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NEWS RELEASE, 13 NOVEMBER 2018

EVOTEC AG REPORTS FIRST NINE-MONTH 2018 RESULTS AND CORPORATE UPDATES

- *STRONG OPERATIONAL AND SCIENTIFIC PERFORMANCE*
- *57% INCREASE IN GROUP REVENUES, 77% INCREASE IN ADJUSTED GROUP EBITDA*
- *STRONG OUTLOOK FOR 2018 CONFIRMED AND GOOD UNDERLYING BUSINESS INDICATIONS FOR 2019*
- *WEBCAST AND CONFERENCE CALL TODAY AT 02.00 pm CET*

Hamburg, Germany, 13 November 2018:

Evotec AG (Frankfurt Stock Exchange: EVT, MDAX/TecDAX, ISIN: DE0005664809) today reported financial results and corporate updates for the first nine months of 2018.

SIGNIFICANT UPSWING IN FINANCIAL PERFORMANCE

- Group revenues: 57% increase to € 270.0 m (9M 2017: € 171.5 m);
  EVT Execute revenues up 53% to € 254.3 m (9M 2017: € 165.8 m);
  EVT Innovate revenues up 55% to € 51.3 m (9M 2017: € 33.2 m)
- Adjusted Group EBITDA up 77% to € 68.7 m (9M 2017: € 38.9 m);
  Adjusted EBITDA for EVT Execute of € 62.1 m (9M 2017: € 41.4 m);
  Adjusted EBITDA for EVT Innovate of € 6.6 m (9M 2017: € (2.5) m)
- Group R&D expenses increase of 67% to € 20.9 m (9M 2017: € 12.5 m) following acquisition of infectious disease unit Evotec ID (Lyon)
- Very strong performance in Q3 2018 due to growth in base business, Aptuit contribution, and significant milestone achievements
- Strong liquidity position of € 168.6 m even after 50% (€ 70 m) repayment of acquisition loan

EVT EXECUTE – DELIVERING

- Clinical Phase I and Phase II starts and good progress within ongoing alliances (e.g. Bayer endometriosis/chronic cough alliance)
- Signing of multiple new and extended drug discovery and development agreements (e.g. CHDI, Novo Nordisk, Ferring (after period-end))
- New contracts and increased demand for INDiGO solutions and development services (e.g. Ankar, Astex, Inflazome, Yumanity)
- Strong performance across all business and service lines (e.g. high-throughput ADME-tox testing at Cyprotex, an Evotec company)

EVT INNOVATE – "JUST THE BEGINNING…"

- Two new strategic long-term partnerships with Celgene in oncology (upfront payment: $ 65 m) and targeted protein degradation (financials undisclosed)
- Acquisition of Evotec ID (Lyon) creating largest global footprint in infectious disease capabilities with established project pipeline; upfront payment of € 60 m and R&D cost coverage for the first five years
- Important milestone achievements in iPSC-based alliances (diabetes alliance with Sanofi, neurodegeneration alliance with Celgene) and further expansion of iPSC platform
- Academic BRIDGE model growing (e.g. selection of funded projects under LAB**282**, LAB150 and LAB591; initiation of French BRIDGE LAB031 with Sanofi)
- Participation in additional financing rounds of Forge Therapeutics, FSHD Unlimited, and Topas Therapeutics

CORPORATE

- Conversion into European Company (SE) on track
- Change in Management Board as of 01 January 2019: Appointment of Dr Craig Johnstone as new COO; Dr Mario Polywka retiring from Evotec
- Evotec share listed in MDAX and STOXX Europe 600

GUIDANCE 2018 CONFIRMED

- All elements of the financial guidance confirmed

1. SIGNIFICANT UPSWING IN FINANCIAL PERFORMANCE

Key figures of consolidated income statement & segment information

(Note: Different business mix following the acquisition of Aptuit in 2017)

Evotec AG & subsidiaries – First nine months of 2018

In T€	***EVT Execute***	***EVT Innovate***	***Not allocated***	***Evotec Group 9M 2018***	***Evotec Group 9M 2017[4)]***
External revenues	218,745	51,272	–	270,017	171,545
Intersegment revenues	35,607	–	–	–	–
Gross margin in %[1)]	24.6	48.8	–	31.0	34.8
R&D expenses	(652)	(24,122)	–	(20,943)	(12,521)
SG&A expenses	(34,478)	(6,275)	–	(40,753)	(29,299)
Impairment of intangible assets	–	(4,167)	–	(4,167)	(1,180)
Income from bargain purchase[2)]	–	–	15,400	15,400	–
Other operating income (expenses), net	13,009	13,280	–	26,289	8,808
Operating result	**40,386**	**3,732**	**15,400**	**59,518**	**25,492**
Adjusted EBITDA[3)]	***62,143***	**6,574**	–	**68,717**	**38,914**

[1)] Gross margin in 2018 considers amortisation of acquisitions from Aptuit & Cyprotex. Gross margin in 2017 only considers amortisation from Cyprotex acquisition & approx. 2 months from Aptuit.
[2)] In context of the Evotec ID (Lyon) transaction. No impact on adjusted Group EBITDA.
[3)] Before contingent considerations, income from bargain purchase and excluding impairments on goodwill, other intangible and tangible assets as well as the total non-operating result
[4)] 2017 figures adjusted for the first time application of IFRS 15

Evotec's Group revenues for the first nine months of 2018 grew to € 270.0 m, a significant increase of 57% compared to the same period of the previous year (9M 2017: € 171.5 m, restated). This increase is due to a strong performance in the base business, the positive Aptuit contribution (Jan-Sep 2018: € 83.6 m) as well as increased milestone achievements in existing alliances. The total revenues from milestones, upfronts and licences for the first nine months of 2018 amounted to € 27.2 m and increased by 29% over the same period of the previous year (9M 2017: € 21.1 m). In the first nine months of 2018, the gross margin was 31.0% (9M 2017: 34.8%), reflecting a new business mix with different margin expectations following the acquisition of Aptuit, higher amortisation of intangible assets and adverse FX effects. Gross margin excluding total amortisation of acquisitions amounted to 34.3%.

Q3 2018 delivered a very strong financial performance. Group revenues increased by 43% to € 96.3 m (Q3 2017: € 67.2 m), following growth in the base business, the Aptuit contribution and strong milestone achievements. The significant milestone achievements are reflected in the gross margin of Q3 2018 of 34.7% (Q3 2017: 33.4%). Q3 2018 gross margin excluding total amortisation amounted to 37.7% (Q3 2017: 34.6%). In Q3 2018, an income from bargain purchase of € 15.4 m (Q3 2017: € 0 m) was recorded for the acquisition of Evotec ID (Lyon) as the purchase price was below the net assets required. This **one-time effect** in 2018 was not allocated to segments and does not impact the adjusted EBITDA. The purchase price allocation is still preliminary. The adjusted Group EBITDA increased from € 12.7 m in Q3 2017 to € 30.1 m in Q3 2018.

Group R&D expenses for the first nine months of 2018 increased as expected by 67% to € 20.9 m (9M 2017: € 12.5 m) mainly following the cost of new strategic efforts in infectious diseases through the acquisition of Evotec ID (Lyon). The additional ID-related R&D expenses are covered by other operating income in context of the new agreement with Sanofi. Furthermore, R&D expenses in the first nine months of 2018 focused on initiatives in the field of iPSC research, R&D platforms as well as academic BRIDGEs. SG&A expenses for the first nine months of 2018 increased as expected by 39% to € 40.8 m (9M 2017: € 29.3 m) mainly due to the additional expenses of Aptuit and Evotec ID (Lyon), an increased headcount in response to the overall Company growth as well as M&A-related expenses. Q3 2018 SG&A expenses remained on a similar level as in prior quarters following the Aptuit acquisition in August 2017.

In the first nine months of 2018, Evotec recorded impairments of intangible assets of € 4.2 m in total (9M 2017: € 1.2 m), following the full impairments of the EVT770 programme (€ 4.0 m) and of the developed assets within the Panion joint venture (€ 0.2 m). At the same time, correlated earn-out accruals of € 2.3 m were relieved under other operating income, which is a counter-effect to the impairment.

Evotec's adjusted Group EBITDA in the first nine months of 2018 significantly increased by 77% to € 68.7 m (9M 2017: € 38.9 m). Evotec's operating result for the first nine months of 2018 amounted to € 59.5 m (9M 2017: € 25.5 m). The net result in the first nine months of 2018 increased to € 52.3 m (9M 2017: € 12.7 m).

Liquidity, which includes cash and cash equivalents (€ 135.1 m) and investments (€ 33.5 m) amounted to € 168.6 m at the end of September 2018 (31 December 2017: € 91.2 m) and remained very strong even after the repayment of 50% (€ 70 m) of the Aptuit acquisition loan in the first nine months of 2018. In the first nine months of 2018, Evotec participated in further financing rounds of Forge Therapeutics, FSHD Unlimited, and Topas Therapeutics.

In the first nine months of 2018, revenues from the EVT Execute segment amounted to € 254.3 m, an increase of 53% compared to the same period of the previous year (9M 2017: € 165.8 m). This increase is attributable to the significant upswing in the base business and the Aptuit contribution for the first nine months of 2018. Included in this amount are € 35.6 m of intersegment revenues (9M 2017: € 27.4 m). The EVT Execute segment recorded a gross margin of 24.6% (9M 2017: 28.7%). The drivers behind this change in gross margin are the same drivers affecting the Group gross margin. In the first nine months of 2018, the EVT Execute segment recorded a significant increase of its adjusted EBITDA of 50% to € 62.1 m against the prior-year period (9M 2017: € 41.4 m).

In the first nine months of 2018, the EVT Innovate segment generated third-party revenues of € 51.3 m (9M 2017: € 33.2 m). This 55% increase in EVT Innovate revenues resulted from signing of new partnerships and milestone achievements in key alliances. The EVT Innovate segment reported a gross margin of 48.8% compared to 46.2% in the prior-year period. R&D expenses for EVT Innovate increased from € 15.3 m in the first nine months of 2017 to € 24.1 m in the first nine months of 2018, the increase mainly resulting from the new efforts in infectious diseases in Lyon. The significant growth of revenues and improved margins of the EVT Innovate segment resulted in a positive adjusted EBITDA of € 6.6 m (9M 2017: € (2.5) m).

2. EVT EXECUTE & EVT INNOVATE

EVT EXECUTE

The EVT Execute segment achieved strong progress in existing alliances and signed and started new and expanded established alliances (e.g. CHDI, Novo Nordisk, Ferring (after period-end)). In the multi-target alliance with Bayer, further promising small molecules for the treatment of endometriosis advanced into Phase I and for the treatment of chronic cough into Phase II. Since the beginning of the collaboration in 2012, six first-in-class/best-in-class pre-clinical candidates have been generated, from which three programmes have progressed into Phase I/Phase II clinical trials.

The Aptuit integration into the Evotec Group is on track. In the first nine months of 2018, Evotec was able to sign various new INDiGO agreements with Ankar, Astex, Carna Biosciences, Inflazome, and Yumanity, among others. The INDiGO offering, an integrated and highly efficient process to IND submission, was part of the strategic rationale behind the Aptuit acquisition and was launched by Evotec in March 2018. In addition, Aptuit's stand-alone development services and integrated CMC continued to deliver and sign new programmes. The high-throughput ADME-tox testing business of Cyprotex (acquired in December 2016) continued its excellent performance of the previous quarters.

EVT INNOVATE

In the first nine months of 2018, the EVT Innovate segment gained significant momentum through signing new deals and achieving critical milestones, resulting in a very strong performance and excellent scientific progress of the segment.

Two new strategic, long-term partnerships were forged with Celgene in the first nine months of 2018. Evotec's new partnership with Celgene in oncology (initiated in May 2018; upfront payment of $ 65 m) leverages Evotec's phenotypic screening capabilities and unique compound libraries as well as associated target deconvolution capabilities. Evotec's third partnership with Celgene is focused on targeted protein degradation (initiated in September 2018; undisclosed upfront payment) which allows the pursuit of high-value drug targets via a novel mechanism of action, which previously have been 'undruggable' targets. In this field, Evotec is leveraging in particular its proprietary Panomics and PanHunter platforms.

Furthermore, effective 01 July 2018, Evotec acquired Sanofi's infectious disease unit in Lyon, triggering an upfront of € 60 m (€ 42 m in cash plus € 18 m cash of the acquired company). This acquisition provides Evotec with the largest global footprint in infectious disease capabilities in the industry and a broad pipeline of drug candidates and discovery projects.

Evotec's partnered programmes are progressing well as demonstrated by significant milestone achievements in its strategic iPSC alliances with Sanofi in the field of diabetes (Target*BCD*) and with Celgene in neurodegeneration. Evotec continues to place great emphasis on the expansion and development of its iPSC platform and patient-centric approaches to drug discovery.

In addition, Evotec's academic BRIDGE model continues to attract significant interest from academia and industry partners. LAB031, the first French BRIDGE, was formed in October 2018 (after period-end) in partnership with Sanofi. Evotec's existing BRIDGEs LAB**282,** LAB150 and LAB591 also recorded progress with projects selected for future activities in the course of the first nine months of 2018.

3. CORPORATE

CONVERSION INTO EUROPEAN COMPANY (SE) ON TRACK

Mandatory negotiation processes with a Special Negotiation Board (SNB) are ongoing regarding the future arrangements for employee involvement, after which Evotec AG will be transferred into Evotec SE with the registered seat and headquarters remaining in Hamburg, Germany.

CHANGE IN MANAGEMENT BOARD AS OF 01 JANUARY 2019: APPOINTMENT OF DR CRAIG JOHNSTONE AS NEW COO; DR MARIO POLYWKA RETIRING

Following the departure of Dr Mario Polywka as Evotec's COO effective 31 December 2018, the Supervisory Board of Evotec will appoint Dr Craig Johnstone as its new Chief Operating Officer and member of the Management Board, effective 01 January 2019. Dr Johnstone is a successful drug discovery leader with over 20 years' experience. Dr Johnstone joined Evotec in May 2012 as SVP Drug Discovery and Innovation Efficiency and was appointed Directeur General and Site Head, Evotec France, in April 2015. In January 2017, he was appointed Global Head, Integrated Drug Discovery at Evotec. Between 1994 and 2012, Dr Johnstone served in a number of projects, functions, matrix and leadership roles at AstraZeneca, Prosidion and Rapier Research. He holds a BSc in Chemistry and a PhD in organic and organometallic synthesis and has published more than 70 patents.

Dr Werner Lanthaler, Chief Executive Officer of Evotec, commented: "On behalf of the Management Board and the Company, I would like to sincerely thank Mario for his outstanding contributions, strong commitment to the Company and very valuable insights, which helped Evotec to become the leader in external innovation. He has been an essential part of our Management Team and we are very thankful for him being such a passionate force driving Evotec's development. We will closely stay in touch with him and we wish him all the best for all of his future endeavours, amongst others remaining a consultant to Evotec. Moreover, I am delighted to welcome Craig to our team as new Chief Operating Officer."

EVOTEC SHARE LISTED IN MDAX AND STOXX EUROPE 600

Following the rule changes of Deutsche Börse regarding the inclusion of companies in the MDAX, SDAX and TecDAX, the Evotec shares were included in the MDAX effective 24 September 2018, resulting in a dual listing of the Evotec shares in both TecDAX and MDAX.

4. GUIDANCE 2018 CONFIRMED

All elements of Evotec's financial guidance 2018 are confirmed.

	Guidance *2018*	***Actual 2017*[3)]**
Group revenues	More than 30% growth	€ 257.3 m
Adjusted Group EBITDA[1)]	Improve by approx. 30% compared to 2017	€ 58.4 m
R&D expenses[2)]	Approx. € 35-45 m *(previously: approx. € 20-30 m)*	€ 17.6 m

[1)] EBITDA is defined as earnings before interest, taxes, depreciation, and amortisation of intangibles. Adjusted EBITDA excludes contingent considerations, income from bargain purchase and impairments on goodwill, other intangible and tangible assets as well as the total non-operating result
[2)] Guidance on R&D expenses was updated on 09 August 2018. The additional R&D efforts are not expected to negatively impact the adjusted EBITDA since these extra infectious diseases-related R&D expenses will be covered by other operating income recognised in context of the new agreement with Sanofi.
[3)] 2017 figures adjusted for the first time application of IFRS 15

Webcast/Conference Call

The Company is going to hold a conference call to discuss the results as well as to provide an update on its performance. The conference call will be held in English.

Conference call details

Date: **Tuesday, 13 November 2018**
Time: **02.00 pm CET (08.00 am EST, 01.00 pm GMT)**

From Germany: +49 69 20 17 44 220
From France: +33 170 709 502
From Italy: +39 023 600 6663
From UK: +44 20 3009 2470
From USA: +1 877 423 0830
Access Code: 17611831#

A simultaneous slide presentation for participants dialling in *via phone* is available at https://webcasts.eqs.com/evotec20181113/no-audio.

Webcast details

To join the *audio webcast* and to access the *presentation slides* you will find a link on our homepage www.evotec.com shortly before the event.

A replay of the conference call will be available for 24 hours and can be accessed in Europe by dialling +49 69 20 17 44 222 (Germany) or +44 20 3364 5150 (UK) and in the USA by dialling +1 844 307 9362. The access code is 315497582#. The on-demand version of the webcast will be available on our website: https://www.evotec.com/financial-reports.

Note: The 2017 and 2018 results are not fully comparable. The difference stems from the acquisitions of Aptuit (effective 11 August 2017) and Evotec ID (Lyon) SAS (effective 01 July 2018). The results from Aptuit are only included from 11 August 2017 onwards while the results from Evotec ID (Lyon) SAS are only included from 01 July 2018 onwards.

The accounting policies used to prepare this interim information are the same as those used to prepare the audited consolidated financial statements for the year ended 31 December 2017, except for the adoption of new standards effective as of 01 January 2018.

From 01 January 2018 onwards, Evotec applies IFRS 15 and IFRS 9. The comparison period 2017 is adjusted for the first time application of IFRS 15.

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 and our more than 2,400 employees provide the highest quality stand-alone and integrated drug discovery and development solutions. We cover all activities from target-to-clinic to meet the industry's need for innovation and efficiency in drug discovery and development (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 neuronal diseases, diabetes and complications of diabetes, pain and inflammation, oncology, infectious diseases, respiratory diseases and fibrosis. On this basis, Evotec has built a broad and deep pipeline of approx. 100 co-owned product opportunities at clinical, pre-clinical and discovery stages (EVT Innovate). Evotec has established multiple long-term alliances with partners including, Bayer, Boehringer Ingelheim, Celgene, CHDI, Novartis, Novo Nordisk, Pfizer, Sanofi, Takeda, UCB and others. For additional information please go to www.evotec.com and follow us on Twitter @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.