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# Evotec

*Partnered Drug Discovery  
and Development*

## 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.

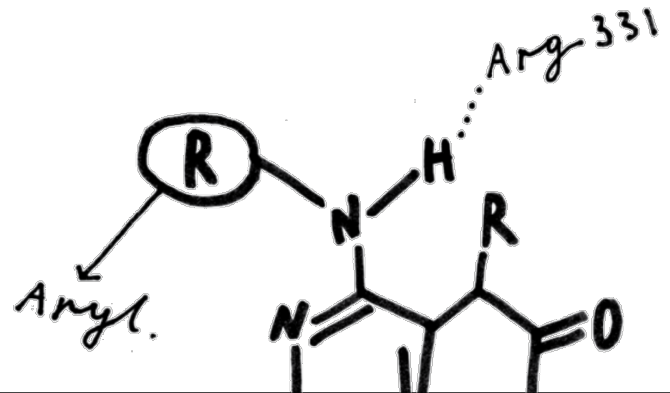
# Agenda

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## Overview

Partnered drug discovery & development

Financials & Outlook



# Leading external drug discovery & development

## Company snapshot

**100+**

Co-owned pipeline programmes with significant milestone & royalty potential

**€ 375.4 m**

Revenues<sup>1)</sup>

**€ 95.5 m**

Adjusted Group EBITDA<sup>1)</sup>

**25+**

Years track record

**2,600+**

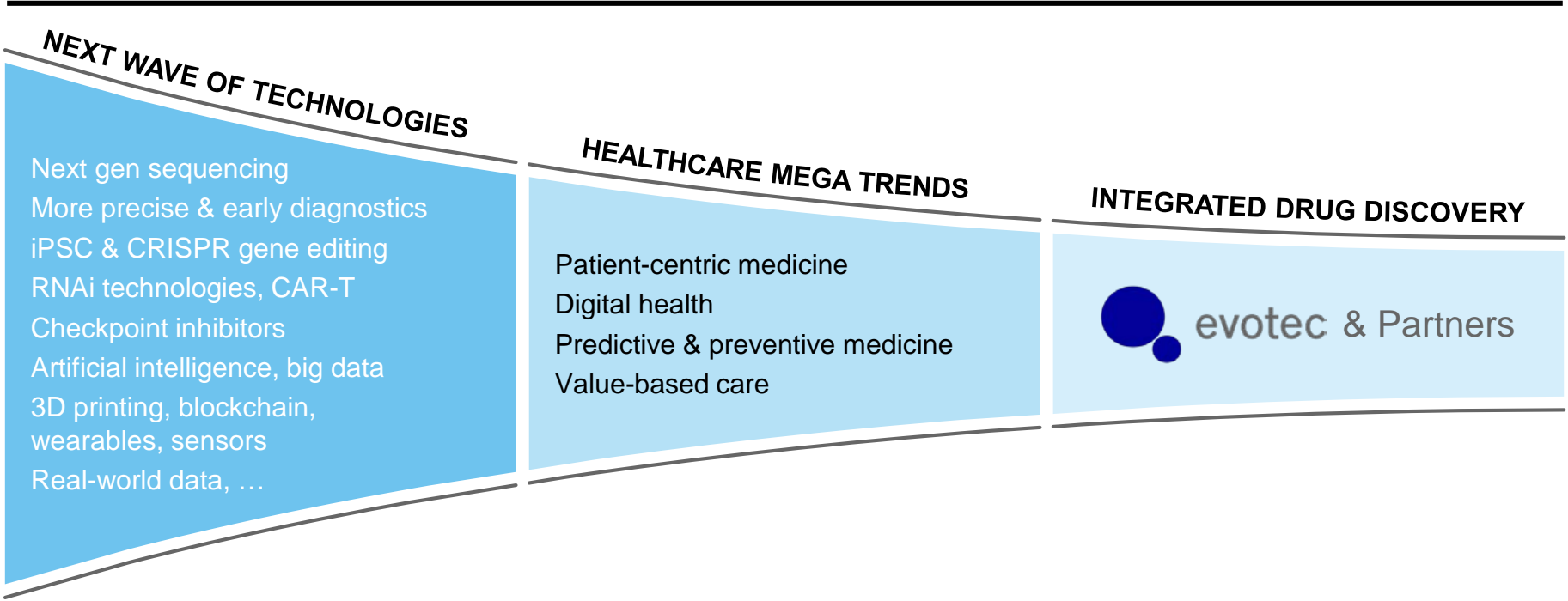
Top-class employees

**200+**

Long-term partnerships

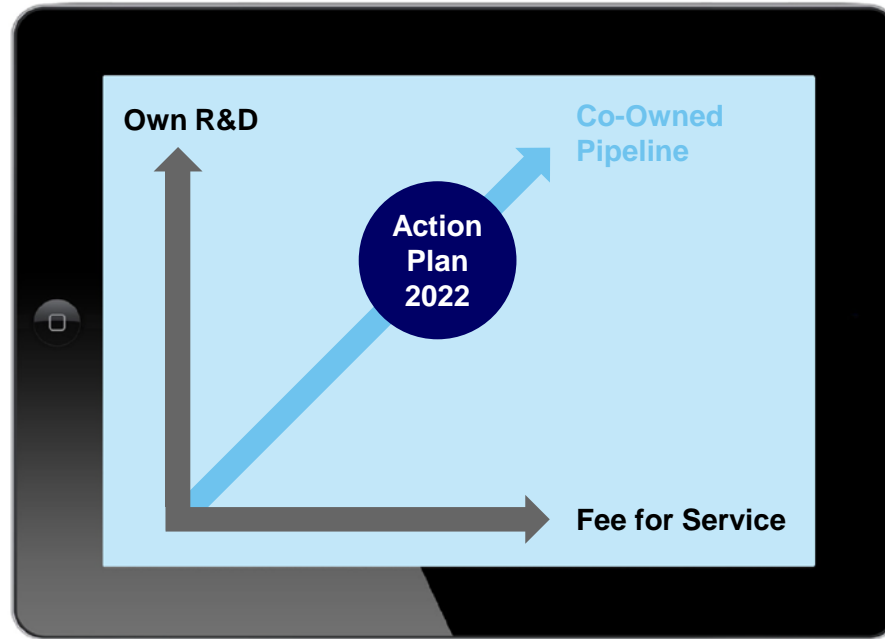
# Medicine of the future will see radical change

## Technologies & mega trends



# Building a co-owned portfolio across all modalities

Unique strategy and business approach



# Just right for Evotec

## Summary & Key acquisition rationale



### **Modality expansion for end-to-end integrated solutions with Just.Bio**

- ML (Machine learning)-based tools, smart processes and know-how enable efficient development and manufacturing of biologics
- Integrated value chain from discovery to market in small molecules and biologics



### **Evotec to accelerate mission as initiated by Just.Bio**

- Culture and talents fit scientific and operating excellence value proposition of Evotec
- Expanding US footprint in biologics hub Seattle
- Along Evotec's strategy – Opening more co-ownership opportunities



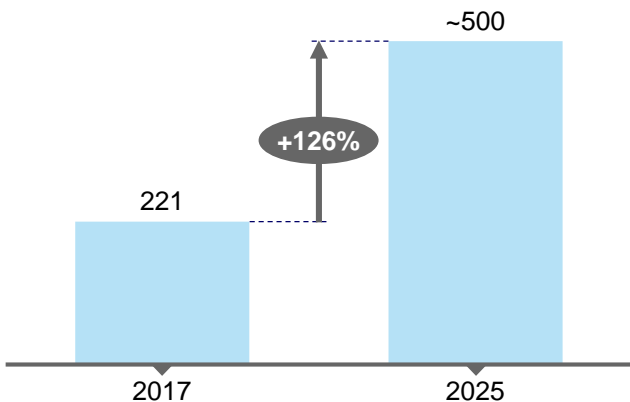
### **Strong synergy and growth potential with Just.Bio**

- Synergy capitalizes on tremendous industry demand and tailwinds in biologics
- Just.Bio shows strong and high-quality growth despite early stage of company
- Consideration of up to \$ 90 m including potential performance based earn-outs

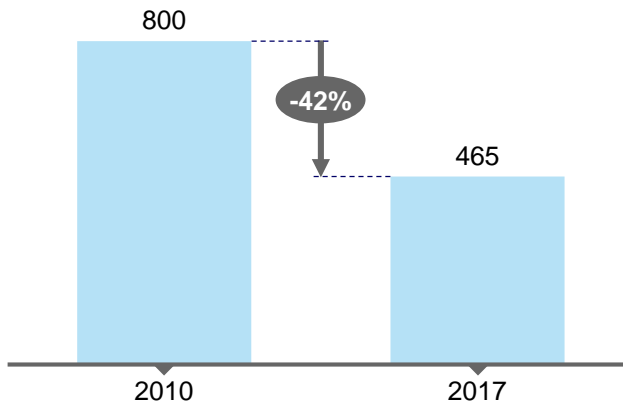
# More flexibility for better defined patient populations

## Changes in marketplace

**Biologics global expected sales**  
in \$ bn



**Avg. peak sales (SM & Biologics)**  
in \$ m



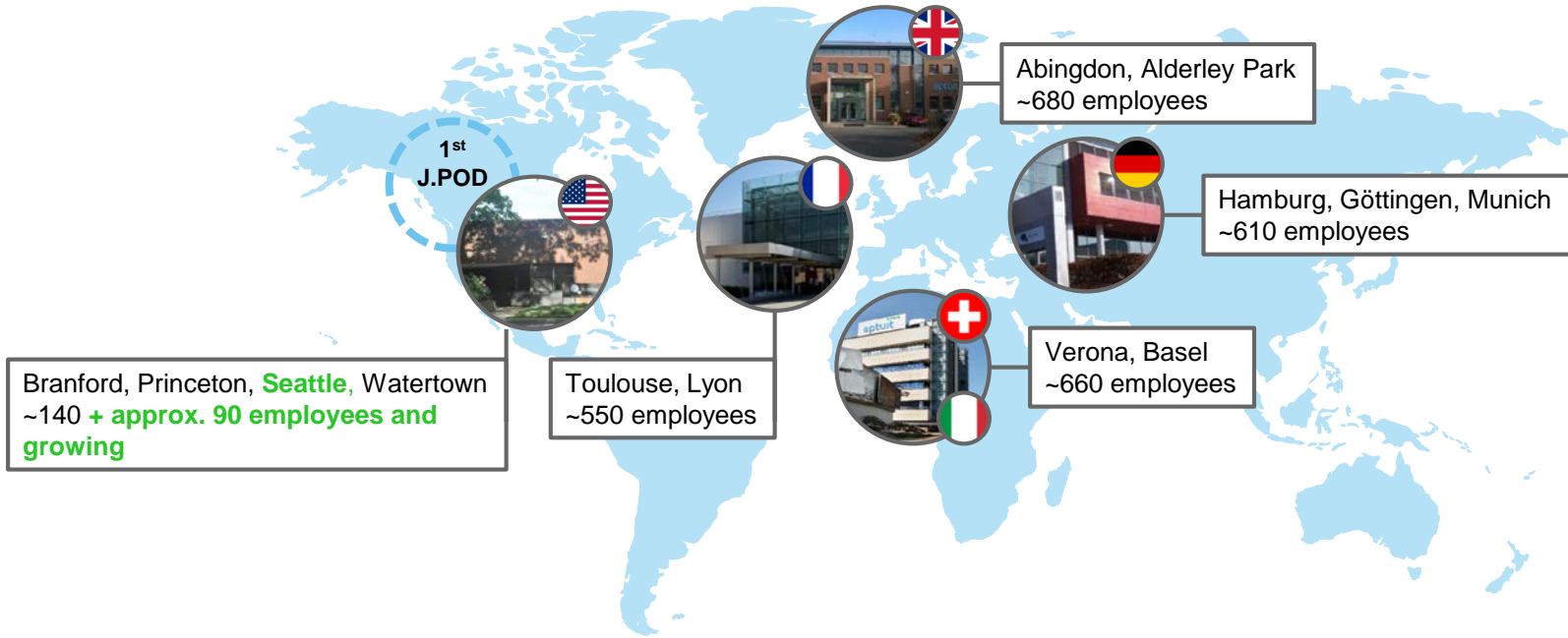
### The Opportunity

- Biologics market is large, growing and open for technology improvements
- High number of smaller volume products are in early pipelines
- Increasingly complex biologics (e.g. bsAbs)
- Ideal conditions for bespoke, flexible, high-quality, expert, integrated partner

5 year industry CAGR ~10%, >1,000 biologics in development

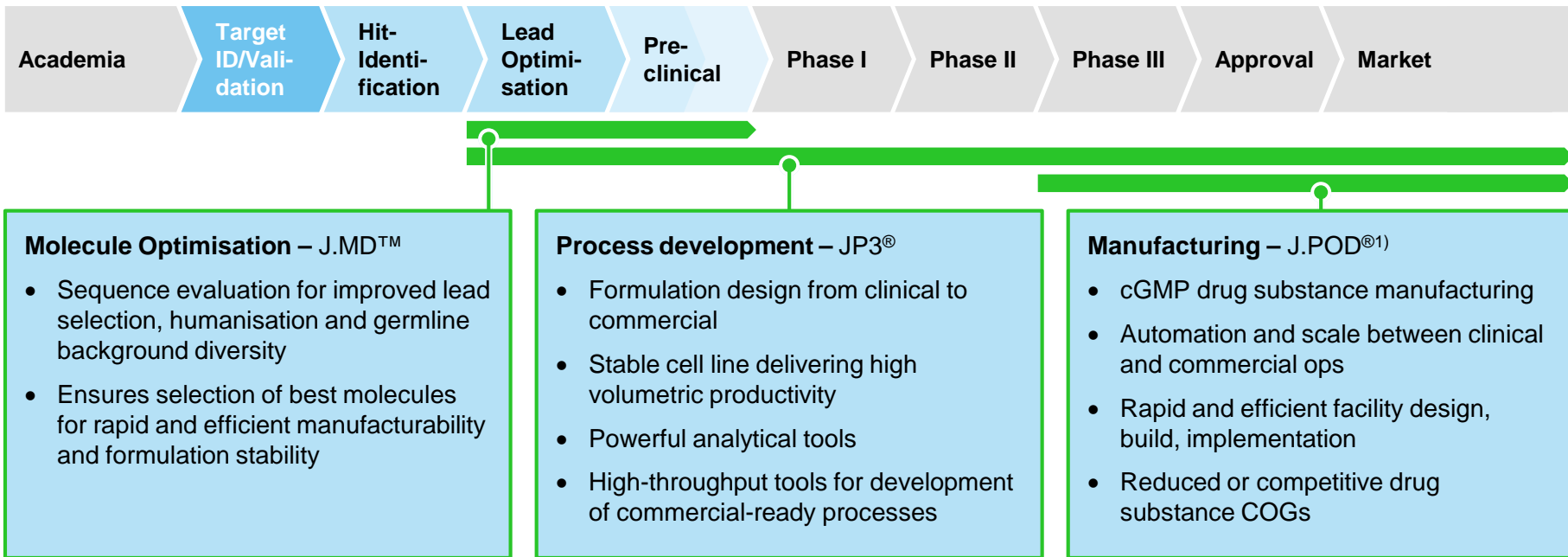
# Adding Seattle, to become a top biologics hotspot

Global centres of excellence



# A powerful platform for biologics value chain

World-class services for biologics development: J.MD™, JP3®, and J.POD®



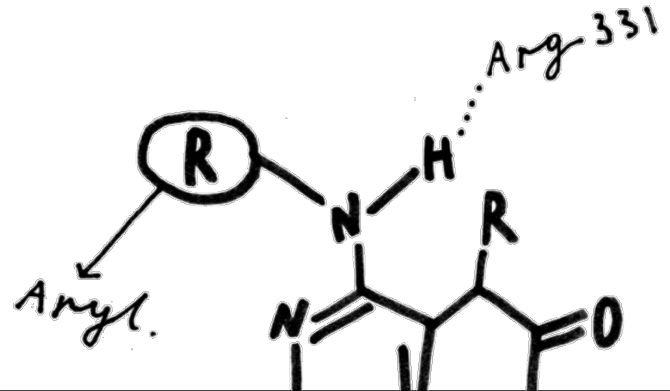
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# ONE fully integrated platform

EVT Execute & EVT Innovate



# Improving quality and accelerating R&D

## EVT Execute – Selected performance indicators

**1,000,000+**

Compounds in highly selective library

**>50**

IND<sup>1)</sup> – Pre-clinical & clinical candidates delivered (INDiGO)<sup>2)</sup>

**>10**

Technology acquisitions<sup>2)</sup>

**92%**

Repeat business<sup>3)</sup>

**>1.8**

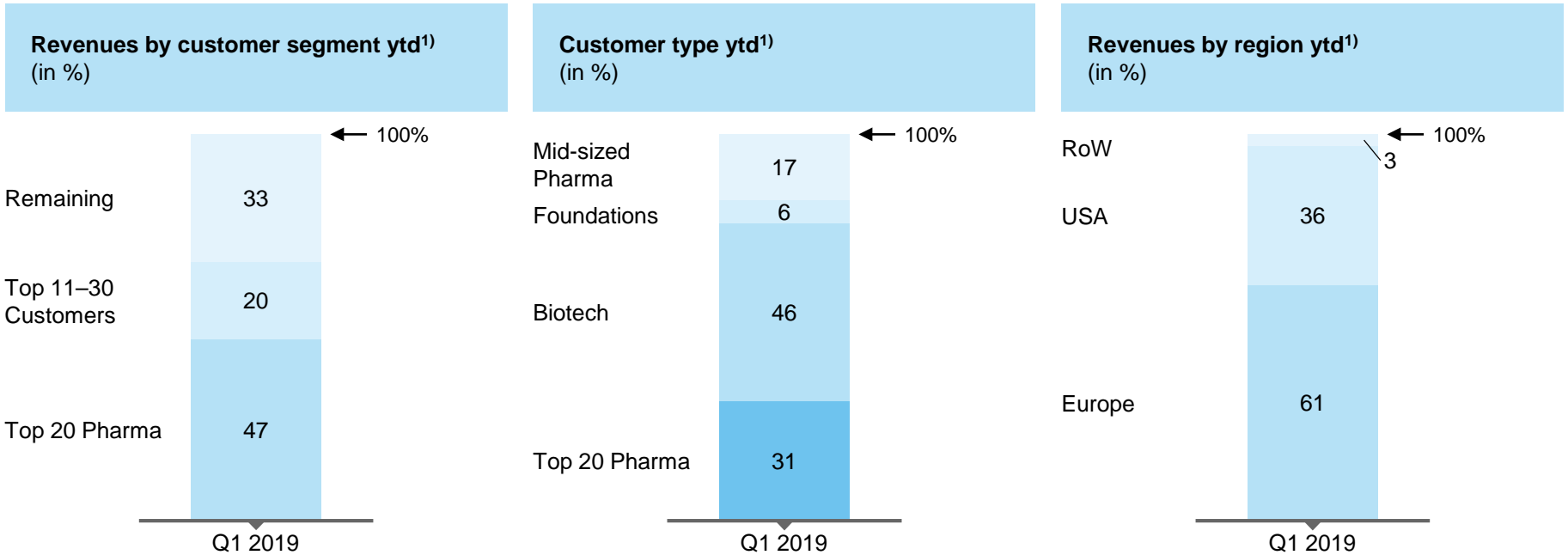
Years average contract time

**>25%**

Faster delivery of data at improved quality


# Strong and well-balanced global customer mix

## EVT Execute – Who are our partners?



# Strong portfolio of highest quality partners

## EVT Execute alliances – *Examples*

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

# Building a co-owned pipeline

## EVT Innovate – Selected performance indicators

**7**

Disease areas of core expertise<sup>1)</sup>

**>€ 1,000 bn**

Unmet markets addressed

**>100**

Co-owned pipeline 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”

# >100 projects in fully invested pipeline

## Partnership portfolio

	Molecule	Therapeutic Area/Indication	Partner	Discovery	Pre-clinical	Phase I	Phase II
Clinical	EVT201	CNS – Insomnia					
	BAY-1817080	Chronic cough					
	ND <sup>1)</sup>	Chronic cough					
	SGM-1019 <sup>2)</sup>	Inflammation (NASH)					
	EVT401	Immunology & Inflammation					
	Various	Women's health – Endometriosis					
	Various	Women's health – Endometriosis					
	Various	Women's health – Endometriosis					
	CT7001	Oncology					
	Various	Respiratory					
ND <sup>1)</sup>	Oncology						
Pre-clinical	ND <sup>1)</sup>	Immunology & Inflammation					
	ND <sup>1)</sup>	Pain					
	Various	Women's health – Endometriosis					
	EVT801	Oncology					
	Target/ImmuniT	Oncology – Immunotherapy	 				
	ND <sup>1)</sup>	Oncology (+ several discovery programmes)					
	ND <sup>1)</sup>	Fibrosis					
	Various	Anti-infectives					
	Various	CNS, Metabolic, Pain & Inflammation					
	Discovery	Various ND <sup>1)</sup>	Nephrology				
Various ND <sup>1)</sup>		Immunology & Inflammation					
Various ND <sup>1)</sup>		Nephrology					
Various ND <sup>1)</sup>		Metabolic – Diabetes	 				
Various		Oncology	 				
Various		Immunology & Inflammation – Tissue fibrosis					
Various		Neurodegeneration					
ND <sup>1)</sup>		Anti-bacterial	 				
Various		All indications	  				
ND <sup>1)</sup>		Dermatological diseases	 				
ND <sup>1)</sup>		Facioscapulothoracic Dystrophy	 				
INDY inhibitor		Metabolic					
Various		Fibrotic disease	 				
Target/PicV		Antiviral	 				
Various		Anti-infectives					
Various		Internal: Oncology, CNS, Metabolic, Pain & Inflammation					
ND <sup>1)</sup>	Oncology						
ND <sup>1)</sup>	Novel antibiotics						
ND <sup>1)</sup>	Novel antibiotics						
ND <sup>1)</sup>	Oncology – Colorectal cancer						

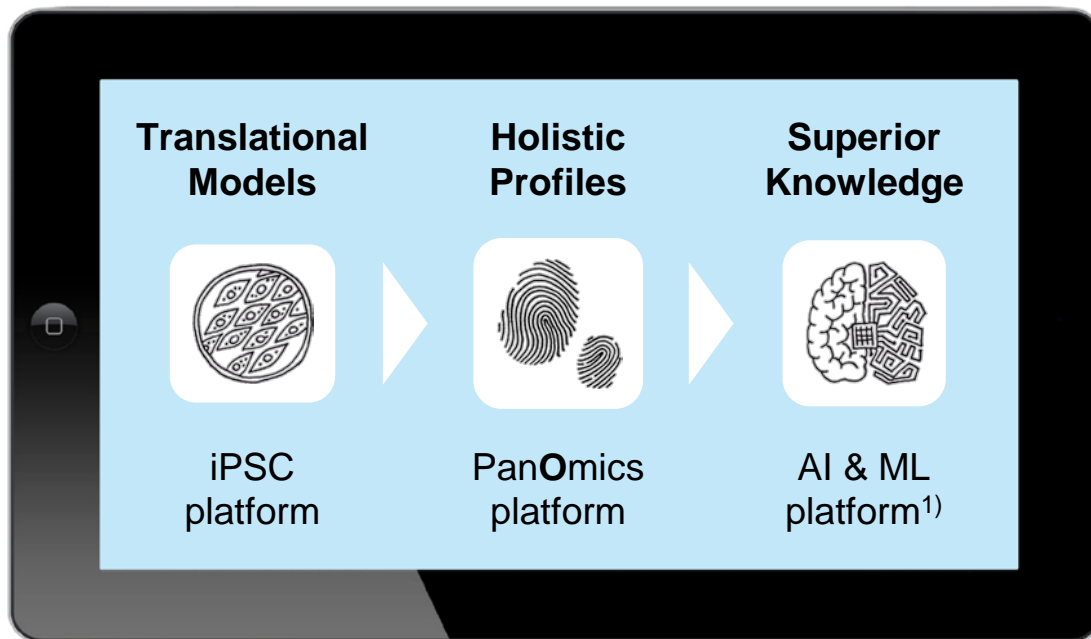
<sup>1)</sup> Not disclosed

<sup>2)</sup> Under review – Clinical trial currently on hold

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

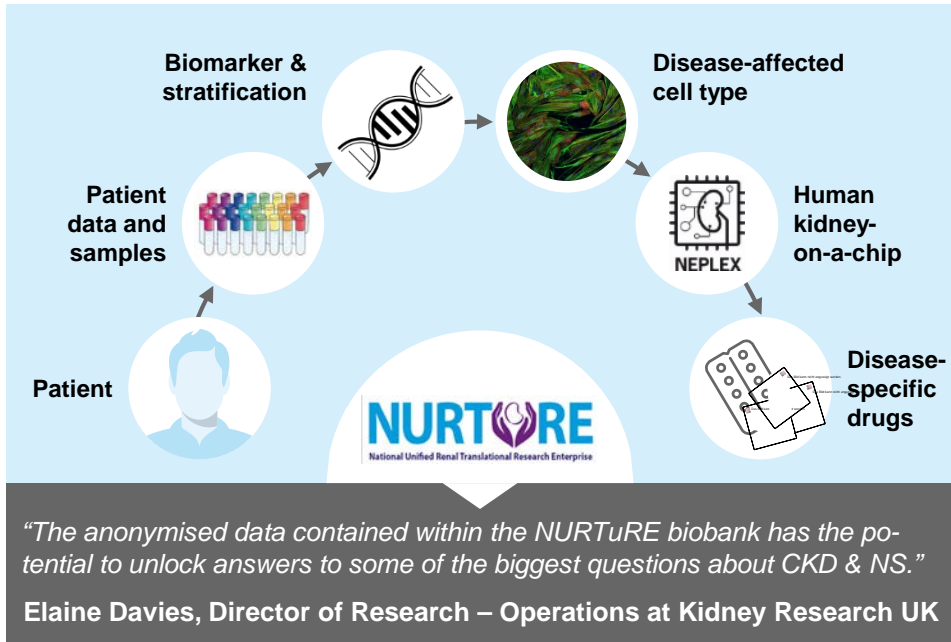
# Re-defining the drug discovery paradigm

Game-changing platforms for better translation



# World-leading initiative in nephrology

## NURTuRE – Kidney disease processes, platforms and networks

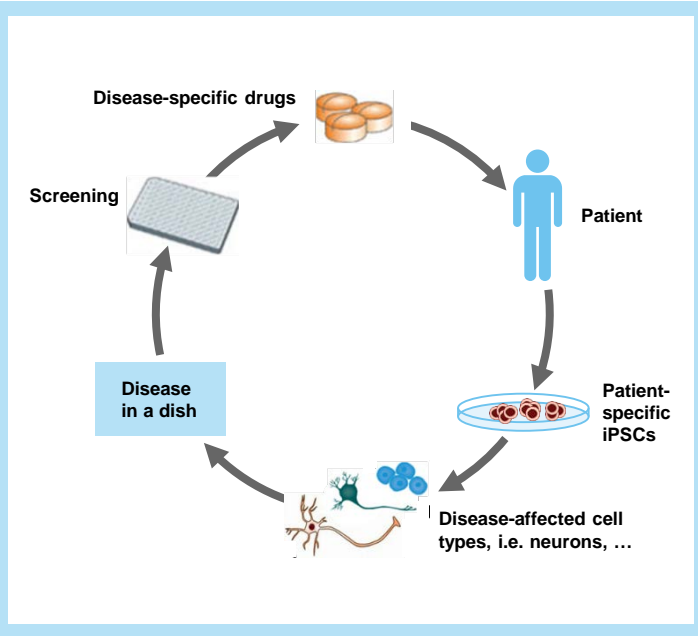


# Patient-derived assays as new gold standard

## World-leading iPSC processes and network

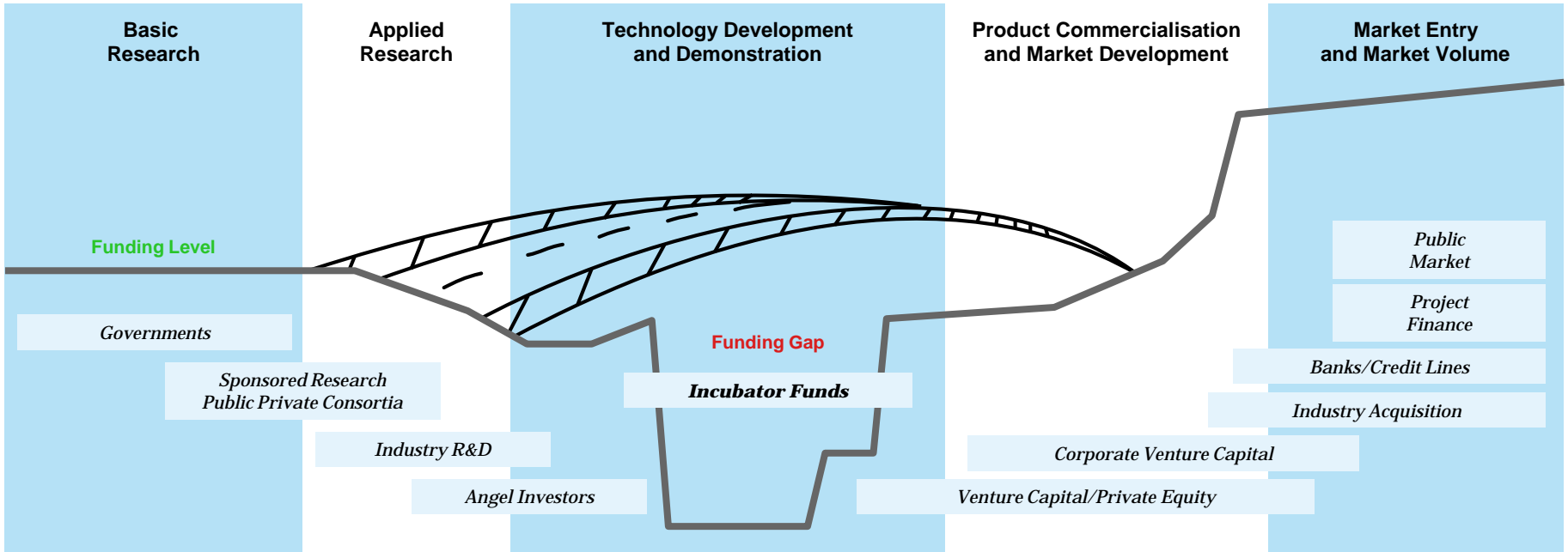
*“iPS cells can become a powerful tool to develop new drugs to cure intractable diseases because they can be made from patients’ somatic cells.”*

**Shinya Yamanaka,  
Nobel prize laureate**



# BRIDGEs over the “Valley of death“

## The funding gap



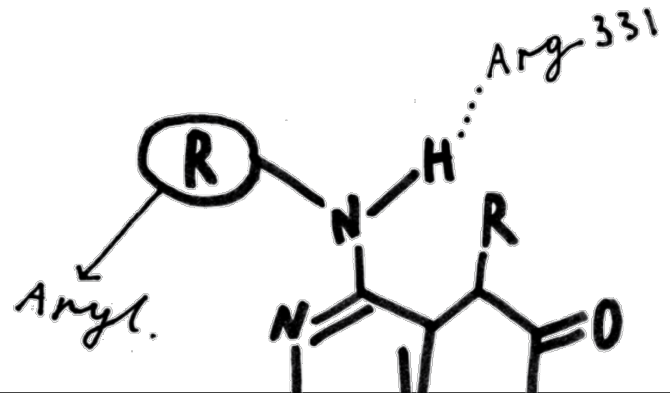
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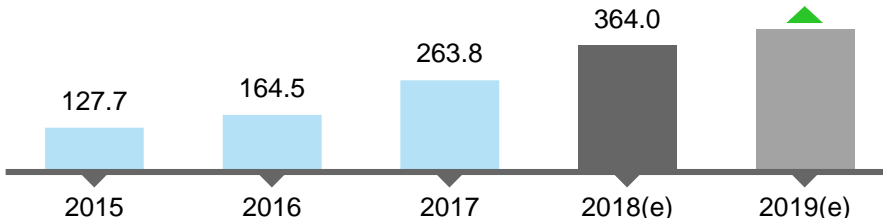
**Financials & Outlook**



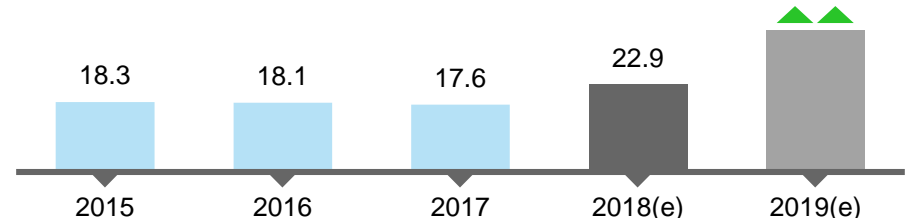
# Long-term organic growth reflected in guidance

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

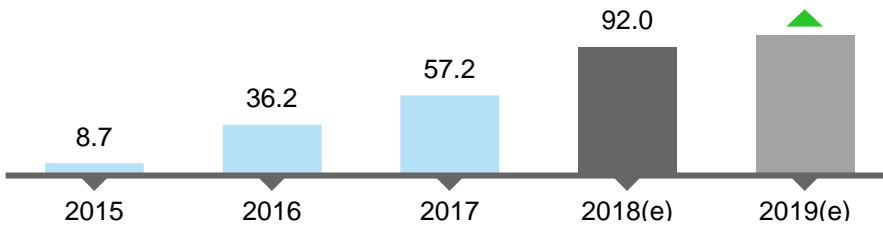
### Approx. 10% Group revenue growth<sup>1)</sup> (in € m)



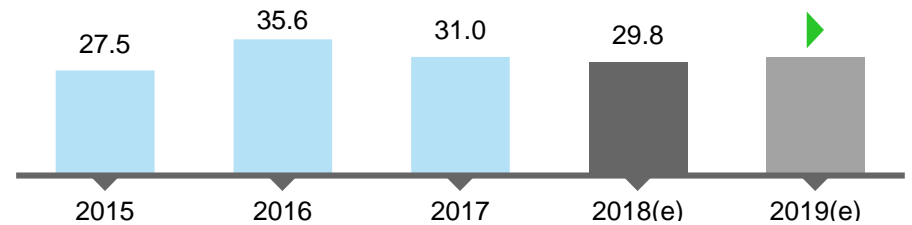
### €30-40 m unpartnered R&D expenses<sup>2)</sup> in 2019 (in € m)



### Approx. 10% adj. Group EBITDA growth<sup>3)</sup> (in € m)



### Strong gross margin<sup>4)</sup> (in %)



<sup>1)</sup> 2018 total revenues excluding revenues from recharges according to IFRS 15

<sup>2)</sup> Evotec focuses its guidance and upcoming reporting during the course of 2019 on the "unpartnered R&D" part. ID expenses will be fully reimbursed by its partner Sanofi ("partnered R&D"); total of R&D expenses in 2018 of € 35.6 m (incl. ID-related expenses).

<sup>3)</sup> Before contingent considerations, income from bargain purchase and excluding impairments on goodwill, other intangible assets and tangible assets as well as the total non-operating result; 2018 total adjusted Group EBITDA excluding € 3.5 m one-off effects in 2018

<sup>4)</sup> 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 Aptuit

# Both segments fully on strategy

## Segment information Q1 2019 – Evotec SE and subsidiaries

in € m<sup>1)</sup>

	<b>EVT Execute</b>	<b>EVT Innovate</b>	<b>Inter- segment elimination</b>	<b>Not allocated<sup>2)</sup></b>	<b>Evotec Group</b>
Revenues	<b>100.3</b>	<b>18.8</b>	(18.8)	3.5	<b>103.8</b>
Gross margin	<b>29.0%</b>	<b>24.8%</b>	–	–	<b>30.5%</b>
• R&D expenses	<b>(0.1)</b>	<b>(16.3)</b>	2.0	–	<b>(14.4)</b>
• SG&A expenses	<b>(12.0)</b>	<b>(2.8)</b>	–	–	<b>(14.8)</b>
• Other op. income (expenses), net	<b>4.8</b>	<b>11.7</b>	–	–	<b>16.5</b>
<b>Operating result</b>	<b>21.8</b>	<b>(2.7)</b>	–	–	<b>19.1</b>
<b>Adjusted EBITDA<sup>3)</sup></b>	<b>32.3</b>	<b>(2.3)</b>	–	–	<b>30.0</b>

- Revenue growth in EVT Execute driven by strong performance in the base business
- Gross margin in EVT Execute driven by high-margin base business
- Increase in R&D expenses in EVT Innovate both in unpartnered and partnered R&D according to strategy

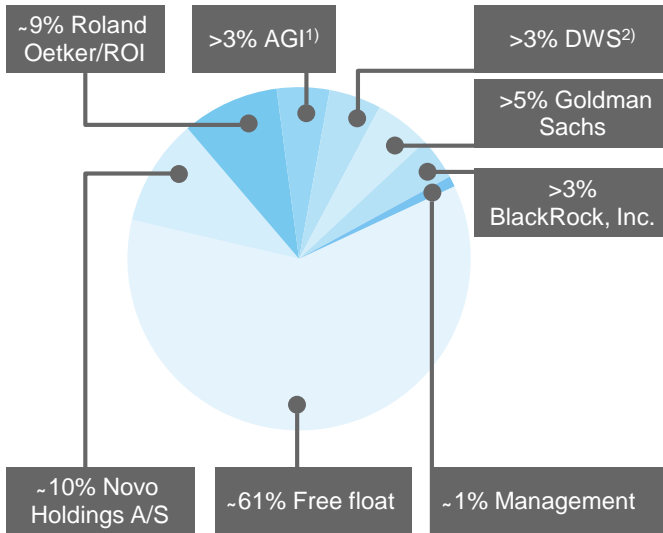
<sup>1)</sup> Differences may occur due to rounding

<sup>2)</sup> Revenues in the segments consist of revenues from contracts with customers without revenues from recharges as those are not of importance for the management to assess the economic situation of the segments

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

# Strong team and shareholders for innovation

## Management & shareholder structure



**Number of shares:** 149.8 m

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

**52 week high/low:** € 25.83/€ 12.07

### Management Board

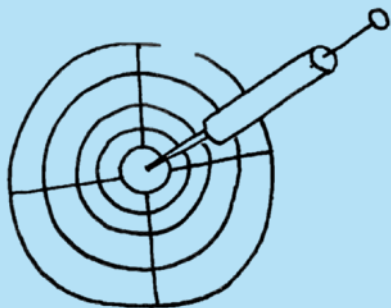
- **Werner Lanthaler (CEO)**  
Long-time experience in Pharma and biotech
- **Cord Dohrmann (CSO)**  
Long-time experience in drug discovery
- **Craig Johnstone (COO)**  
Strong drug discovery and commercial track record
- **Enno Spillner (CFO)**  
Long-time experience in finance and biotech

### 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

# Strong outlook for 2019

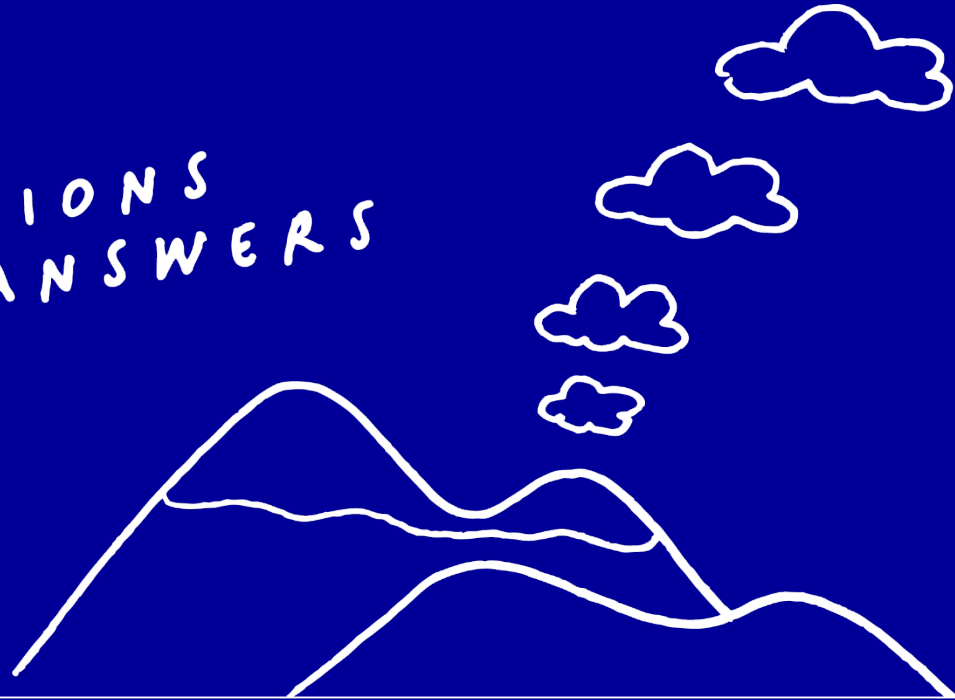
## Expected key milestones 2019



- 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
- Initiation of new BRIDGEs
- Corporate investing initiatives

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QUESTIONS  
AND ANSWERS



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