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Evotec

Partnered Drug Discovery and Development

Forward-looking statement

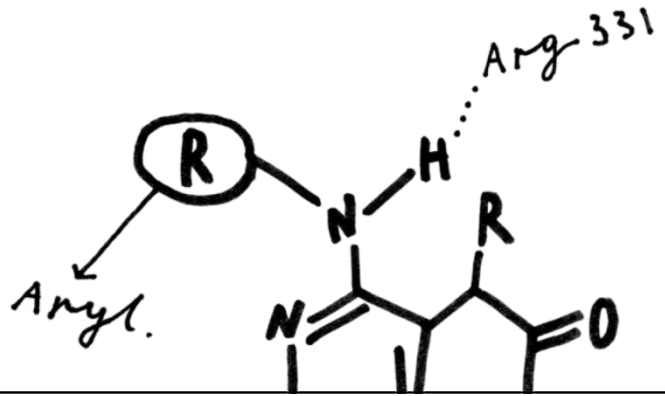
Information set forth in this presentation contains forward-looking statements, which involve a number of risks and uncertainties. The forward-looking statements contained herein represent the judgement of Evotec as of the date of this presentation. Such forward-looking statements are neither promises 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.

Agenda

Overview

Partnered drug discovery & development

Financials & Outlook



Leading external drug discovery & development

Company snapshot

100+
Co-owned pipeline programmes with significant milestone & royalty potential

€ 350 m+
Revenues[1)]

€ 80 m+
Adjusted Group EBITDA[1)]

25+
Years track record

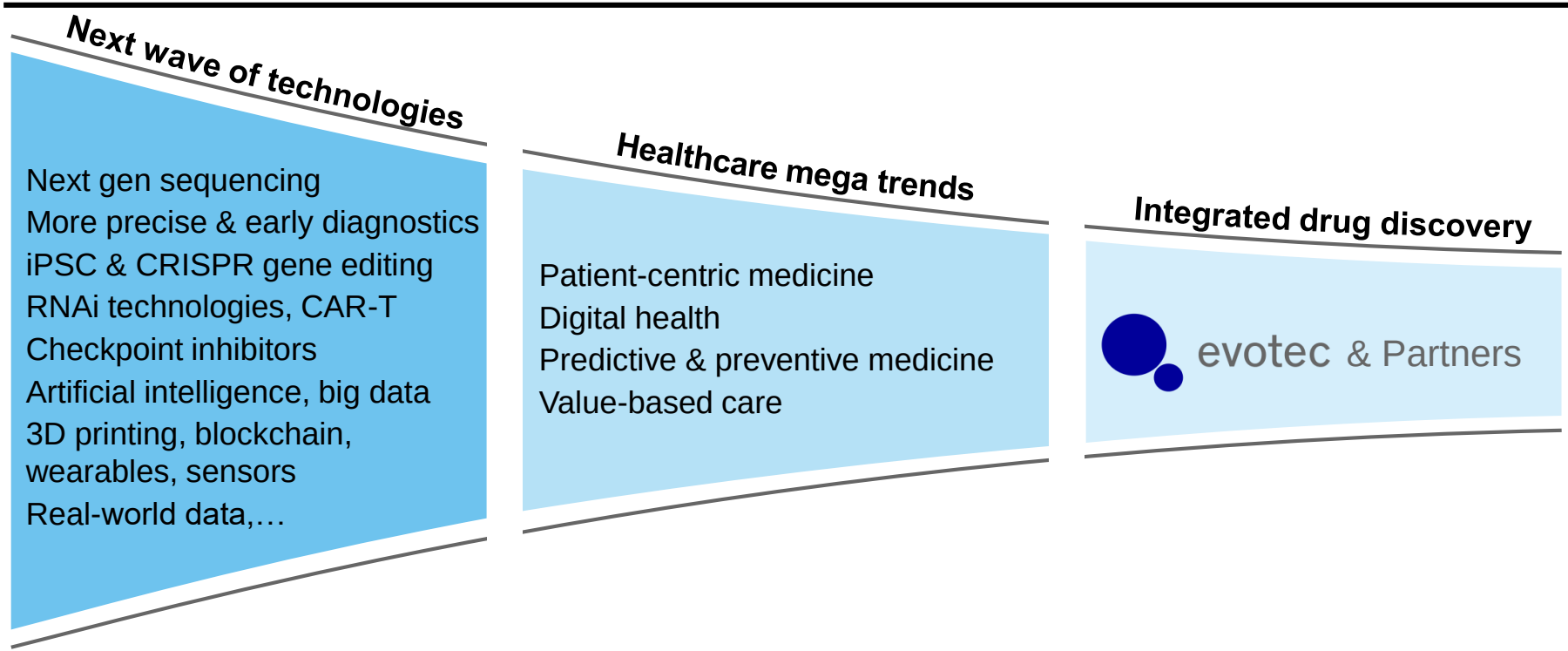
2,500+
Top-class employees

200+
Long-term partnerships

[1)] in 2018

Medicine of the future will see radical change

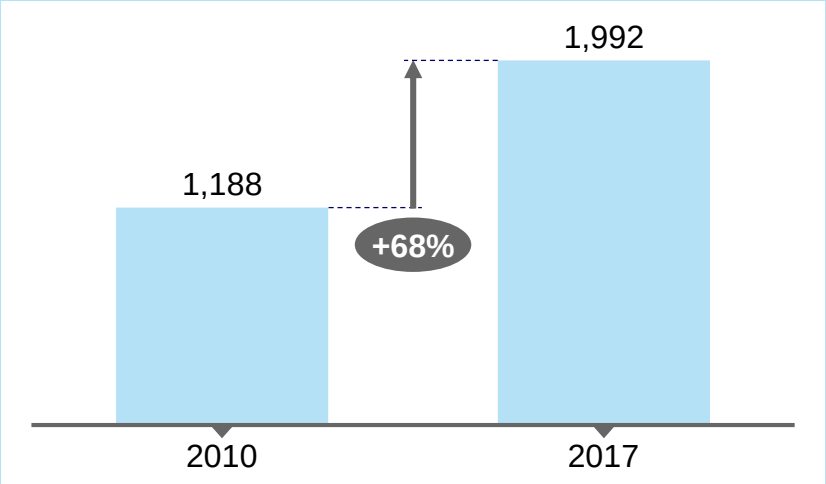
Technologies & mega trends



Productivity challenge will increase

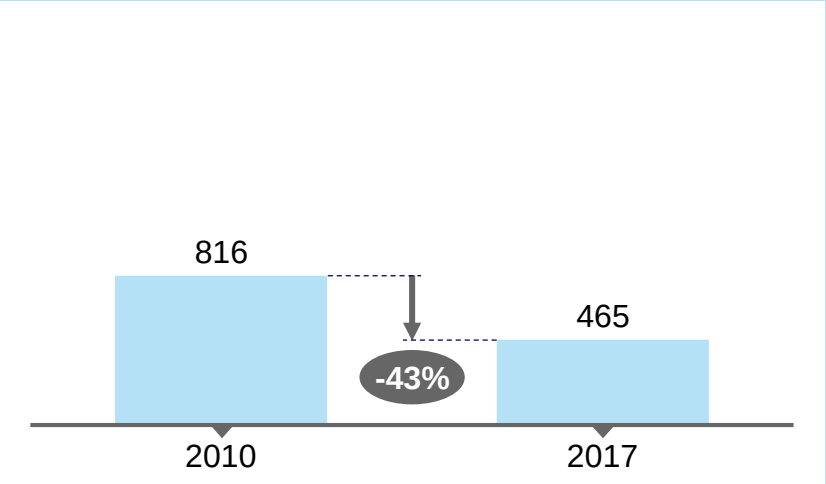
Development costs vs. average peak sales

Development Cost, $ m



Cost per asset increased ~2/3rd since 2010

Sales, $ m



Average peak sales almost halved since 2010

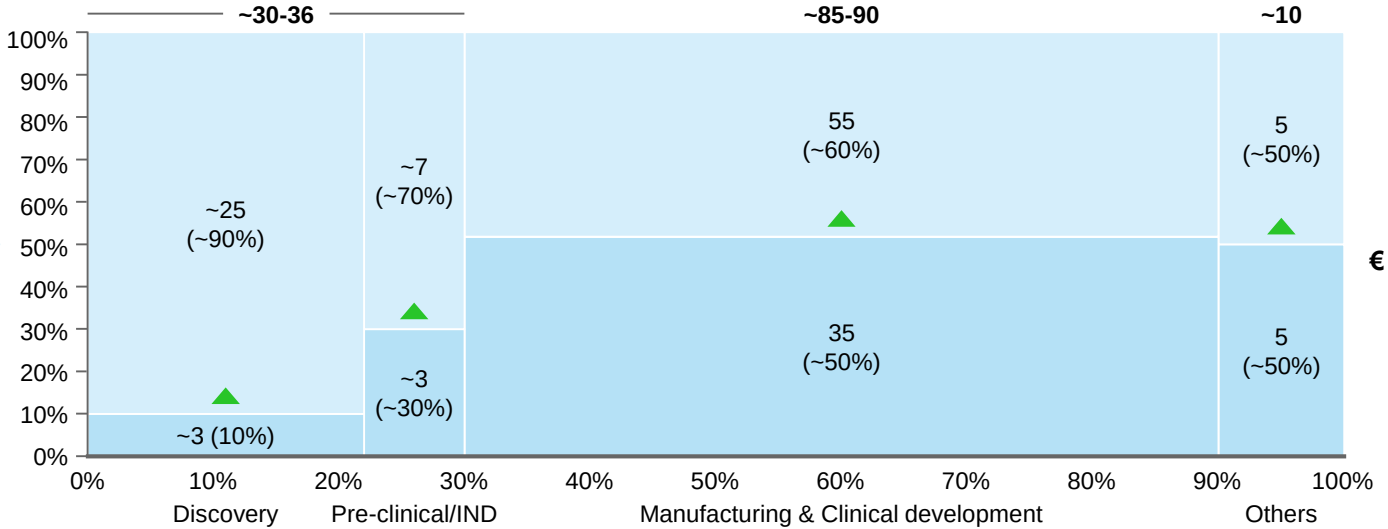
Source: Deloitte's Centre for Health Solutions: A new future for R&D? Measuring the return from pharmaceutical innovation 2017

From fixed to variable costs

R&D outsourcing

in € bn

Capital Elasticity



∑ **€ ~150 bn**

Not outsourced

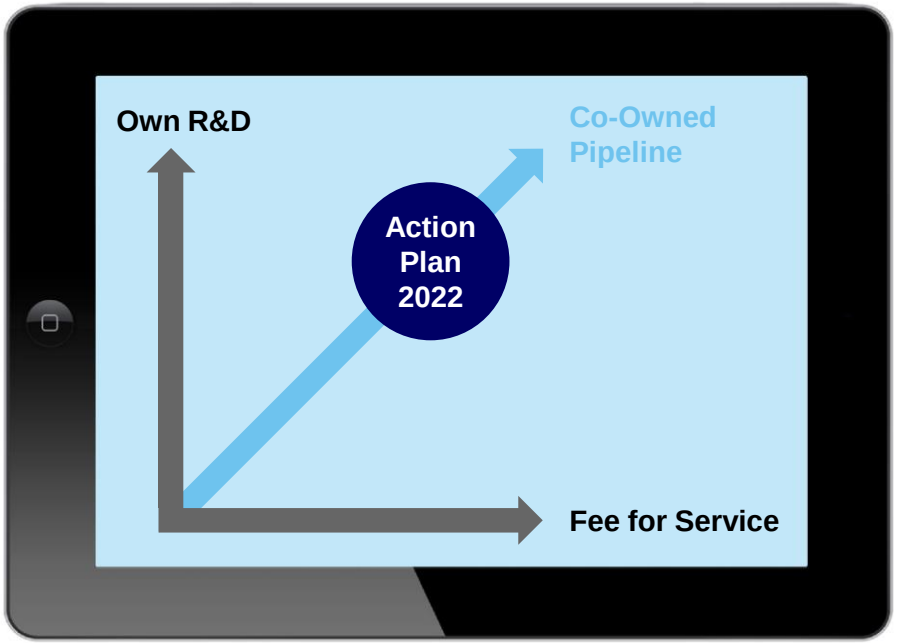
Outsourced

evotec cyprotex aptuit

Source: Visiongain – Drug Discovery Outsourcing Market Forecast 2015-2025 and Evotec's estimates

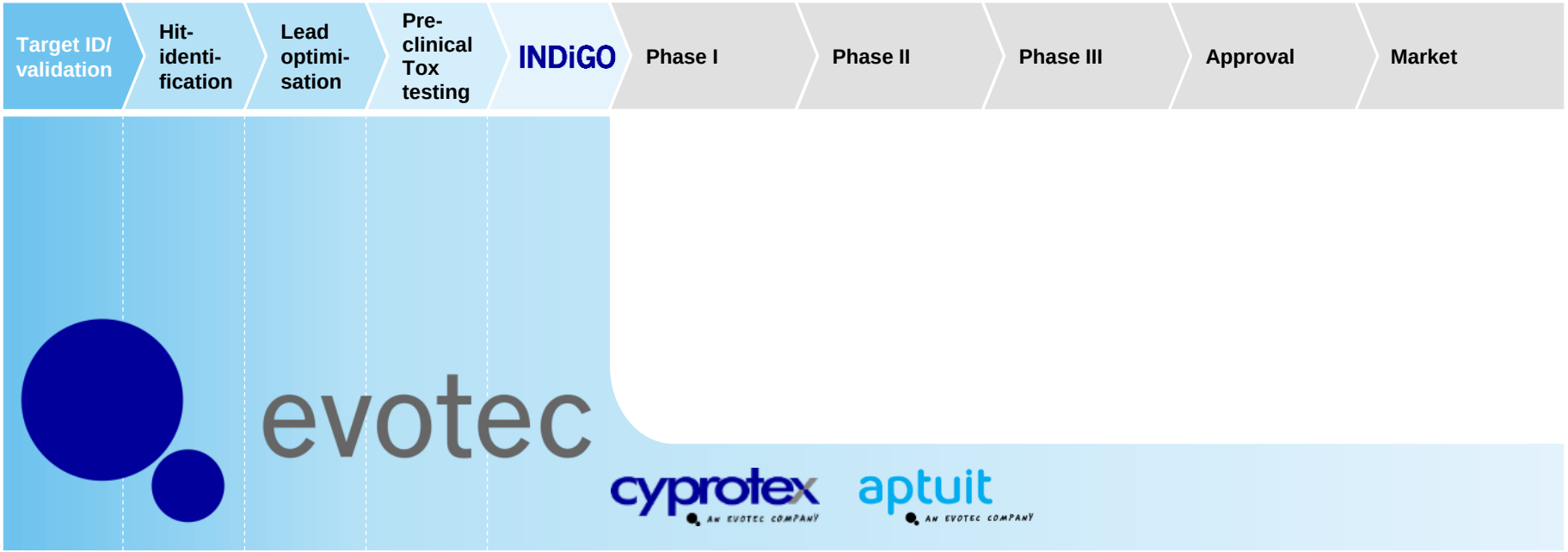
Building a co-owned portfolio in partnerships

Unique strategy and business approach – Action Plan 2022



R&D solutions up to IND and CMC manufacturing

Our core competencies

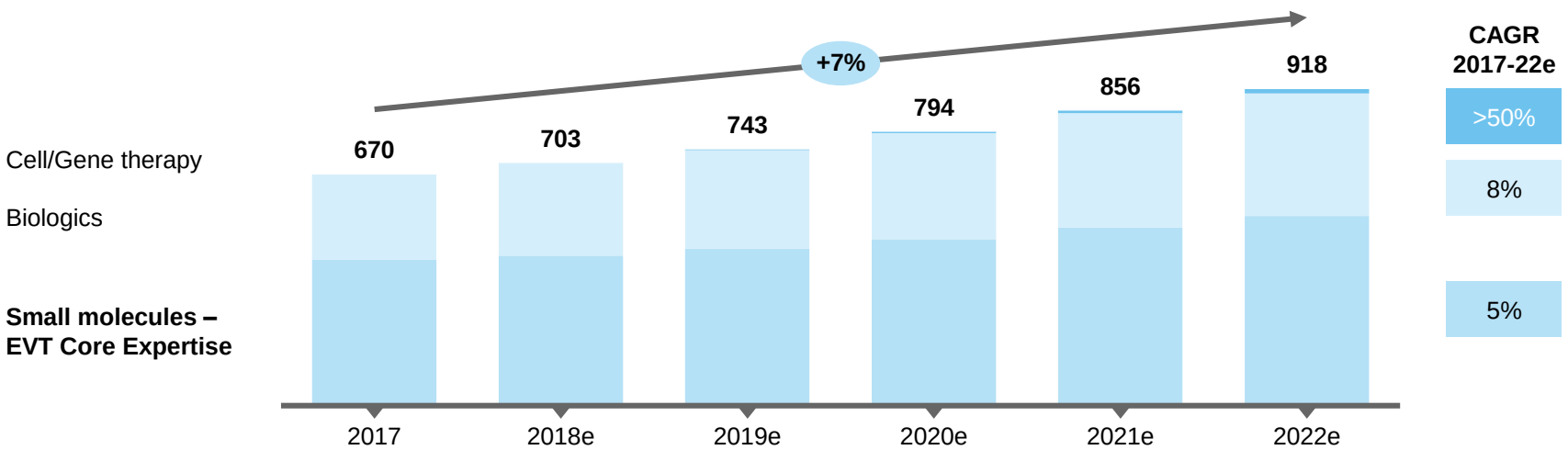


Focus in small molecules and new modalities

Small molecules, biologics & other modalities in R&D

in US$ bn

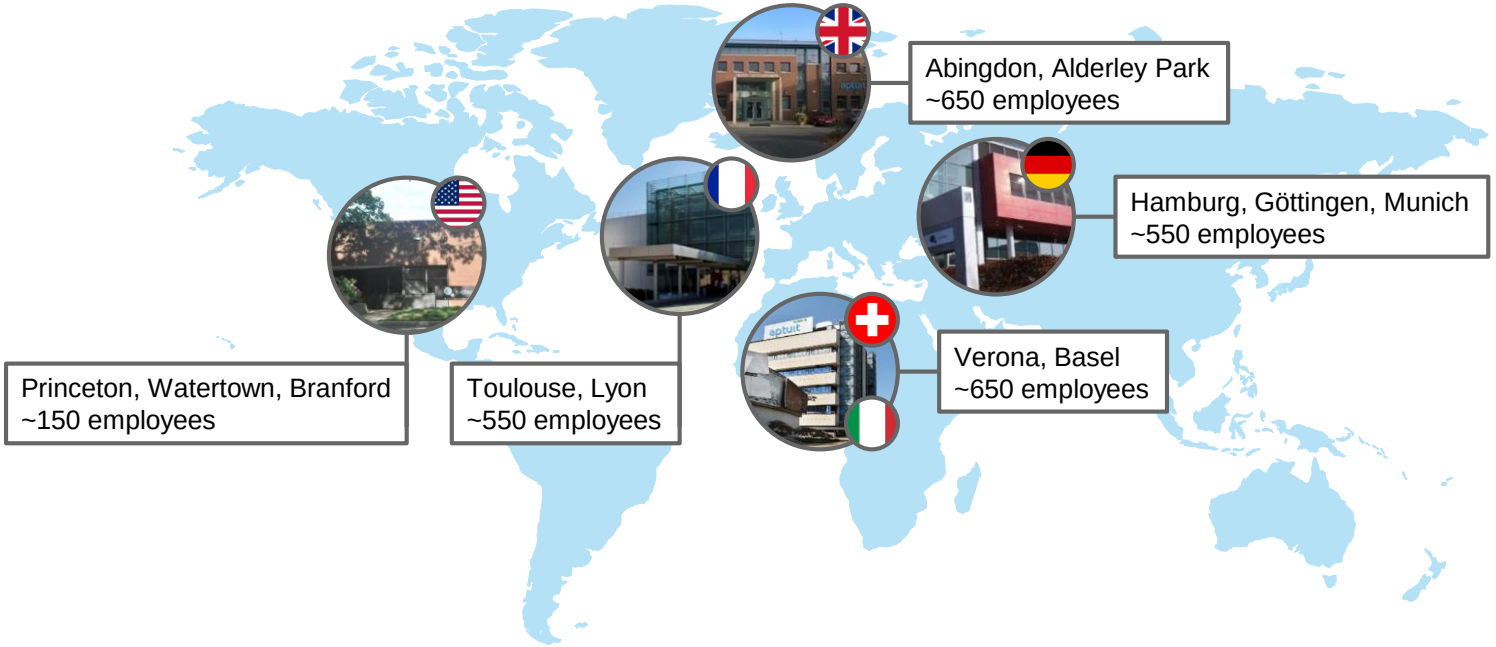
Global pharmaceutical market[1), 2)]



[1)] Small molecules forecast from May 2017 and Biologics forecast from Dec 2017
[2)] Excluding sales not classified by EvaluatePharma
Source: EvaluatePharma

> 2,500 x unique expertise

Global centres of excellence



Output goals define R&D intensity

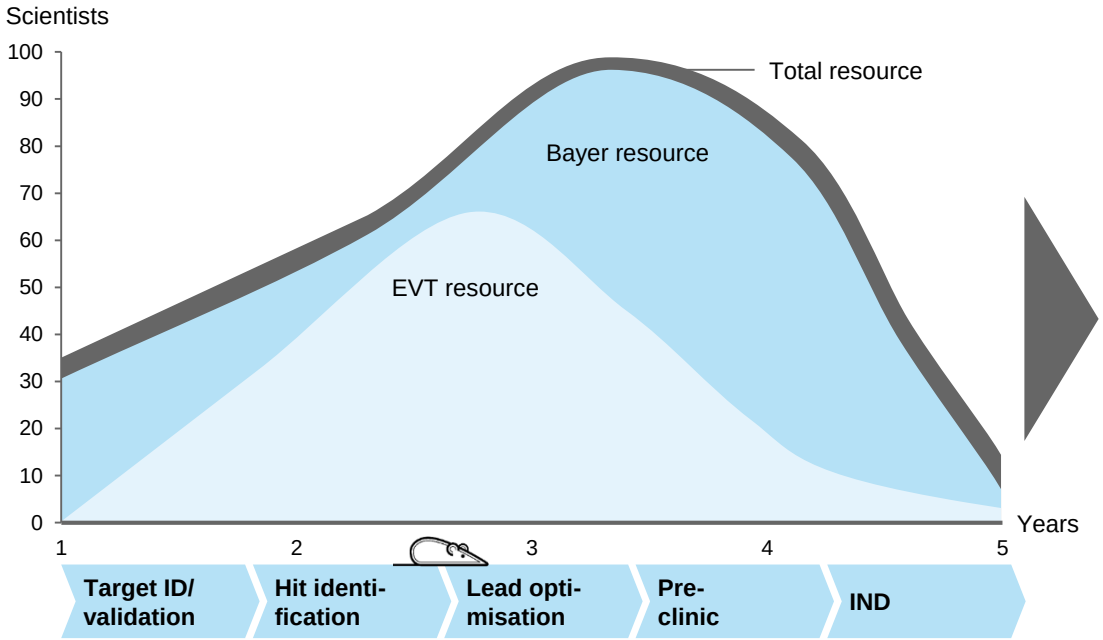
Bayer & Evotec in Endometriosis – ***Example***

3 novel first-in-class targets in clinic

Bayer targets

EVT targets

Academia



4 INDs

40% more cost efficient[1)]

30% faster than industry benchmark

[1)] Bayer estimates; White Paper 2017; Excelling Together for the Benefit of Women Suffering from Endometriosis The Bayer-Evotec Strategic Alliance

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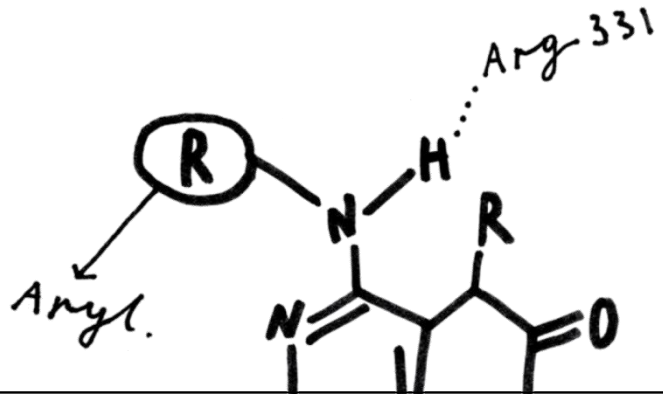


ONE fully integrated platform

EVT Execute & EVT Innovate

IP = Intellectual Property

Improving quality and accelerating R&D

EVT Execute – Selected performance indicators

1,000,000+
Compounds in highly selective library

>50
IND – Pre-clinical & clinical candidates delivered (INDiGO)[1)]

>10
Technology acquisitions[1)]

>80%
Repeat business

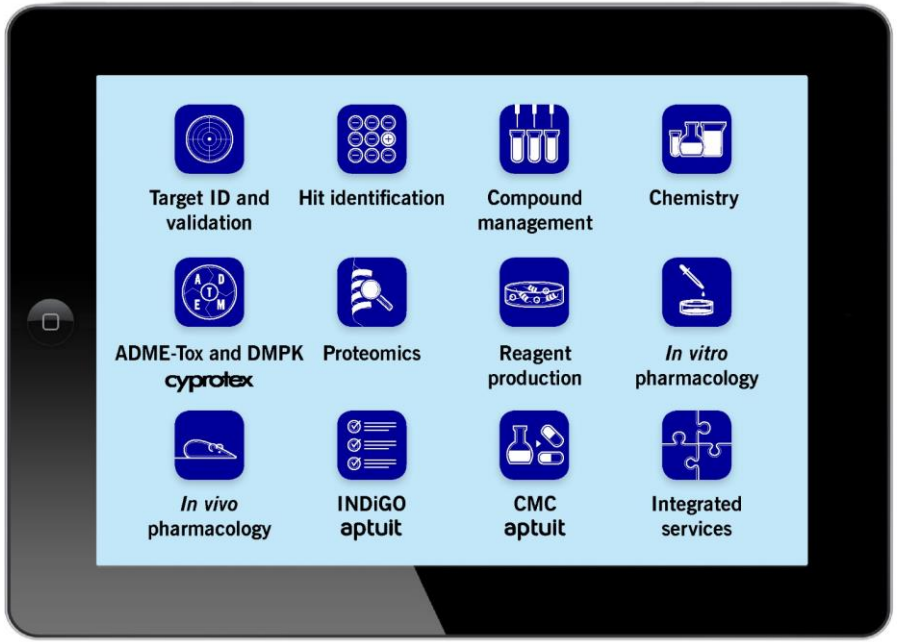
>1.8
Years average contract time

>25%
Faster delivery of data at improved quality

[1)] Since 2012

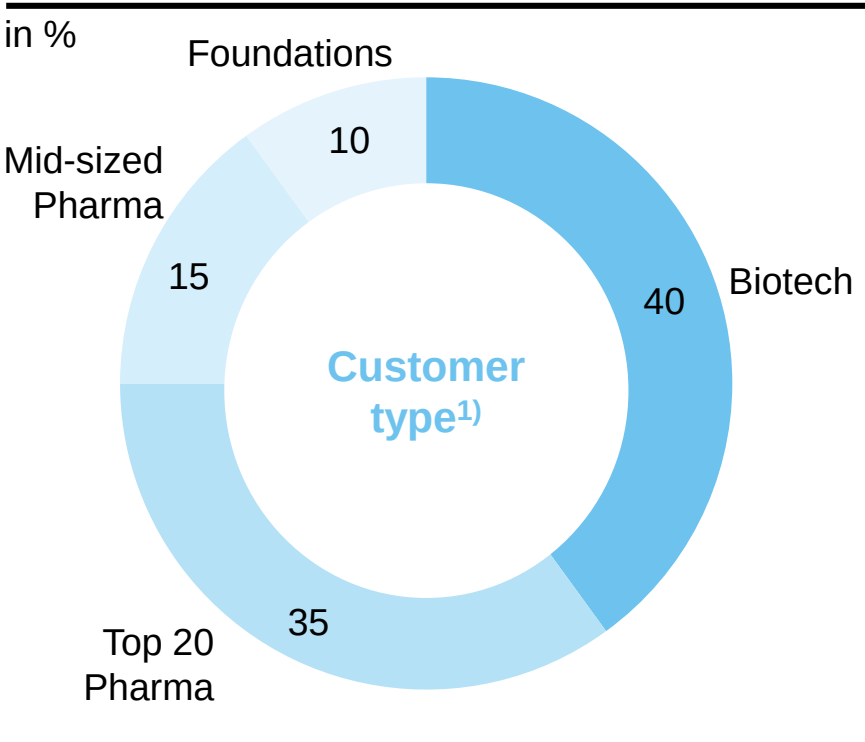
No 1 quality and fully integrated R&D services

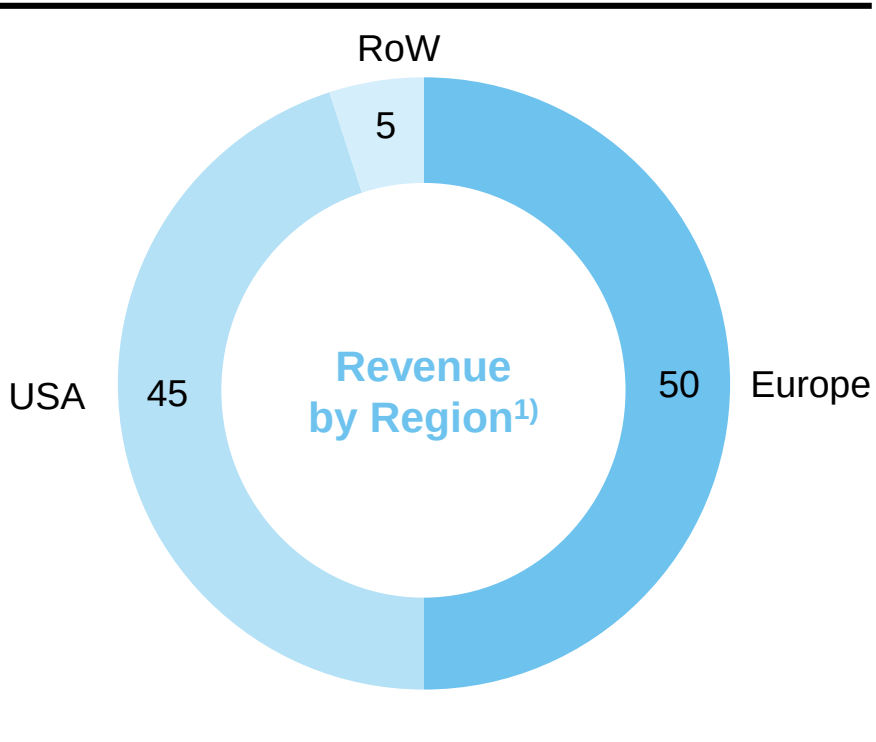
Comprehensive service panel for external innovation



Strong and well-balanced global customer mix

Who are our partners?





1) Third-party revenues only

Strong portfolio of highest quality partners

EVT Execute alliances – ***Examples***

Partnership focused on Huntington Disease *Initiated 2006*	**Partnership focused on various indications** *Initiated 2011*	**Partnership covering broad range of services** *Initiated 2015*	**Partnership focused on DMPK services** *Initiated 2016*	**Partnership focused on infectious diseases** *Initiated 2016*	**Partnership focused on various indications** *Initiated 2016*	**Partnership focused on dermatology** *Initiated 2018*
Partnership focused on diabetes & obesity *Initiated 2018*	**Partnership focused on reproductive medicine and women's health** *Initiated 2018*	**Partnership for INDiGO, DD & CMC** *Initiated 2015*	**Partnership focused on oncology** *Initiated 2016*	**Partnership focused on CNS** *Initiated 2018*	**Partnership focused on oncology** *Initiated 2017*	**Partnership focused on oncology** *Initiated 2015*

Building a co-owned pipeline

EVT Innovate – Selected performance indicators

7
Disease areas of core expertise[1)]

>€ 1,000 bn
Unmet markets addressed

>100
Co-owned pipe-line programmes

10
Clinical Co-owned assets

>10
Unpartnered large R&D initiatives

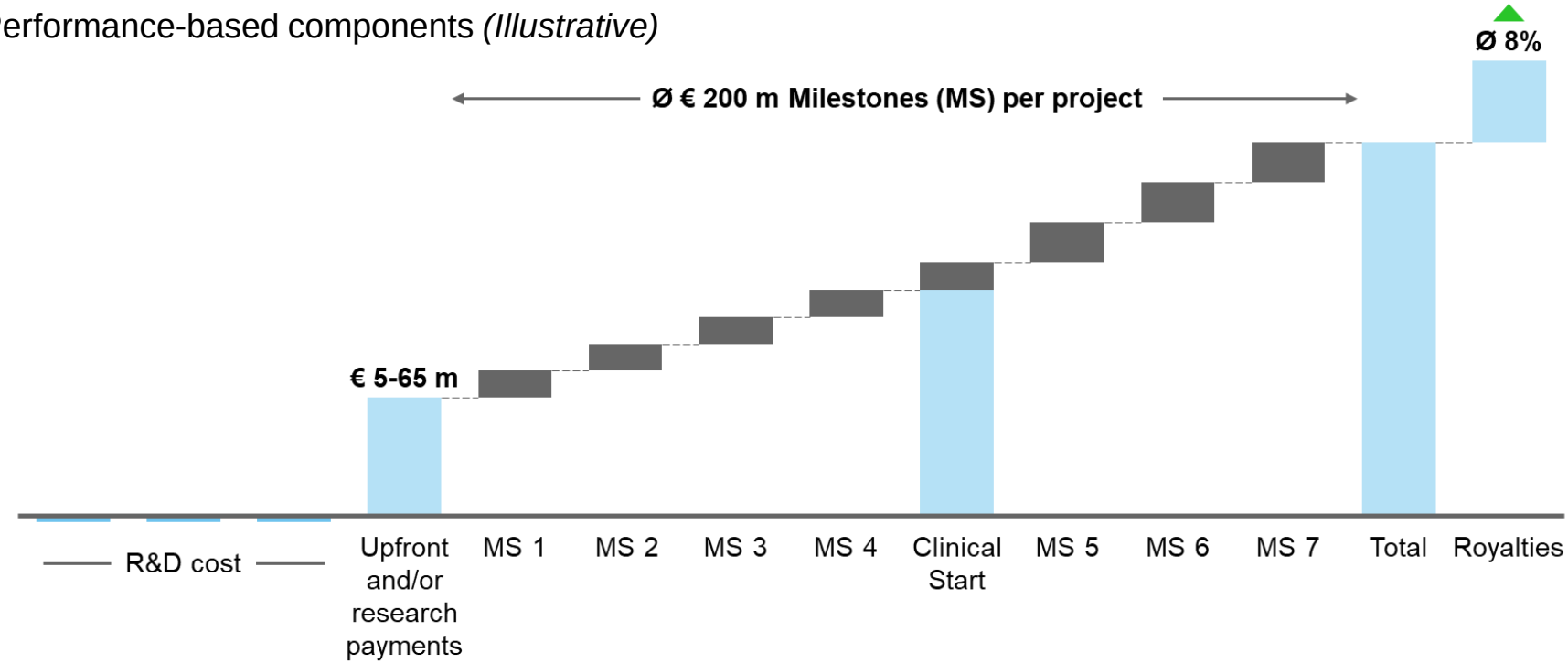
100%
First-in-class and best-in-class approaches “Going for Cure not Symptoms”

[1)] CNS, Pain, Oncology, Respiratory, Diabetes/Metabolic diseases, Women’s health, Infectious disease

Creating massive upside with limited cost & risk

Example for co-owned deal structures

Performance-based components *(Illustrative)*



> 100 projects in fully invested pipeline

Partnership portfolio

	Molecule	Therapeutic Area/Indication	Partner	Discovery	Pre-clinical	Phase I	Phase II
Clinical	EVT201	CNS – Insomnia	京新药业				
	BAY-1817080	Chronic cough					Phase II start
	EVT401	Immunology & Inflammation					
	ND[1)]	Oncology	Roche				
	Various	Women's health – Endometriosis					Phase I start
	Various	Women's health – Endometriosis					
	Various	Women's health – Endometriosis					
	SGM-1019	Immunology & Inflammation	SECOND GENOME				
	CT7001	Oncology	Carrick				
	Various	Respiratory	Boehringer Ingelheim				Second Phase I start
Pre-clinical	ND[1)]	CNS – Pain	NOVARTIS				
	ND[1)]	Immunology & Inflammation	Topas Therapeutics				
	ND[1)]	Pain	Boehringer Ingelheim				
	Various	Women's health – Endometriosis					
	EVT801	Oncology	SANOFI				
	Target*immuniT*	Oncology – Immunotherapy	SANOFI APEIRON				
	Various	Anti-infectives	evotec >5 programmes				NEW – From ID collaboration
	Various	CNS, Metabolic, Pain & Inflammation	>10 further programmes				
Discovery	Various ND[1)]	Nephrology					
	Various ND[1)]	Immunology & Inflammation					
	Various ND[1)]	Nephrology	AstraZeneca				
	Various ND[1)]	Metabolic – Diabetes	SANOFI				NEW milestone achievement
	Various	Oncology					NEW partnership
	Various	Immunology & Inflammation – Tissue fibrosis	Pfizer				
	Various	Neurodegeneration					NEW milestone achievement
	ND[1)]	Anti-bacterial	FORGE Therapeutics				
	Various	All indications	AB031				NEW Academic BRIDGE
	ND[1)]	Dermatological diseases	almirall				NEW partnership
	ND[1)]	Facioscapulohumeral Dystrophy	facio				NEW – *In vivo* proof of principle
	INDY inhibitor	Metabolic					
	Various	Fibrotic disease	Fibrocor Therap. / Galapagos				
	Target*PicV*	Antiviral					
	Various	Anti-infectives	evotec >5 programmes				NEW – From ID collaboration
	Various	Internal: Oncology, CNS, Metabolic, Pain & Inflammation	>40 further programmes				

[1)] Not disclosed

Note: Several projects have fallen back to Evotec, where Evotec does not intend to run further clinical trials unpartnered, e.g. EVT302, EVT101, ...

Co-owned projects with great partners

EVT Innovate alliances – *Examples*

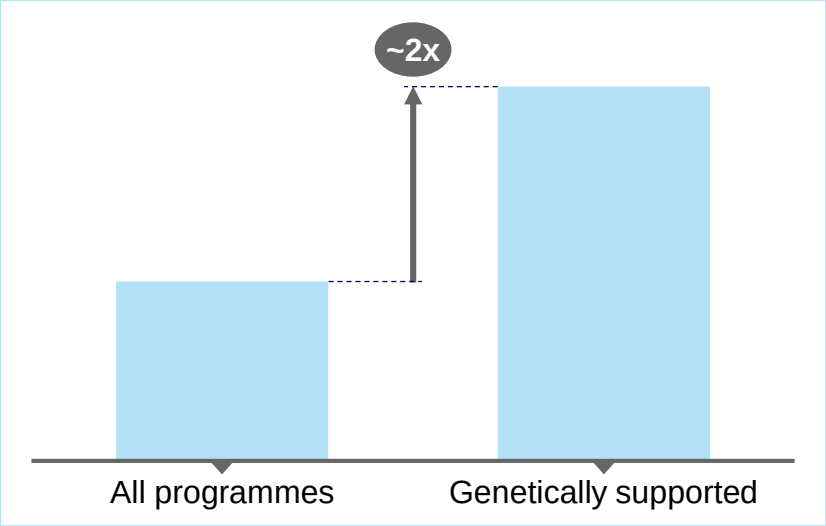
Oncology I Multi-target alliance *Initiated 2018*	**Chronic kidney disease ("CKD")** Diabetic complications *Initiated 2016*	**Oncology** Small molecule-immuno-therapies to complement check-point inhibitors[1)] *Initiated 2015*	**Fibrosis** Novel mechanisms in multi-organ fibrosis *Initiated 2015*	**Neurodegeneration** iPSC-based drug discovery *Initiated 2016*	**Picornavirus** Respiratory indications[2)] *Initiated 2017*
Oncology II Targeted protein degradation *Initiated 2018*	**Endometriosis/Pain & Respiratory** Non-hormonal treatments *Initiated 2012*	**Diabetes** iPSC Beta Cell – Diabetes alliance *Initiated 2015*	**Oncology & Respiratory** Multi-target alliance *Initiated 2012*	**Infectious diseases** Open innovation alliance *Initiated 2018*	**Oncology** Joint Venture on multiple targets *Initiated 2016*

[1)] Together with Apeiron
[2)] Together with Haplogen

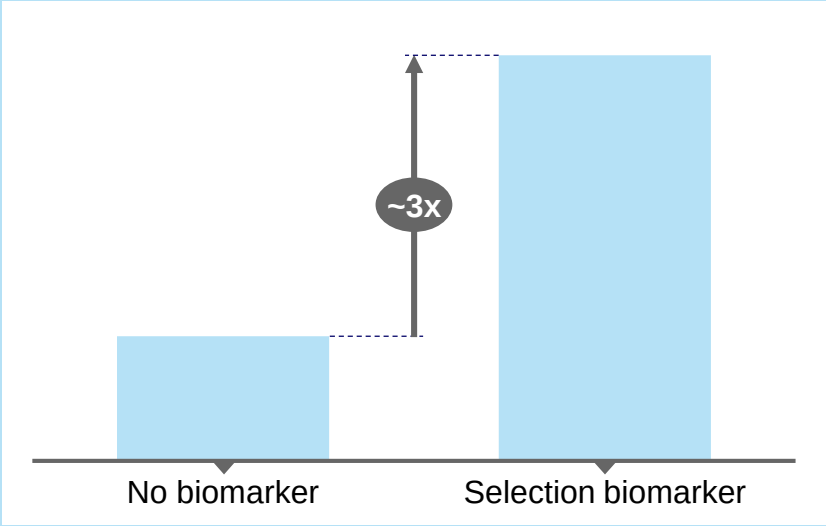
Better translation for better drugs

Genetics, biomarkers, and better technologies improving success

Human genetics supported targets[1)] (% success)



Biomarker-based patient stratification[2)] (% success)

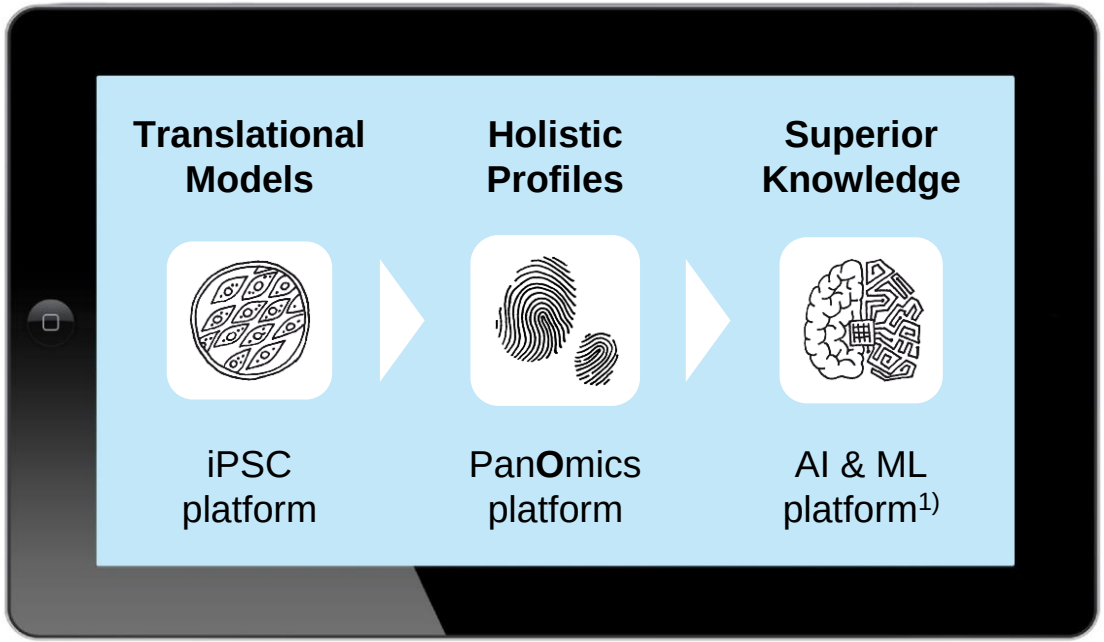


[1)] Source: Nelson et. al., Nat. Genet. 2015

[2)] Source: Bio: Clinical Development Success Rates 2006-2015

Re-defining the drug discovery paradigm

Game-changing platforms for better translation



1) Artificial Intelligence & Machine learning

Disease-relevant profiles to deliver better drugs

Patient-centric and holistic approach

Translational Models

Define relevance

- Medical records
- Patient iPS cell lines
- Patient tissue samples

Holistic Profiles

Gain PanOmic insight

- Transcriptomic, proteomics, metabolomics, genomics data integration
- PanHunter data interpretation

Superior Knowledge

Covert data into drugs

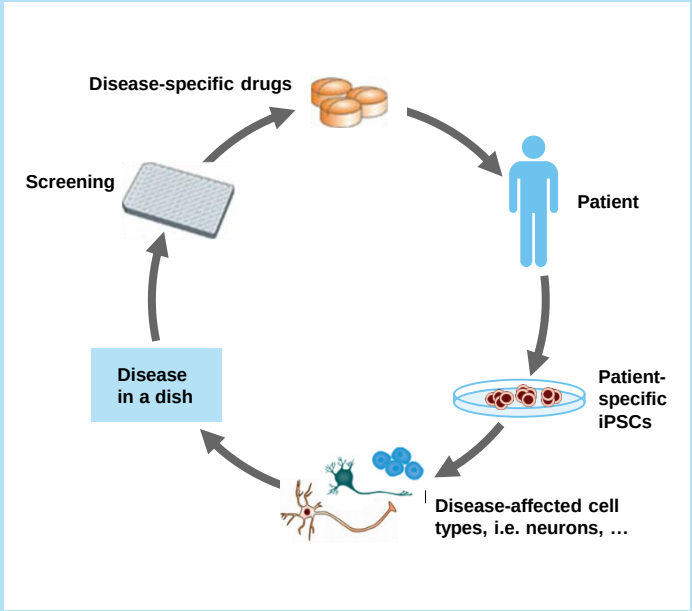
- Hypothesis building
- Defining health and disease
- Efficacy/Safety profiles building

Patient-derived assays as new gold standard

World-leading iPSC processes and network

"IPS cells can become a powerful tool to develop new drugs to cure intractable diseases because they can be made from patients' somatic cells."

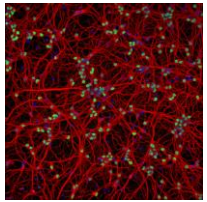
Shinya Yamanaka, Nobel prize laureate



[1] iPSC = Induced pluripotent stem cells

New cell types open door to new indications

Patient-derived disease models as starting points



Established protocols

Motor neurons & Dopaminergic neurons
- Neurodegenerative disease

Cortical neurons
- Neurodegenerative disease
- Lysosomal storage disease
- Neurodevelopmental disease

Pancreatic beta cells
- Diabetes & complications

Under development

Microglia
- Neurodevelopmental diseases

Retina pigment epithelia
- Retinopathies

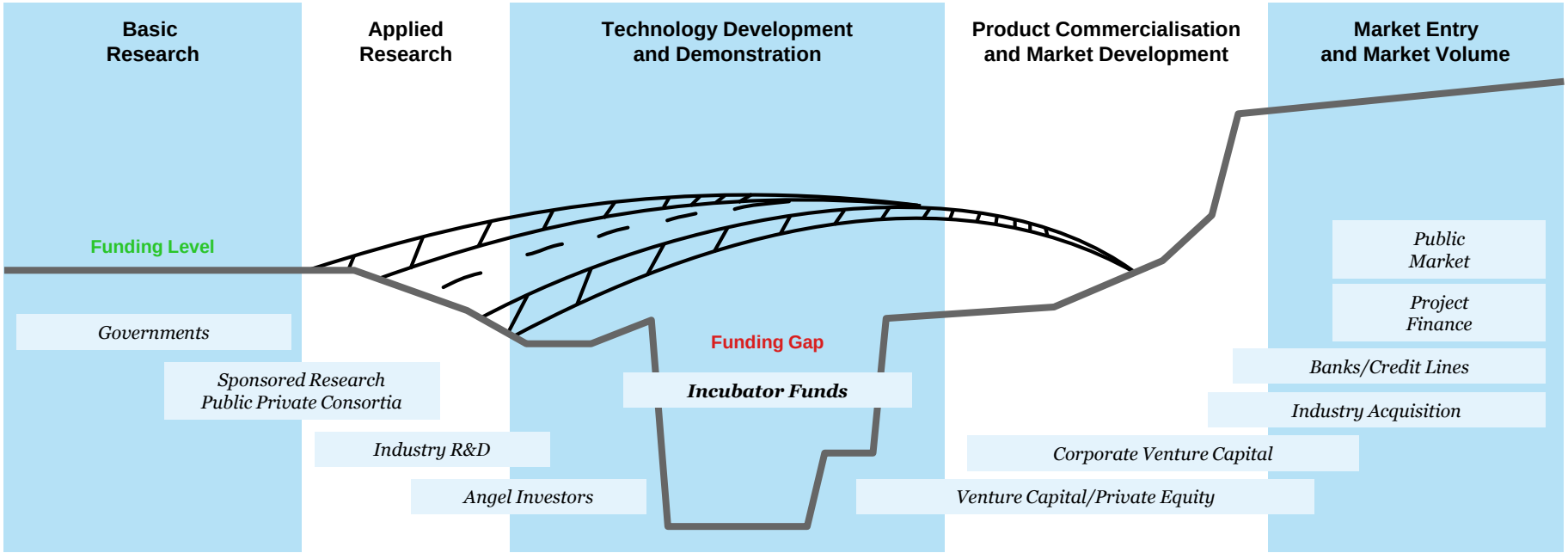
Kidney
- Chronic Kidney Diseases
- Polycystic Kidney Disease

Astrocytes
- CNS diseases
- Many orphan diseases

Oligodendrocytes
- Multiple sclerosis
- Selected LSDs

BRIDGEs over the “Valley of death“

The funding gap



Source: Derived from an article by Sustainable Development Technology Canada (2013)

Long-term optionality with efficient translation

BRIDGEs & Equity participations – ***Examples***

Exscientia	facio therapies	Eternygen	FIBROCOR	FORGE Therapeutics	NURTURE
Equity participation	**Equity participation**	**Equity participation**	**Equity participation**	**Equity participation**	**Consortium membership**
Artificial Intelligence for automated drug design	Facioscapulohumeral muscular dystrophy	Metabolic disorders	Fibrosis partnership with MaRS Innovation	Targeting metalloenzymes	Kidney diseases
Initiated 2017	*Initiated 2017*	*Initiated 2016*	*Initiated 2017*	*Initiated 2016*	*Initiated 2017*
Topas Therapeutics	Carrick therapeutics	LAB282	LAB150	LAB591	LAB031
Spin-off	**Equity participation**	**BRIDGE**	**BRIDGE**	**BRIDGE**	**BRIDGE**
Nanoparticle-based therapeutics	Innovative molecular pathways in oncology	Partnership with Oxford University and Oxford Sciences Innovation	Partnership with MaRS Innovation	Partnership with Arix and Fred Hutch	Partnership with Sanofi
Initiated 2016	*Initiated 2016*	*Initiated 2016*	*Initiated 2017*	*Initiated 2018*	*Initiated 2018*

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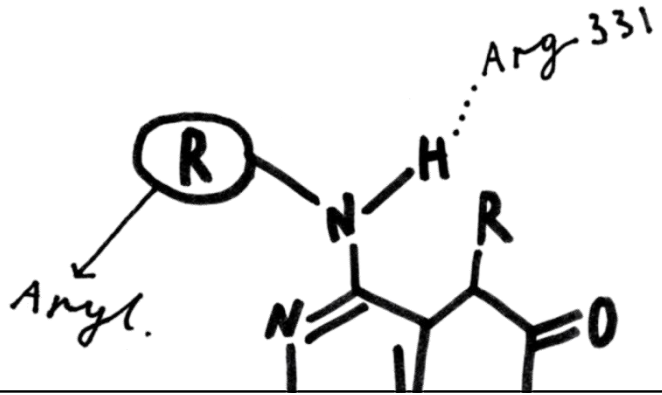
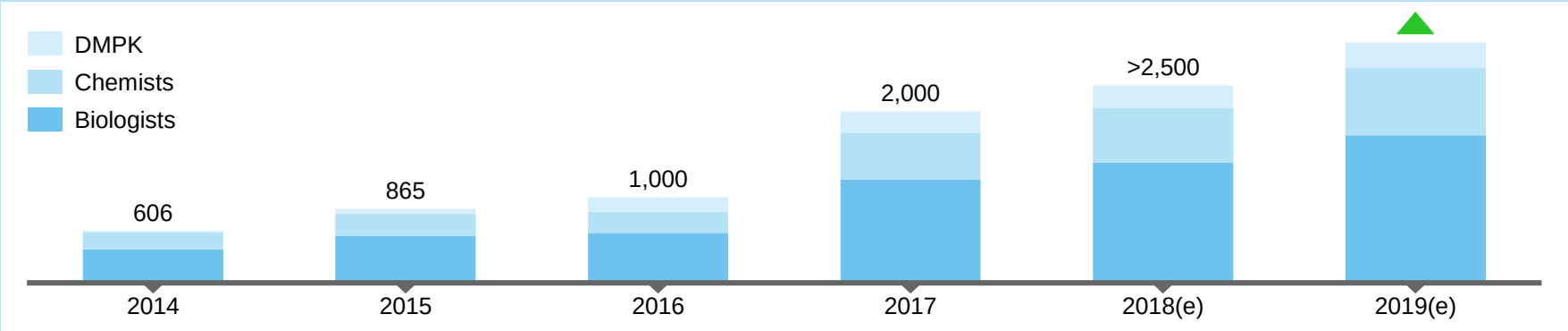


Culture to integrate talent is key for growth

Human Resources



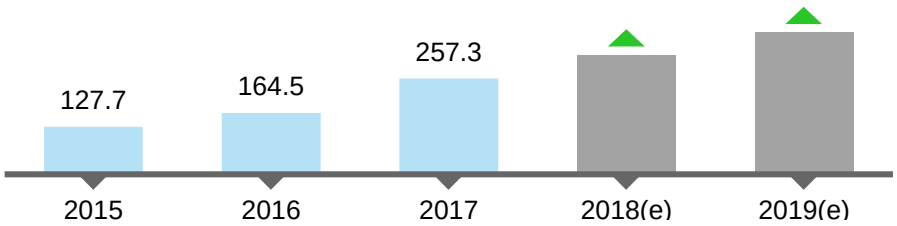
Highly skilled workforce

- 2/3 Biologists, 1/3 Chemists
- >80% more than one academic qualification
- >40% have worked for Evotec >5 years
- 6.2 years average drug discovery and development experience
- >53% female
- >60 nationalities

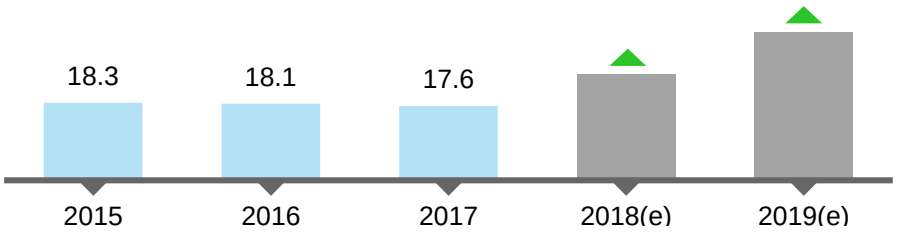
Strong performance continues

Financial history 2015-2019 (e) – Selected performance indicators

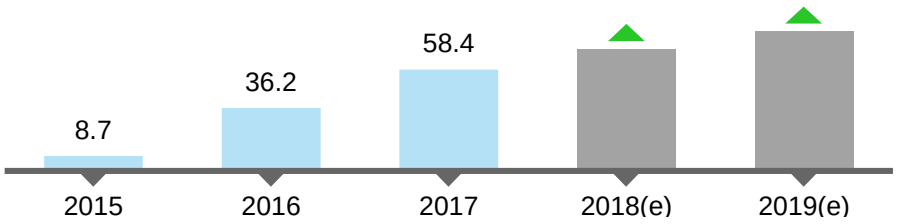
Total Group revenues (in € m)



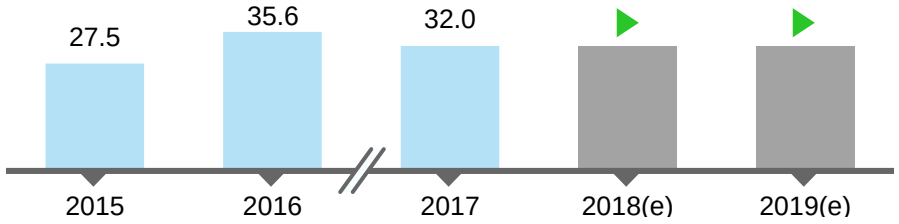
R&D expenses (in € m)



Adjusted Group EBITDA (in € m)



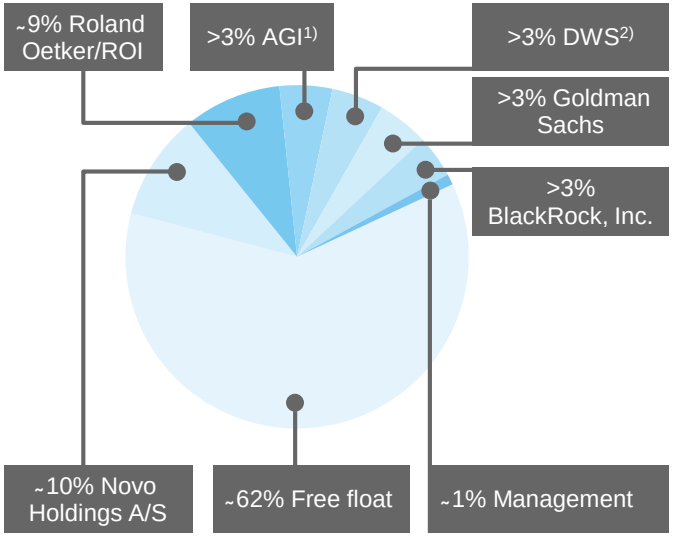
Gross margin[1)] (in %)



1) Gross margin in the future may be more volatile due to the dependency of receipt of potential milestone or out-licensing payments, both having a strong impact on the gross margin, also new mix of business through acquisition of Aptuit. In addition, the amortisation of the purchase price allocation of the recent strategic acquisitions will impact costs of revenue & thus the gross margin.

Strong team and shareholders for innovation

Management & shareholder structure



Number of shares: 149.1 m
Listing: Frankfurt Stock Exchange (MDAX, TecDAX), OTCBB
52 week high/low: € 23.36/€ 12.07

Management Board

- **Werner Lanthaler (CEO)**
  Long-time experience in Pharma and biotech
- **Cord Dohrmann (CSO)**
  Long-time experience in drug discovery
- **Craig Johnstone (COO)**
  Strong drug discovery and commercial track record
- **Enno Spillner (CFO)**
  Long-time experience in finance and biotech

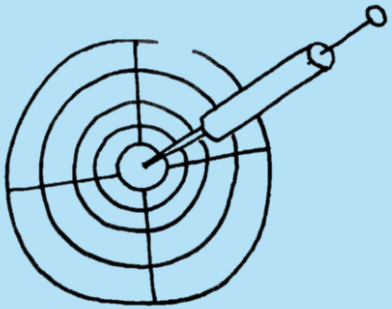
Supervisory Board

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

[1)] Allianz Global Investors GmbH
[2)] DWS Investment GmbH, formerly Deutsche Asset Management Investment GmbH

Strong outlook for 2019

Expected key milestones 2019



- Continued strong growth and new integrated service alliances
- New co-owned partnerships from own R&D
- New clinical initiations and important progress of co-owned pipeline
- Important milestones from existing alliances

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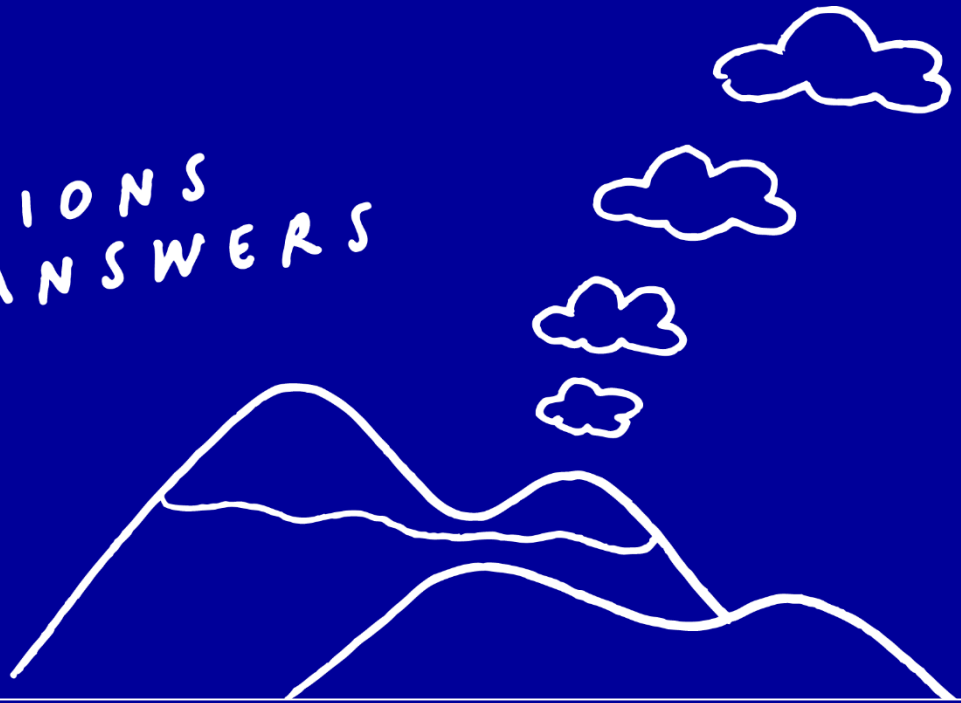
QUESTIONS AND ANSWERS



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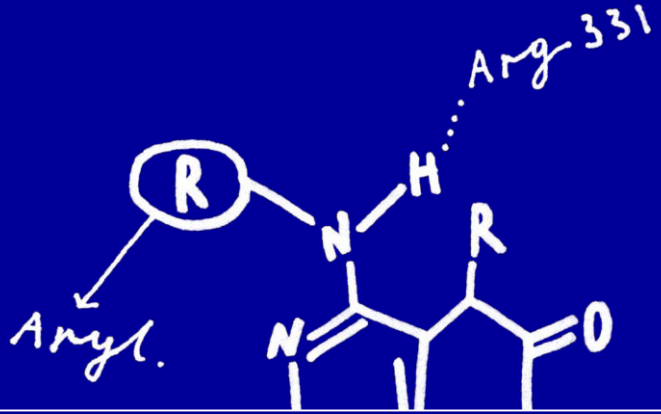
Your contact:

Dr Werner Lanthaler
Chief Executive Officer

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