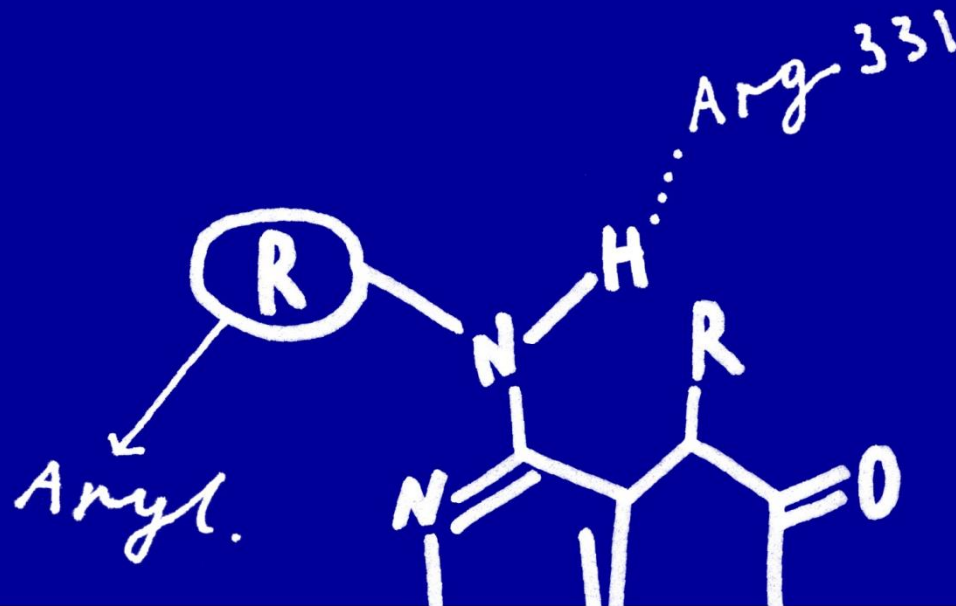


# Evotec – Leading external innovation



## Forward-looking statement

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Information set forth in this presentation 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 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.

**Note:**

The 2017 and 2018 results are not fully comparable. The difference stems from the acquisition of Aptuit, effective 11 August 2017. The results from Aptuit are only included from 11 August 2017 onwards. The accounting policies used to prepare the interim information are the same as those used to prepare the audited consolidated financial statements for the year ended 31 December 2017.

From 01 January 2018 onwards, Evotec applies IFRS 15 in the financial year 2018. The comparison period in 2017 is also presented according to IFRS 15 in the quarterly statement, affecting data in the consolidated interim statement of financial positions as well as in the consolidated interim income statement.

# Agenda

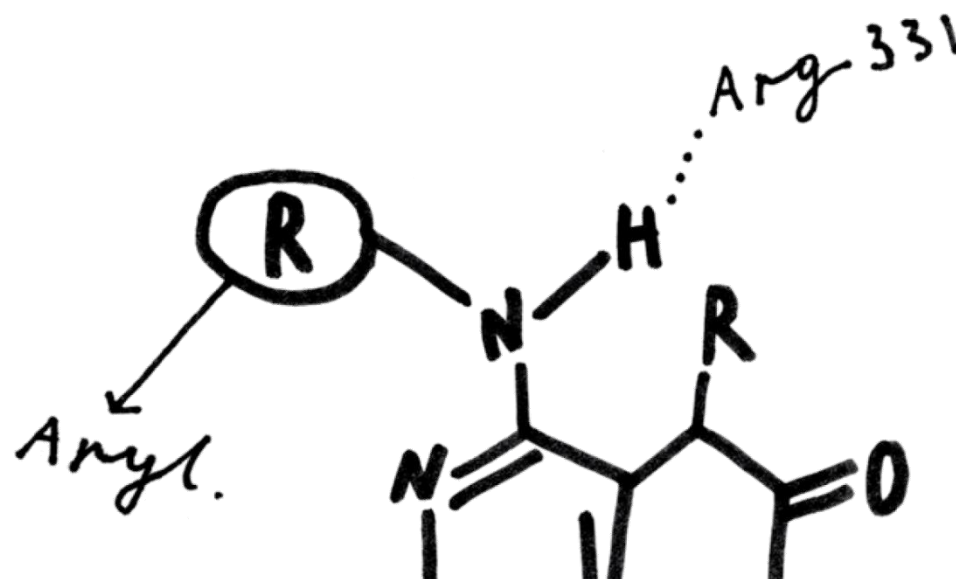
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## Overview

EVT Execute

EVT Innovate

Financials & Outlook



# Leading external innovation to accelerate new drugs

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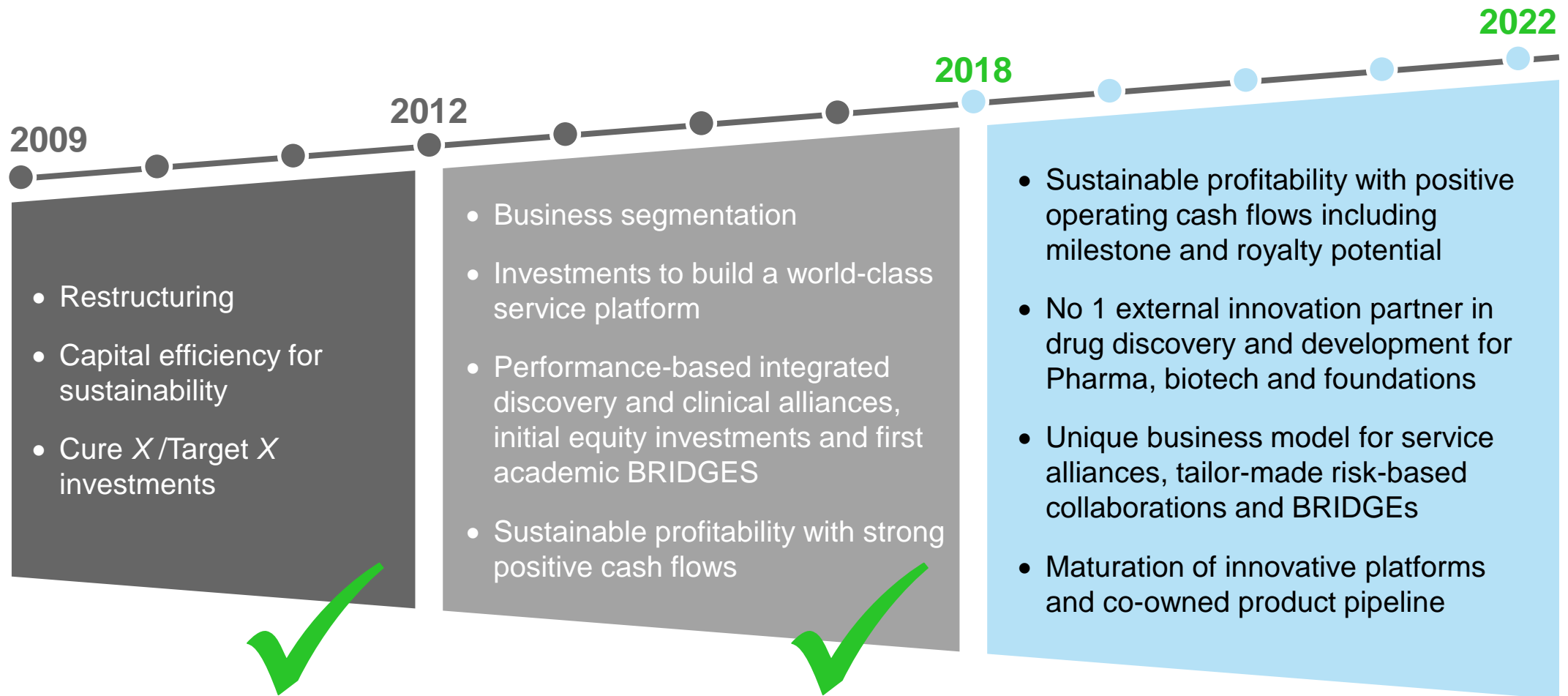
## Evotec at a glance

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- Evotec delivers a **fast growing & profitable** drug discovery and development business to Pharma, biotech and foundations
- Evotec and its partners are progressing a pipeline of **> 80 co-owned first-in-class projects** in major indications
- With **> 2,000 scientists**, Evotec is building a leading portfolio of drug discovery platforms and drug discovery projects

## Consequent and fast forward – AP 2022

“Action Plan 2022 – Leading External Innovation” – The strategic goals



# Unique business model for high value generation

Linking strategic goals with operational imperatives

## Value generation from three initiatives



### ACTION PLAN 2022

#### EVT Execute

- Expand critical mass, world-leading platforms, and maintain delivery culture
- Continued focus on operational excellence, innovation efficiency, long-term alliances
- Build most efficient translation into the clinic in the industry with INDiGO

#### EVT Innovate

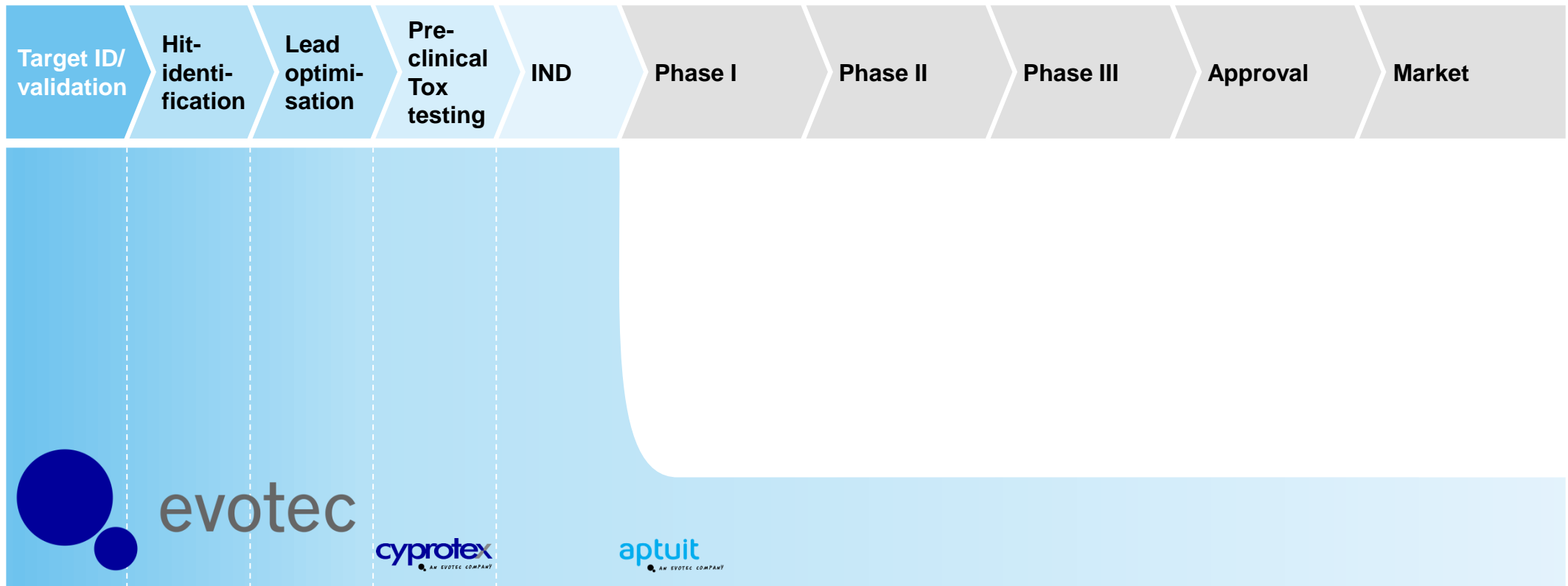
- Expand co-owned pipeline larger than to > 100 assets
- Bring first co-owned assets close to market launch and first royalty incomes
- Increase predictiveness in discovery through disruptive technologies (e.g. Artificial Intelligence in drug discovery, iPSC,...)

#### Corporate acceleration

- Build portfolio of holdings with ~ 5-year value generation timeframe
- Expand BRIDGEs in USA and EU
- Successful integration of strategic measures and expand leadership positions through additional acquisitions or strategic alliances

# “One stop partner” for external innovation

Evotec’s integrated offering and core competences along the value chain

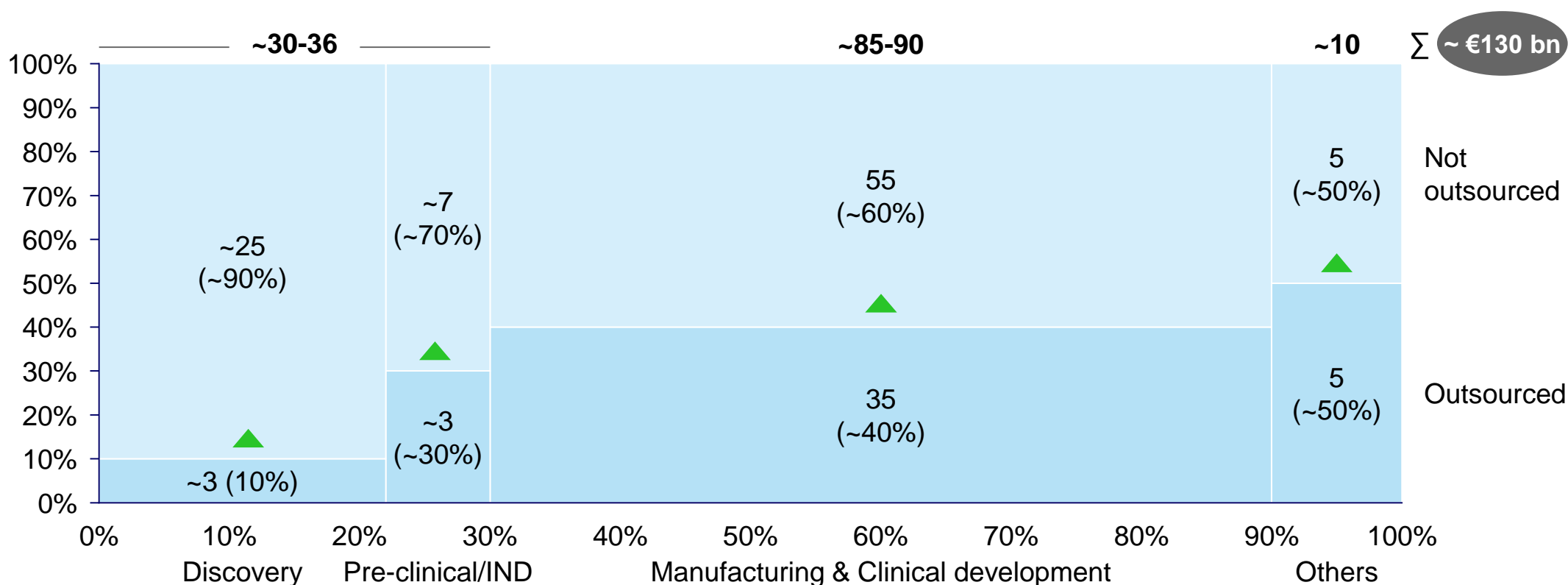


Evotec offers end-to-end platform solutions including **INDiGO** and high-end CMC manufacturing

# R&D holds great potential for further outsourcing

## R&D outsourcing market by stage

in € bn





# Unique disease expertise coming together

Global footprint – Evotec's centres of excellence

## Hamburg (HQ), Göttingen, Munich (Germany)

~530 employees

- Hit identification
- *In vitro* & *in vivo* biology
- Chemical proteomics and Biomarker discovery and validation
- Cell & protein production
- Antibody discovery

## Abingdon, Alderley Park (UK)

~640 employees

- Medicinal chemistry
- ADME-Tox, DMPK
- Structural biology
- *In vitro* & *in vivo* anti-infective platform
- Process development
- CMC and Commercial manufacture
- Pre-formulation

## Toulouse, (France)

~365 employees

- Compound management
- Hit identification
- *In vitro* & *in vivo* oncology
- Medicinal chemistry
- ADME & PK
- Cell, protein & antibody production

## Verona (Italy), Basel (CH)

~610 employees

- Hit identification
- *In vitro* & *in vivo* biology
- Medicinal Chemistry
- ADME-Tox, DMPK
- Biomarker discovery and validation
- INDiGO
- CMC
- *In vitro* & *in vivo* anti-infective platform

## Princeton, Watertown, Branford (USA)

~100 employees

- Compound ID, selection and acquisition
- Compound QC, storage and distribution
- Cell & protein production
- ADME-Tox, DMPK



# ONE stop-shop for external innovation

The business model – EVT Execute & EVT Innovate



# Agenda

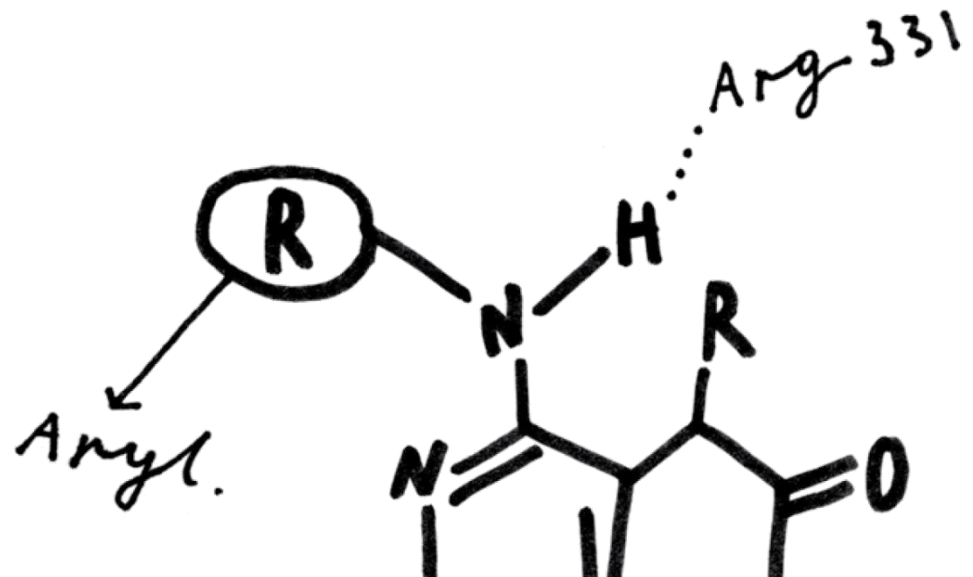
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Overview

**EVT Execute**

EVT Innovate

Financials & Outlook



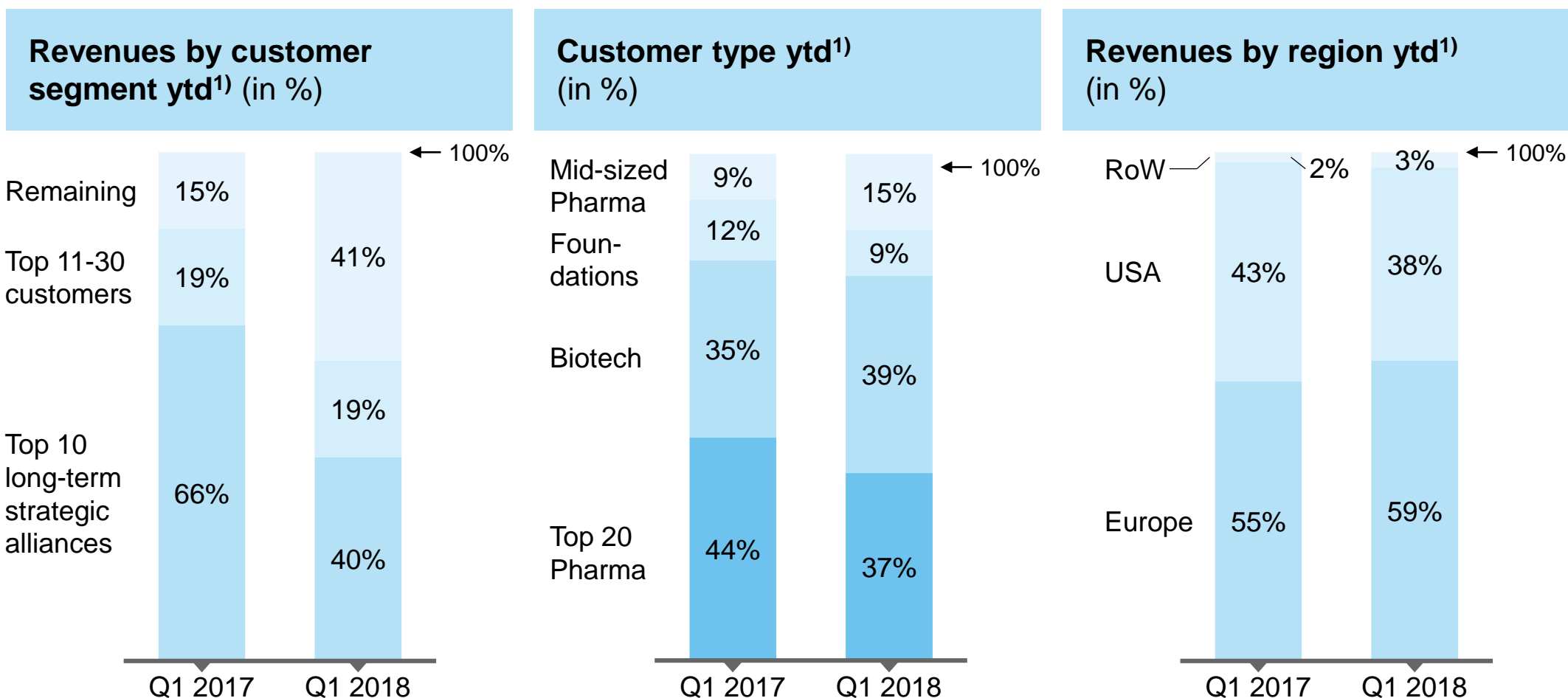
# No 1 in quality and R&D efficiency

EVT Execute – Comprehensive integrated service offering



# Healthy, slightly altered customer base following Aptuit acquisition

EVT Execute – Selected KPIs Q1 2018



# Agenda

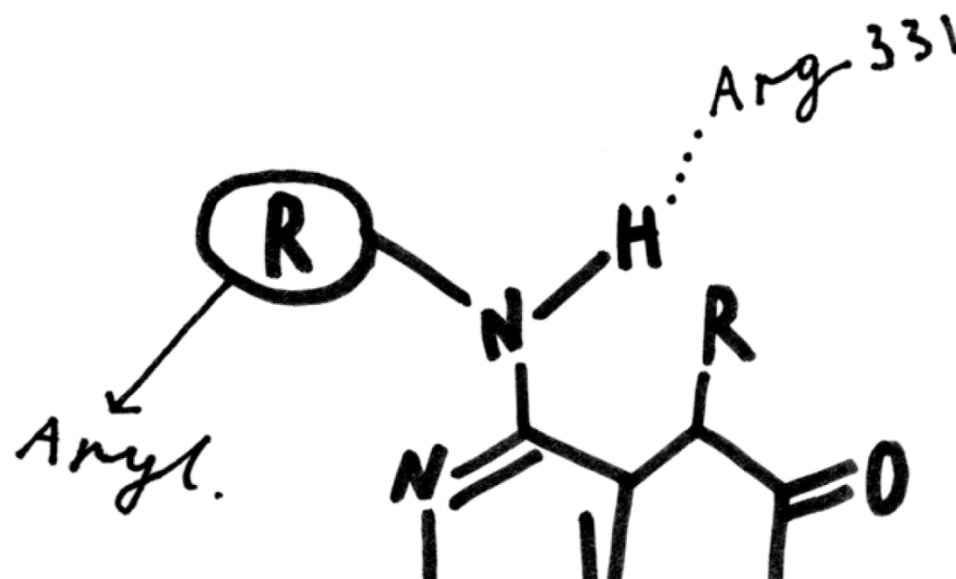
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Overview

EVT Execute

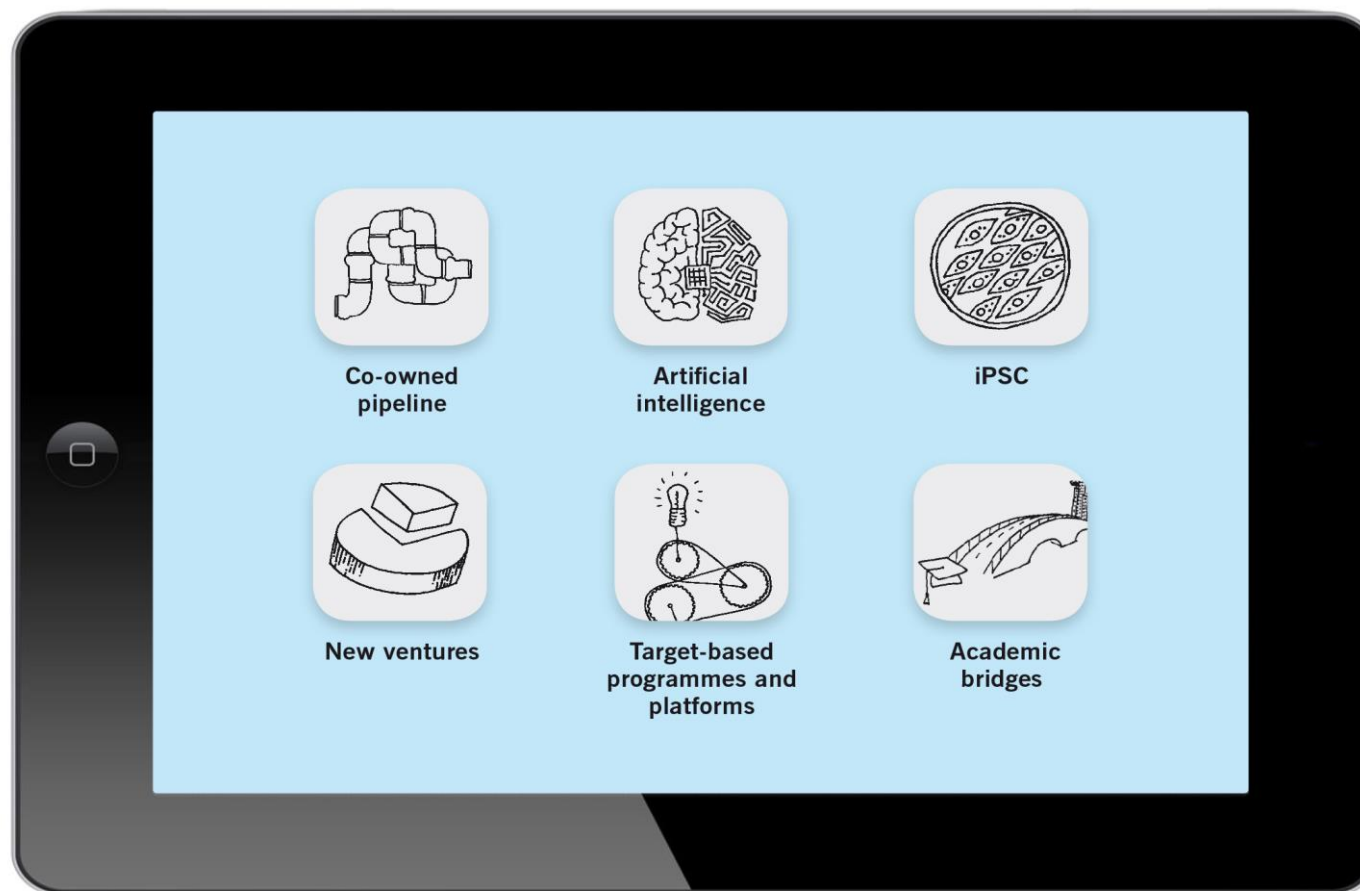
**EVT Innovate**

Financials & Outlook








































# Building co-owned pipeline with superior platforms and first-in-class targets

EVT Innovate – Initiatives



# Fully invested > 80 co-owned pipeline programmes




## Partnership portfolio

	Molecule	Therapeutic Area/Indication	Partner	Discovery	Pre-clinical	Phase I	Phase II
Clinical	EVT201	CNS – Insomnia					
	EVT401	Immunology & Inflammation					
	ND <sup>1)</sup>	Oncology					
	ND <sup>1)</sup>	Oncology					
	Various	Women's health – Endometriosis					
	Various	Women's health – Endometriosis					
	Various	Women's health – Endometriosis					
	ND <sup>1)</sup>	Immunology & Inflammation					
	Various	Oncology					
	ND <sup>1)</sup>	Chronic cough					
	ND <sup>1)</sup>	Respiratory					
Pre-clinical	ND <sup>1)</sup>	CNS – Pain					
	ND <sup>1)</sup>	Immunology & Inflammation					
	ND <sup>1)</sup>	Oncology					
	ND <sup>1)</sup>	Respiratory					
	Various	Women's health – Endometriosis					
	EVT801	Oncology					
	EVT701	Oncology					
	EVT601	Oncology					
	Various ND <sup>1)</sup>	Oncology – Immunotherapy	 				
	Various	CNS, Metabolic, Pain & Inflammation	>10 further programmes				
Discovery	Various ND <sup>1)</sup>	Nephrology					
	Various ND <sup>1)</sup>	Immunology & Inflammation					
	Various ND <sup>1)</sup>	Metabolic – Diabetes (type 2/1)	 				
	Various ND <sup>1)</sup>	Metabolic – Diabetes (type 2/1)					
	Various ND <sup>1)</sup>	Nephrology					
	Various ND <sup>1)</sup>	Metabolic – Diabetes					
	Various	Oncology					
	Various	Immunology & Inflammation – Tissue fibrosis					
	Various	Neurodegeneration					
	LpxC inhibitor	Anti-bacterial					
	Various	All indications	 				
	INDY inhibitor	Metabolic					
	Various	Fibrotic disease					
	Various	Antiviral					
	Various	Internal: Oncology, CNS, Metabolic, Pain & Inflammation	>30 further programmes				



# > 80 co-owned projects across broad range of therapeutic areas

## Co-owned portfolio

Value chain	<b>Co-owned Discovery</b> > 50 projects	<b>Co-owned Pre-clinical</b> > 25 projects	<b>Co-owned Clinical</b> > 10 projects
Ø Commercials	<ul style="list-style-type: none"> <li>• Ø € 1-10 m upfront and substantial research payments</li> </ul>	<ul style="list-style-type: none"> <li>• Ø € 150 m milestones per project</li> </ul>	<ul style="list-style-type: none"> <li>• Ø 8% royalties</li> </ul>
Partners			

# Long-term strategic solid tumour partnership

Celgene & Evotec – Expansion of relationship into oncology



## Strategic oncology partnership with Celgene

- Long-term strategic drug discovery and development partnership to identify new therapeutics in oncology
- Initial focus on solid tumours, leveraging an industry-leading phenotypic screening platform with unique compound libraries and associated target deconvolution capabilities
- Activities to be mainly executed at Munich/Göttingen (Germany) and Toulouse (France) sites
- Commercial: \$ 65 m upfront payment from Celgene to Evotec, Evotec eligible to receive significant milestone payments as well as tiered royalties on each licensed programme
- Celgene holds exclusive opt-in rights to license worldwide rights to all programmes developed within this collaboration



#RESEARCHNEVERSTOPS

NEWS RELEASE, 21 MAY 2018

### EVOTEC AND CELGENE ENTER INTO STRATEGIC ONCOLOGY PARTNERSHIP

- ▶ LEVERAGING EVOTEC'S PHENOTYPIC SCREENING CAPABILITIES AND COMPOUND LIBRARIES WITH AN INITIAL FOCUS ON SOLID TUMOURS
- ▶ UPFRONT PAYMENT OF \$ 65 M, SIGNIFICANT MILESTONE PAYMENTS AND TIERED ROYALTIES PER PROGRAMME

**Hamburg, Germany, 21 May 2018:** Evotec AG (Frankfurt Stock Exchange: EVT, TecDAX, ISIN: DE0005664809) announced today that Evotec and Celgene Corporation ("Celgene") have entered into a long-term strategic drug discovery and development partnership to identify new therapeutics in oncology.

Evotec has built one of the industry's broadest and most innovative pre-clinical discovery and development platforms. This includes in particular an industry-leading phenotypic screening platform with unique compound libraries and associated target deconvolution capabilities. The collaboration intends to leverage these capabilities with an initial focus on solid tumours.

Celgene receives exclusive opt-in rights to license worldwide rights to all programmes developed within this collaboration. Under the terms of the agreement, Evotec will receive an upfront payment of \$ 65 m and may be eligible to receive significant milestone payments as well as tiered royalties on each licensed programme.

**Dr Cord Dührmann, Chief Scientific Officer of Evotec, said:** "We are extremely pleased and encouraged about the opportunity to enter into a second major alliance with our colleagues at Celgene. Our first alliance in neurodegenerative diseases has already proven that both companies and teams are united by the same spirit and objectives bringing new and better treatment to patients."

**About Evotec AG**  
Evotec is a drug discovery offshore and development partnership company focused on rapidly progressing innovative product approaches with leading pharmaceutical and biotechnology companies, academic, 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 (R&D Ecosystem). 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

For further information, please contact: Gabriele Hansen VP, Corporate Communications & Investor Relations, gabriele.hansen@evotec.com, T: +49 (0)30 360 81-255, F: +49 (0)30 360 81-333, www.evotec.com

# One big effort for the benefit of many

Sanofi & Evotec – *Transaction expected to close in H1 2018*

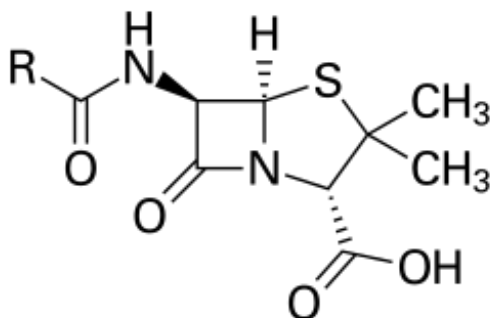


## Pipeline-building collaboration in infectious diseases (ID)

Strong and diverse portfolio of > 10 research & early-stage development projects licensed from Sanofi to Evotec (EVT Innovate) – Sanofi will retain option rights on development, manufacturing and commercialisation of certain products

## World-leading expertise and platforms in ID coming together

Transfer of > 100 industry-leading ID disease experts to Evotec in Lyon. Together with existing capabilities in Alderley Park, UK; Toulouse, France, and Verona, Italy, Evotec will have more than 150 scientists active in ID R&D.



## Pioneering open innovation

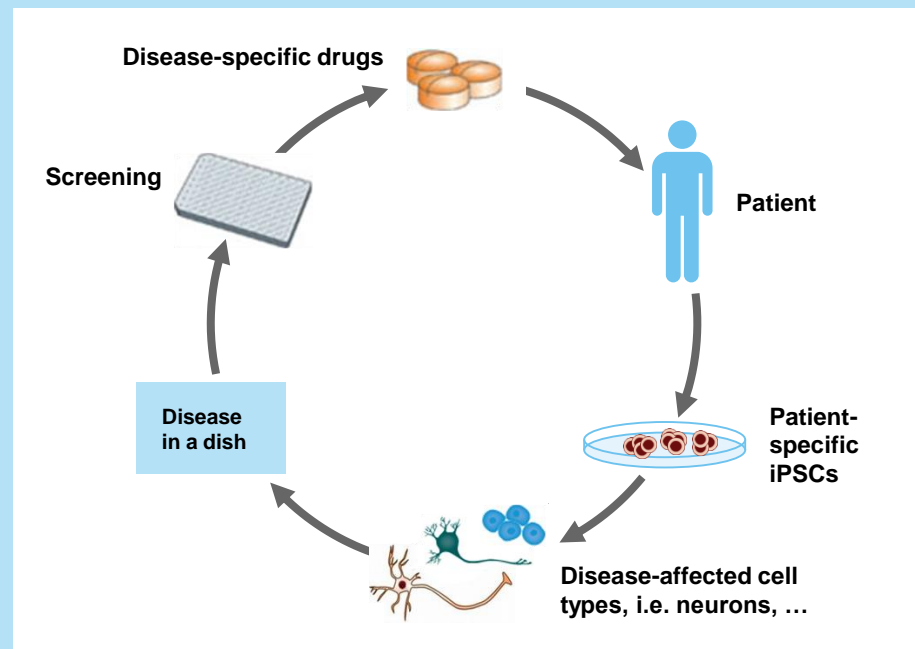
Expanding academic and public funding network, to create the open innovation platform for Pharma, biotech, academic institutions, foundations and NGOs in the fight against the worldwide spread of drug resistance and infectious diseases

# Global leadership in iPSC

Strong focus on iPSC<sup>1)</sup> platform

*“IPS cells can become a powerful tool to develop new drugs to cure intractable diseases because they can be made from patients’ somatic cells.”*

**Shinya Yamanaka**



# Paradigm shifts in neurodegeneration and diabetes

iPSC – Alliances; Progress overview



## iPSC alliance in neurodegeneration

Development of novel therapies for a broad range of neurodegenerative diseases

NEW MILESTONE  
ACHIEVEMENT

### Focus on

- ALS Amyotrophic lateral sclerosis
- AD Alzheimer's disease
- HD Huntington's disease
- PD Parkinson's disease ...

### Commercials

Upfront \$ 45 m, potential milestones  
> \$ 250 m per project, low double-digit royalties



## iPSC alliance in diabetes

Development of beta cell replacement therapy and drug discovery based on functional human beta cells

### Focus on

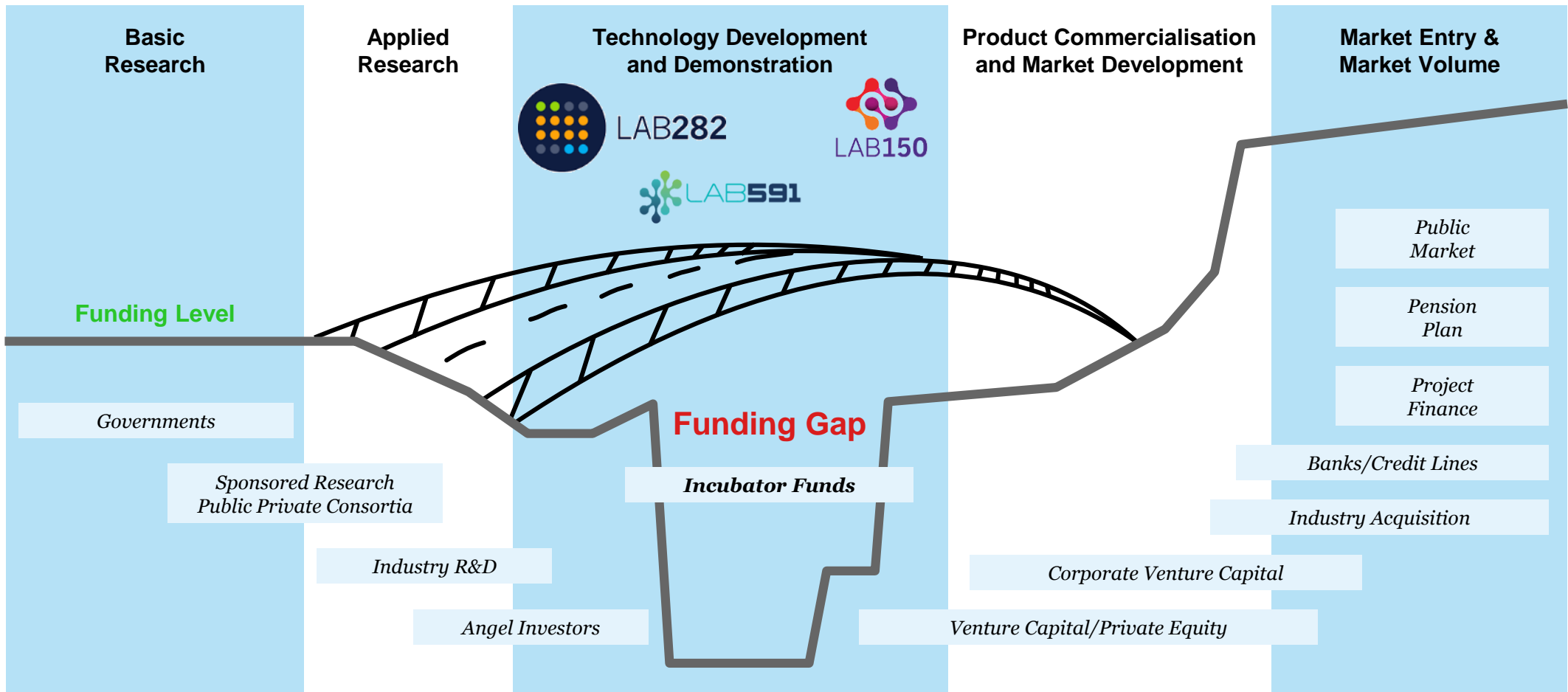
- Beta cell replacement therapy
- Drug discovery – Small molecules

### Commercials

Upfront € 3 m, research payments, potential  
milestones > € 300 m, double-digit royalties

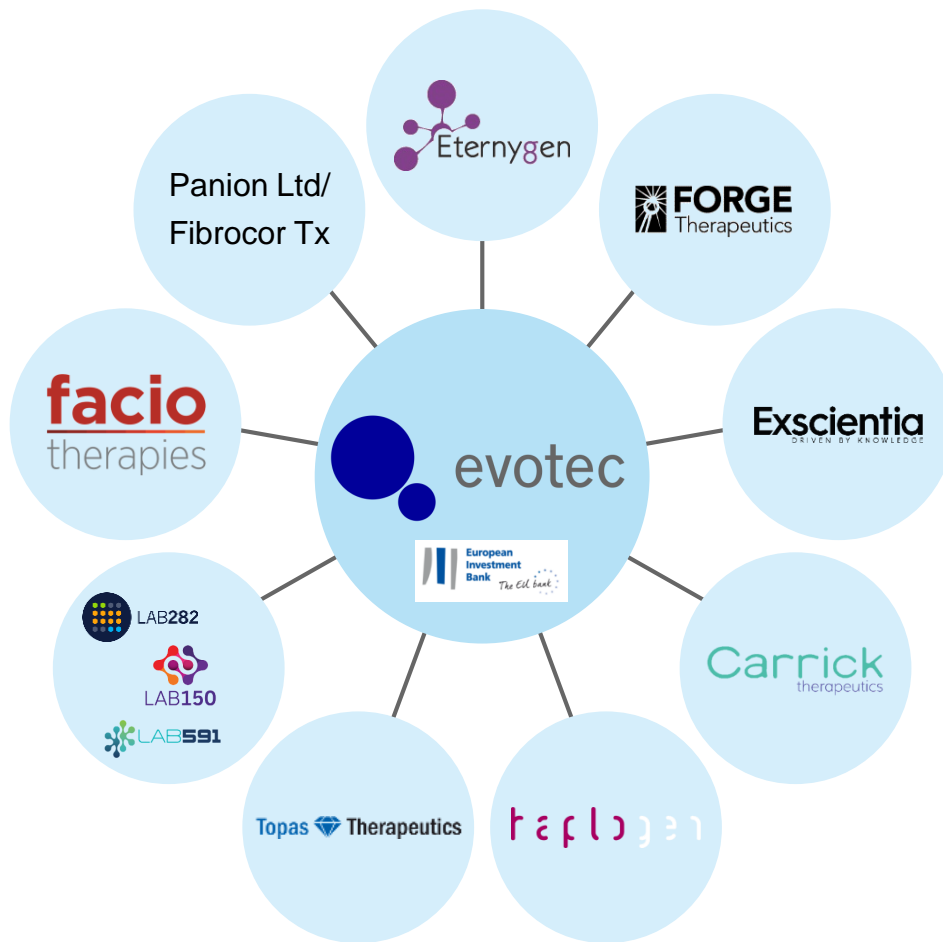
# Building BRIDGES over the “Valley of death“

## The funding gap



# First-in-class innovation via co-investment strategy

Innovative building & investing



- Participation in financing rounds, built on Evotec's platforms, via strategic investments
- Approx. € 22 m investments in 2017; long-term commitments with payback horizon > 5 years
- Attractive € 75 m loan facility available from EIB to also support R&D equity financing

## Agenda

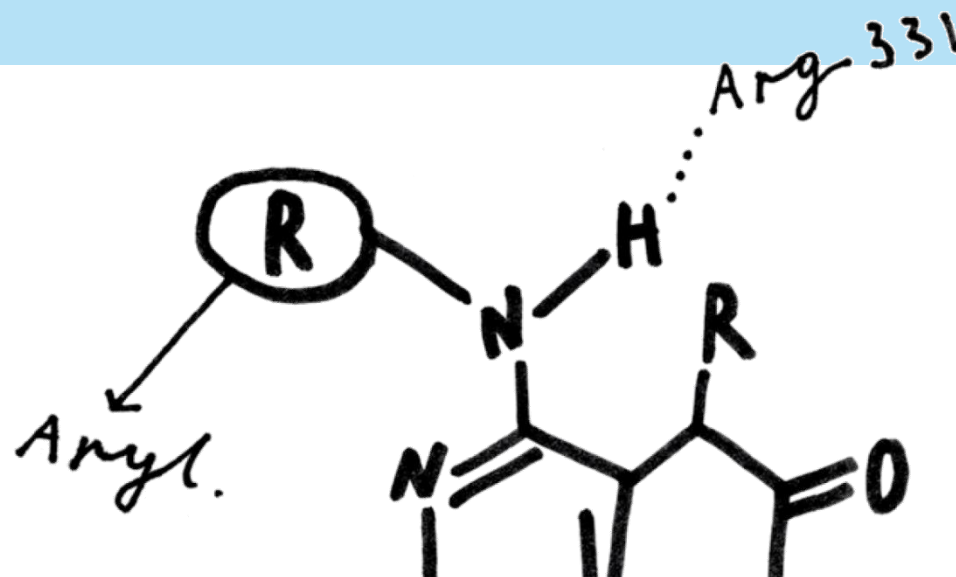
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Overview

EVT Execute

EVT Innovate

**Financials & Outlook**

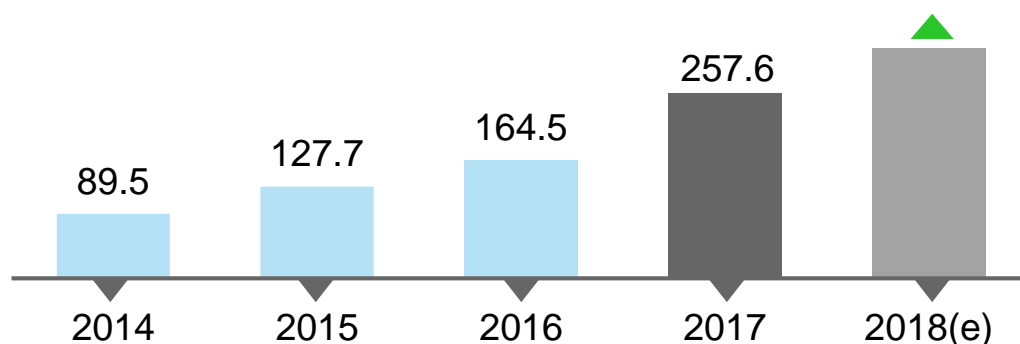




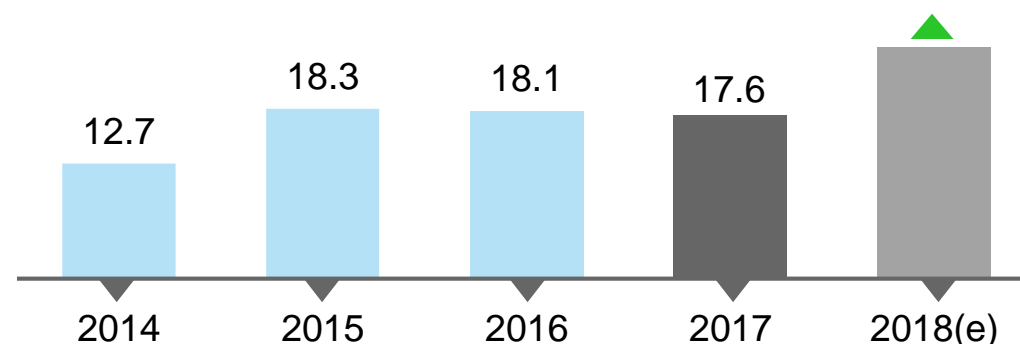
# Strong performance continues – “3x30”

Financial history 2014-2018 (e) – Selected performance indicators

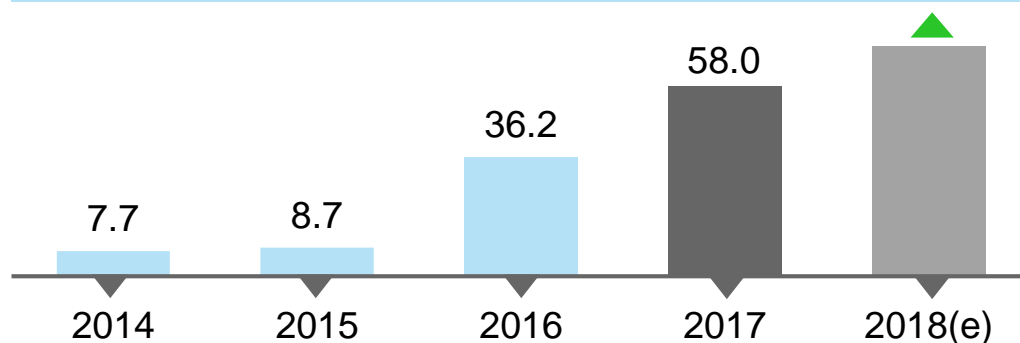
## Total Group revenues (in € m)



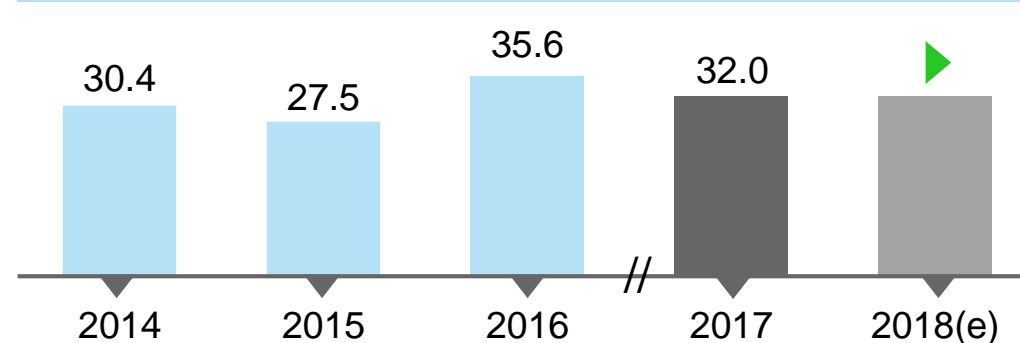
## R&D expenses (in € m)



## Adjusted Group EBITDA (in € m)



## Gross margin<sup>1)</sup> (in %)



# Good performance with new business mix, milestones still missing in Q1 2018

## Condensed income statement Q1 2018 – Evotec AG and subsidiaries

in € m<sup>1)</sup>

	Q1 2018	Q1 2017 <sup>4)</sup>	% vs. 2017
Revenues	<b>79.0</b>	50.9	55%
Gross margin <sup>2)</sup>	<b>23.4%</b>	37.3%	–
• R&D expenses	<b>(4.6)</b>	(4.7)	(1)%
• SG&A expenses	<b>(13.3)</b>	(7.3)	82%
• Other op. income (expenses), net	<b>6.0</b>	2.9	106%
Operating income	<b>6.5</b>	9.9	(34)%
Adjusted Group EBITDA <sup>3)</sup>	<b>14.0</b>	13.4	4%
Net income	<b>3.5</b>	7.1	(51)%

- Group revenue growth mainly due to good performance in the base business and contribution from Aptuit (€ 25.3 m)
- Group revenues in Q1 2017 affected by higher milestone revenues
- New business mix and amortisation following acquisitions (€ 3.0 m) resulting in new gross margin setup
- SG&A increased as expected due to addition of Aptuit and increased headcount resulting from Company growth
- Other operating income increased due to higher R&D tax credits in France and Italy

<sup>1)</sup> Differences may occur due to rounding

<sup>2)</sup> Gross margin in 2018 considers amortisation of acquisitions from Aptuit and Cyprotex

<sup>3)</sup> Before contingent considerations, income from bargain purchase and excl. impairments on goodwill, other intangible & tangible assets as well as the total non-operating result

<sup>4)</sup> 2017 data adjusted according to IFRS 15

# EVT Execute expanded, EVT Innovate on strategy

Segment information Q1 2018 – Evotec AG and subsidiaries

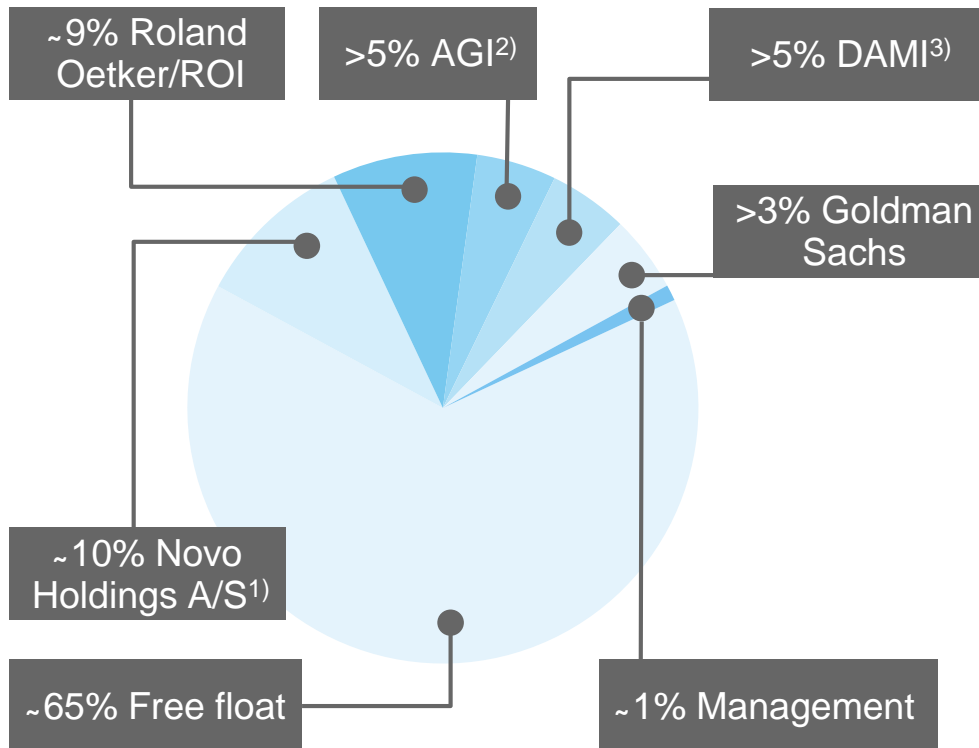
in € m<sup>1)</sup>

	<b>EVT Execute</b>	<b>EVT Innovate</b>	<b>Inter- segment elimination</b>	<b>Evotec Group</b>
Revenues	<b>78.5</b>	<b>10.4</b>	<b>(9.9)</b>	<b>79.0</b>
Gross margin	<b>20.8%</b>	<b>31.1%</b>		<b>23.4%</b>
• R&D expenses	<b>(0.1)</b>	<b>(5.6)</b>	1.1	<b>(4.6)</b>
• SG&A expenses	<b>(11.5)</b>	<b>(1.8)</b>	–	<b>(13.3)</b>
• Other op. income (expenses), net	<b>5.3</b>	<b>0.7</b>	–	<b>6.0</b>
<b>Operating income</b>	<b>10.0</b>	<b>(3.5)</b>	–	<b>6.5</b>
<b>Adjusted EBITDA<sup>2)</sup></b>	<b>17.2</b>	<b>(3.2)</b>		<b>14.0</b>

- Revenue growth in EVT Execute driven by performance in the base business and contribution from acquisition
- Gross margin decrease due to new business mix, amortisation (EVT Execute only), adverse FX effects and timing of milestones
- Higher R&D tax credits affecting other operating income in Q1 2018
- Significantly improved EBITDA for EVT Execute (Q1 2017: € 12.4 m)

# Strong team and shareholders for innovation

## Management & shareholder structure



**Number of shares:** 147.5 m

**Listing:** Frankfurt Stock Exchange (TecDAX), OTCBB

**52 week high/low:** € 22.50/€ 11.29

### Management Board

- **Werner Lanthaler (CEO)**  
Long-time experience in pharma & biotech
- **Enno Spillner (CFO)**  
Long-time experience in finance & biotech
- **Mario Polywka (COO)**  
Strong operational and commercial management track record
- **Cord Dohrmann (CSO)**  
Long-time experience in drug discovery and business development

### Supervisory Board

- **Wolfgang Plischke**  
Ex-Bayer
- **Bernd Hirsch**  
Bertelsmann
- **Claus Braestrup**  
Ex-Lundbeck
- **Iris Löw-Friedrich**  
UCB
- **Michael Shalmi**  
Novo Holdings A/S¹
- **Elaine Sullivan**  
Carrick Therapeutics

## “3x30” – Strong growth and profitability expected

Guidance 2018

<b>1</b>	<b>Double-digit top-line growth</b>	<ul style="list-style-type: none"><li>• More than 30% Group revenue growth</li></ul>
<b>2</b>	<b>Profitable and growing</b>	<ul style="list-style-type: none"><li>• Adjusted Group EBITDA<sup>1)</sup> expected to improve by approx. 30%</li></ul>
<b>3</b>	<b>Focused investments</b>	<ul style="list-style-type: none"><li>• Group R&amp;D expenses of € 20-30 m</li></ul>

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