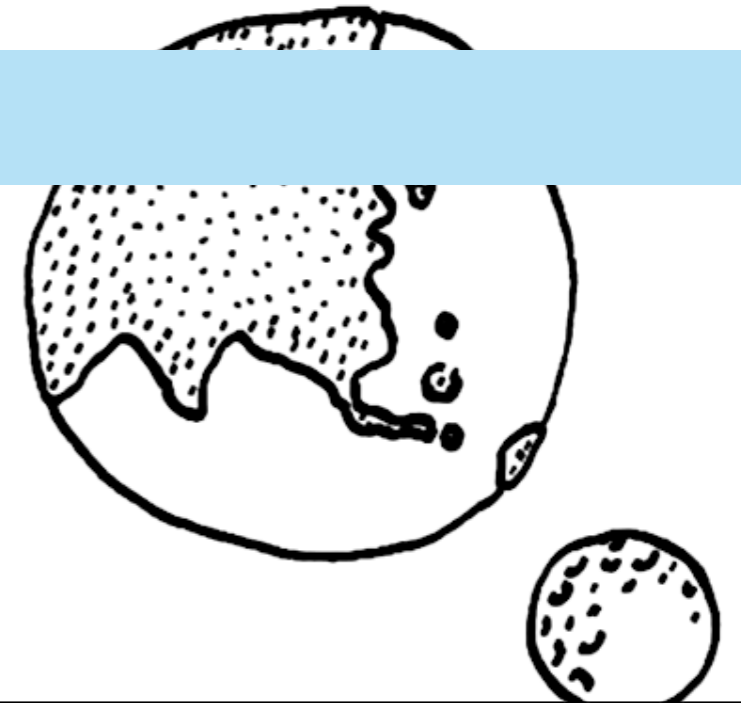
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Highlights

Financial performance Q1 2022

Scientific and operational performance Q1 2022

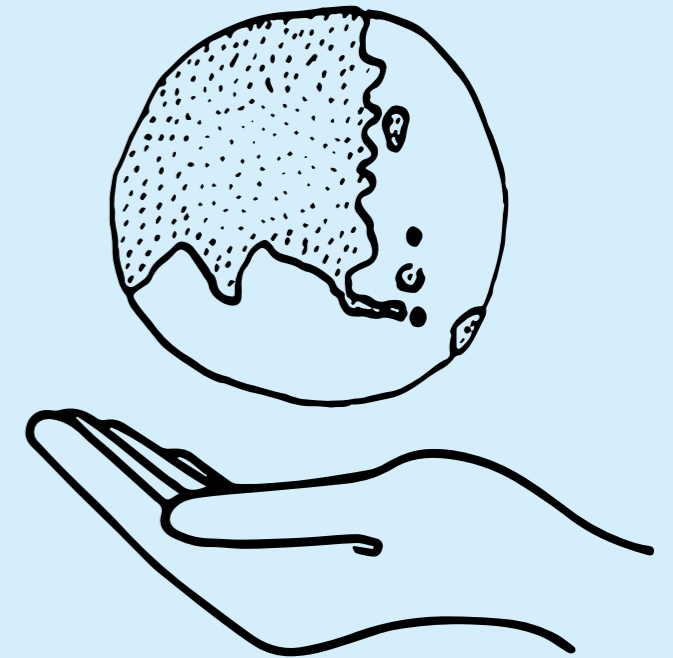
**Outlook and Guidance 2022**



## Keeping the promise

ESG & Sustainability – Measures taken in Q1 2022

- **Starting final phase of SBTi target setting process**
  - Start of final phase of SBTi alignment project: Scope 3 emission assessment
- **Expansion of investments in women’s health as contribution to SDG3**
  - Setback of eliapixant does not distract from overall mission
- **Intensified stakeholder dialogue**
  - Governance roadshow in February: Ten meetings of Iris Löw-Friedrich, Chairwoman of Supervisory Board, with institutional investors and proxy advisors



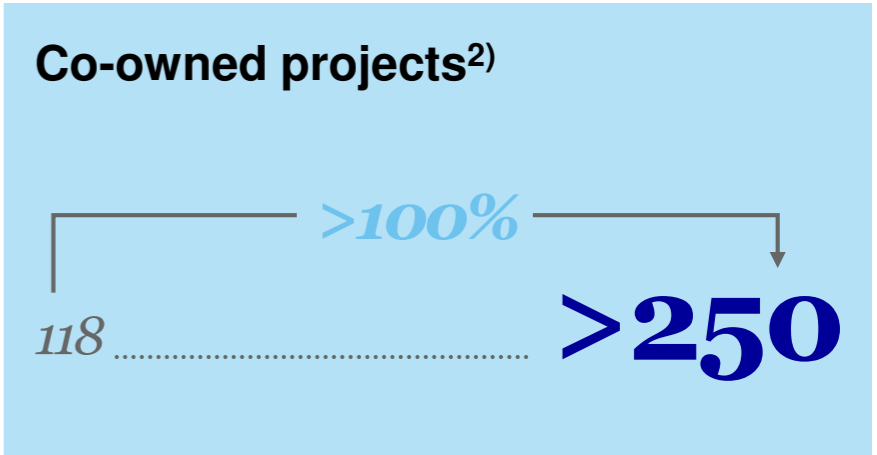
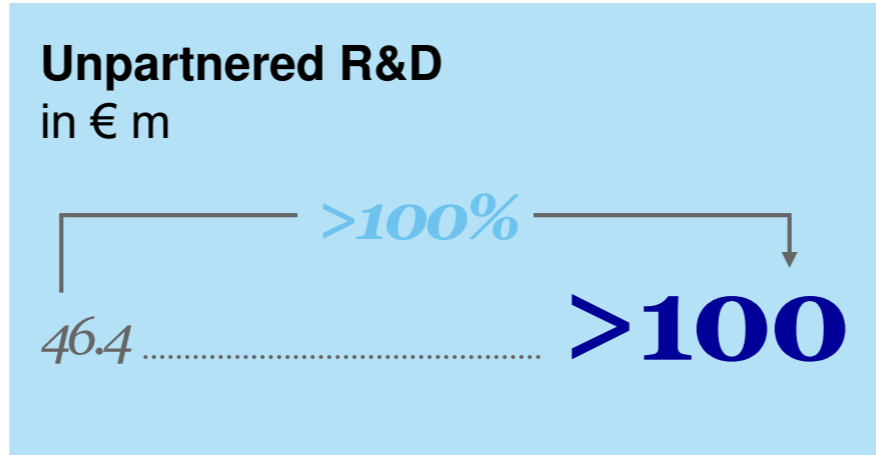
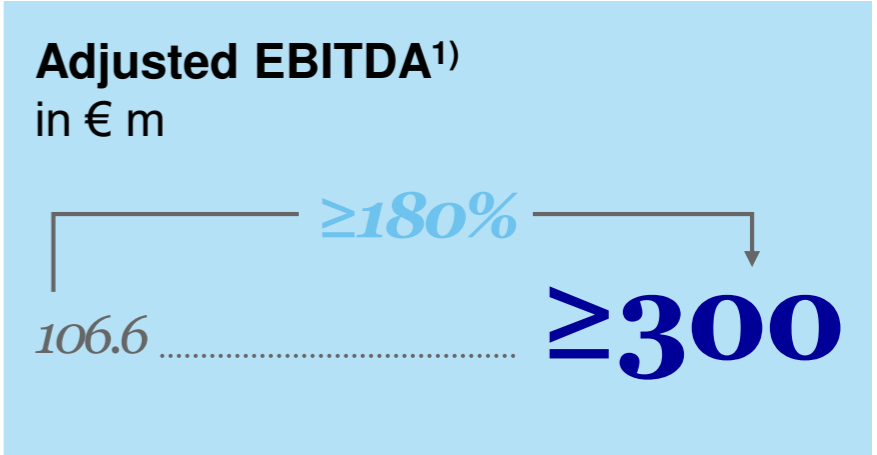
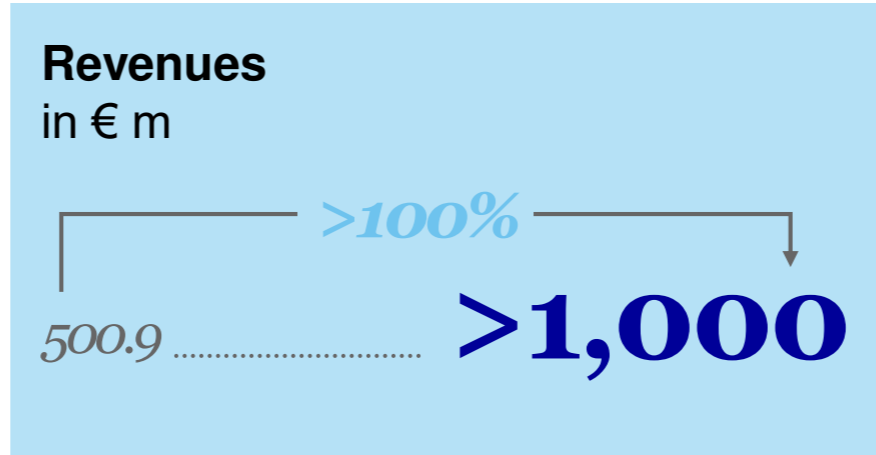
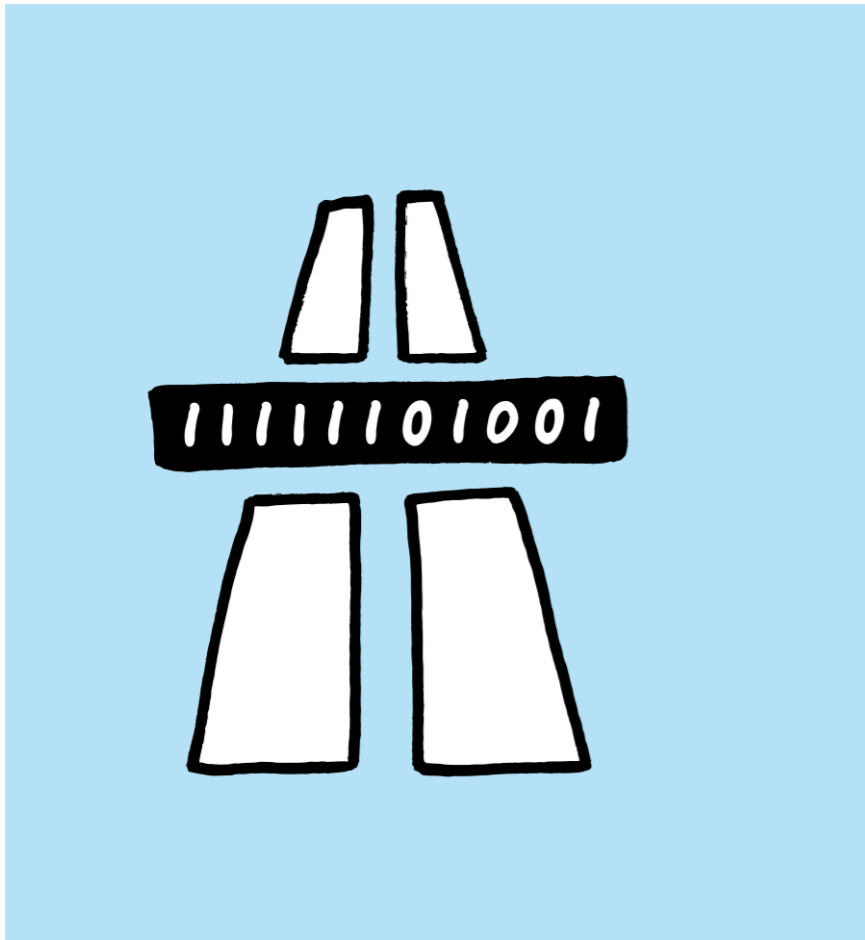
## Significant growth step up and investments towards AP 2025

Guidance 2022

	Guidance 2022	YE 2021	Implied growth at midpoint
<b>Group revenues</b> (at constant fx-rates <sup>1)</sup> )	<b>€ 700 – 720 m</b> (€ 690 – 710 m)	€ 618.0 m	~15%
<b>Unpartnered R&amp;D<sup>2)</sup></b>	<b>€ 70 – 80 m</b>	€ 58.1 m	~30%
<b>Adjusted EBITDA<sup>3)</sup></b> (at constant fx-rates)	<b>€ 105 – 120 m</b> (€ 95 – 110 m)	€ 107.3 m	At least stable

# Our mid-term aspirations are “...just the beginning”

2020-2025e Key Performance Indicator goals





## Setting the pace to accelerate growth along Action Plan 2025

Selected key events to watch 2022



### R&D efficiency platforms

- Undisrupted growth in line with AP 2025; Continued double digit growth of base business (**EVOiR&D**)
- Significant capacity and value chain expansion for all modalities and sites

### Precision medicine platforms

- New strategic partnerships, important milestones, and expansions of co-owned alliances; Multiple clinical trial initiations and progression of co-owned pipeline; (**EVOroyalty**)
- Spin-Offs and investments along Building Blocks of AP 2025 (**EVOequity**)

### Just – Evotec Biologics


- Start of production J.POD® Redmond, WA (US); Start of construction J.POD® Toulouse, France (EU)
- Multiple new partnerships (**EVOaccess**)

## Upcoming important dates

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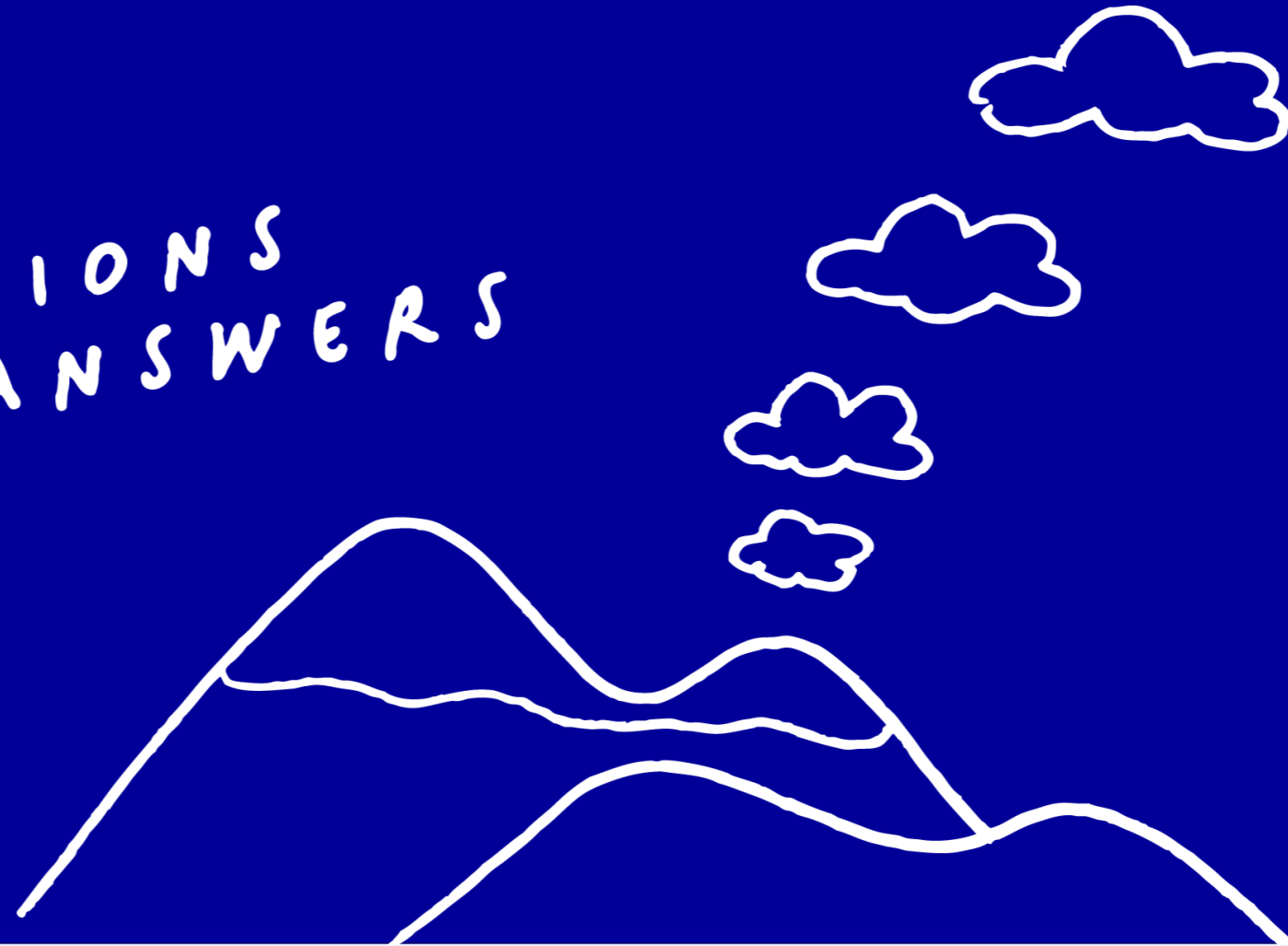
### Financial calendar 2022

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<b>Quarterly Statement Q1 2022</b> 	11 May 2022
<b>Virtual Annual General Meeting 2022</b>	22 June 2022
<b>Half-year 2022 Interim Report</b>	11 August 2022
<b>Quarterly Statement 9M 2022</b>	09 November 2022

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QUESTIONS  
AND ANSWERS



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