
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.

#Researchneverstops

Mastering COVID-19

What is paramount in this situation

Protect

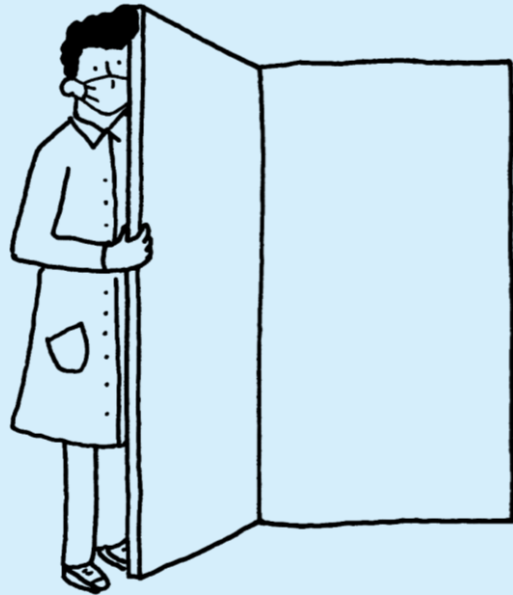
Respect

Focus

Help

Involved in multiple activities to combat COVID-19

- NIH-led initiative Accelerating COVID-19 Therapeutic Interventions and Vaccines (“ACTIV”)
- “COVID R&D”, global initiative, leading repurposing workstream
- Conducting concept work for a COVID-19 proof of concept research project for N4 Pharma’s novel delivery system for cancer treatments and vaccines
- Partnership with Ology for the evaluation and analytical characterisation of antibodies against SARS-CoV-2 virus
- COVID-19 biologics manufacturing with US Department of Defense
- ...

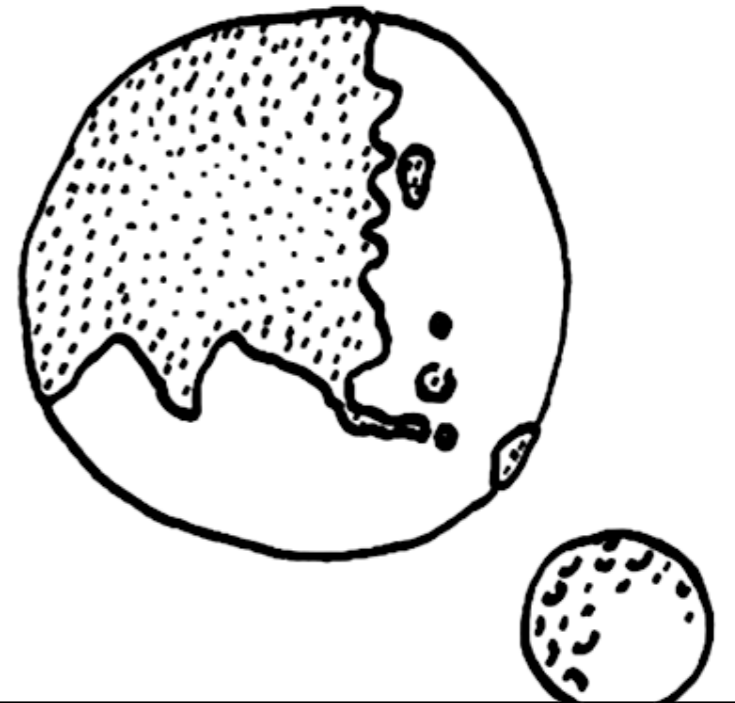


Agenda

Overview

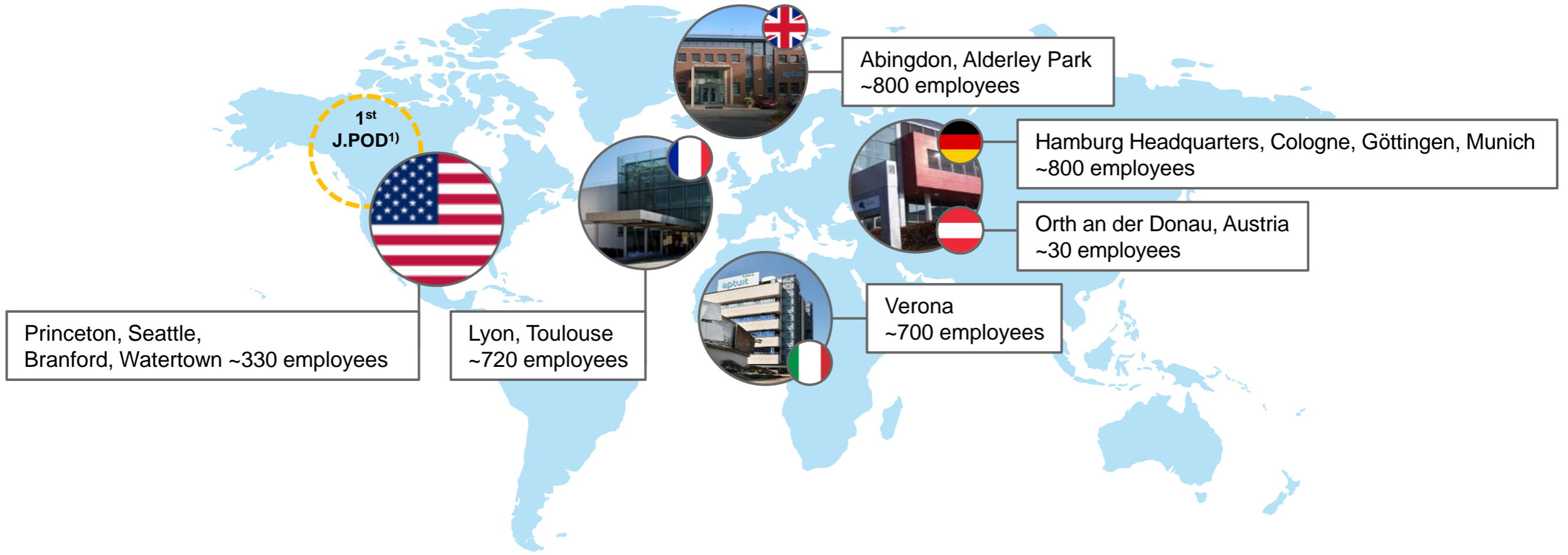
Partnered drug discovery & development

Financials & Outlook



More than 3,350 x unique expertise

Global centres of excellence



Leading the external innovation megatrend

Company snapshot – Development from 2015 ... 2019

Co-owned programmes with significant participation

30 **100+**

Revenues in € m

128 **446.4**

Adjusted Group EBITDA in € m

9 **123.1**

Co-owned companies

0 **14**

Top-class employees

1,000 **3,030**

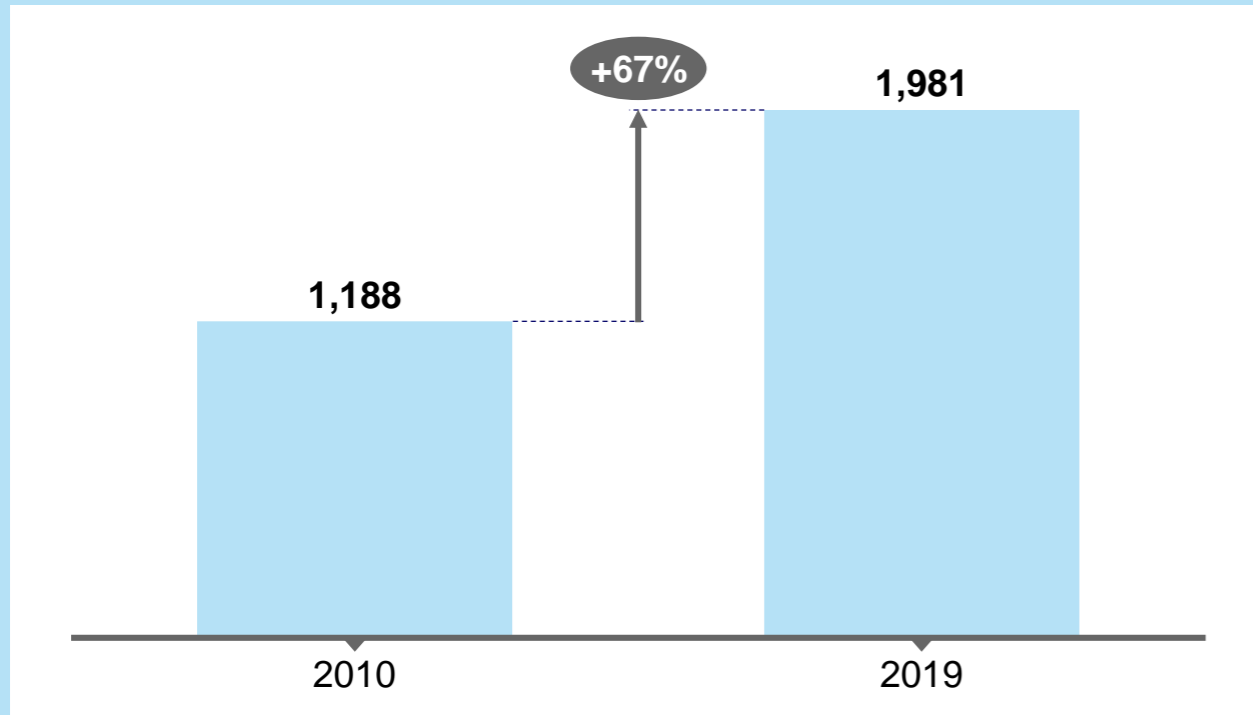
Unpartnered R&D programmes

10 **40+**

Productivity challenge will further increase

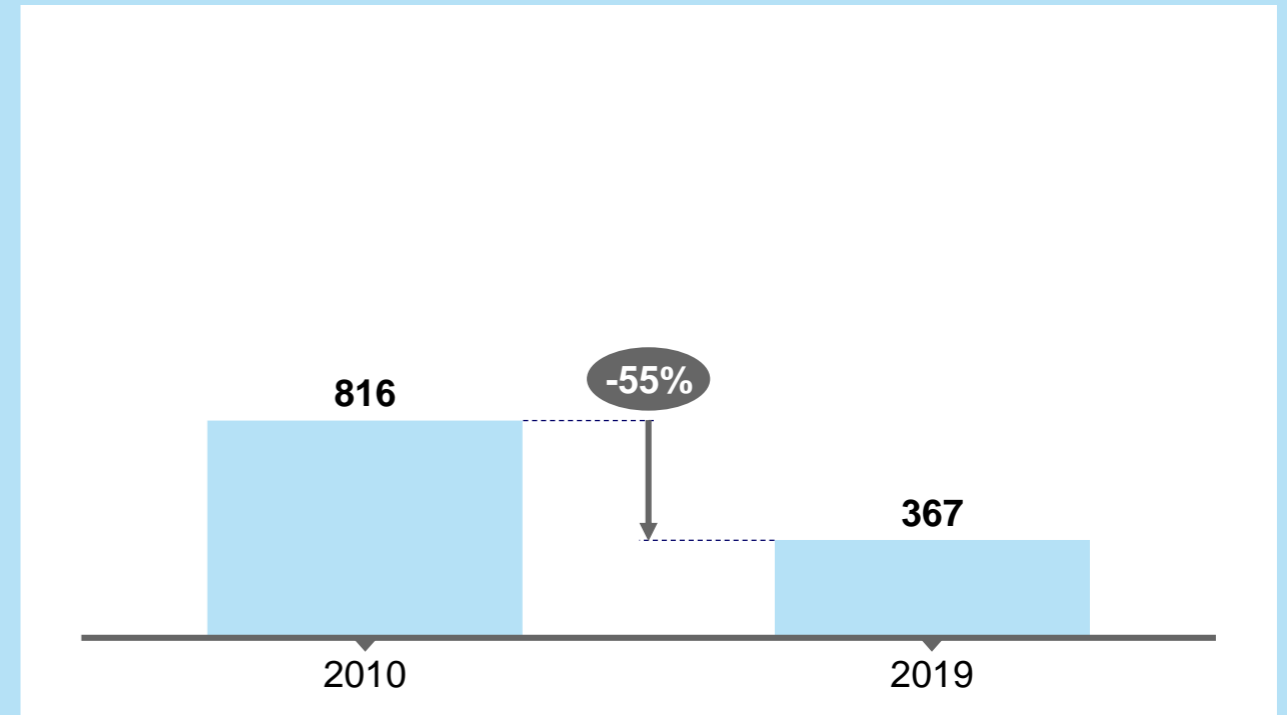
Development costs vs. average peak sales

Development cost, \$ m



Cost per asset increased ~2/3rd since 2010

Peak sales, \$ m

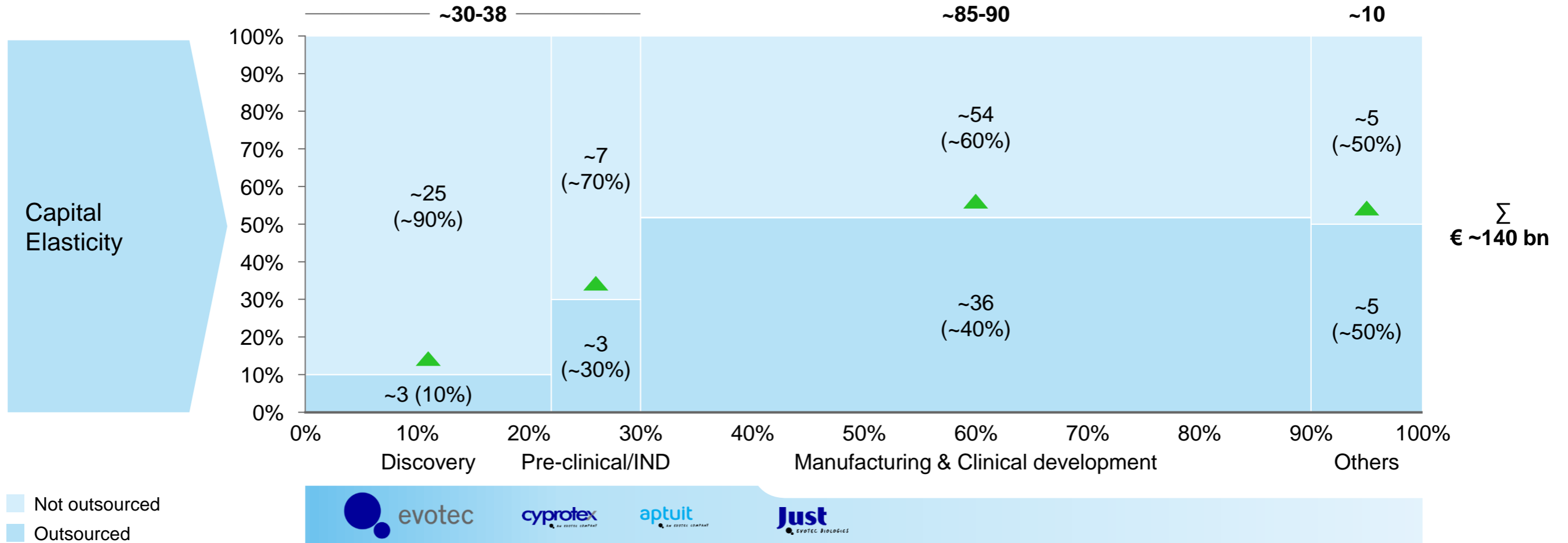


Average sales more than halved since 2010

Variable processes drive productivity and speed

R&D outsourcing & External Innovation

in € bn



Integrated processes up to IND and product supply

Our focus

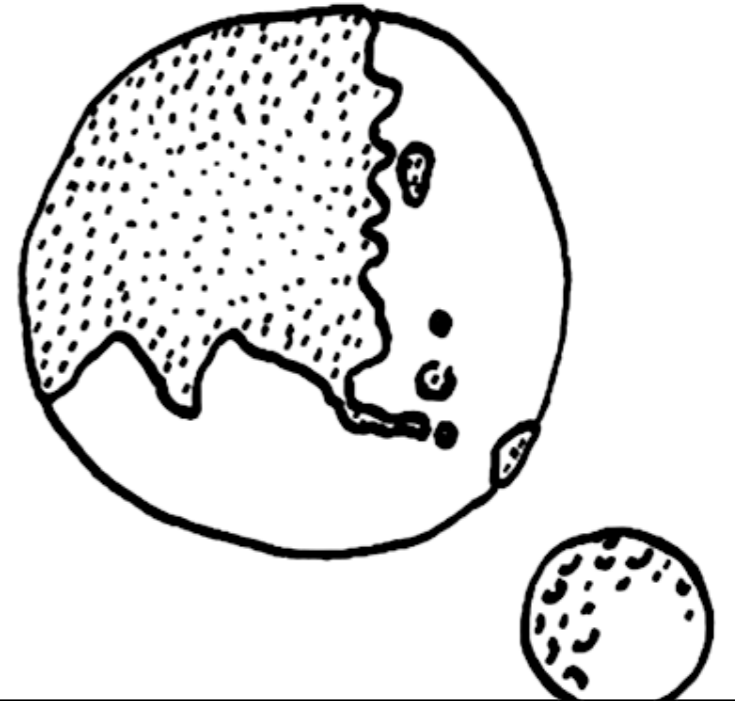


Agenda

Overview

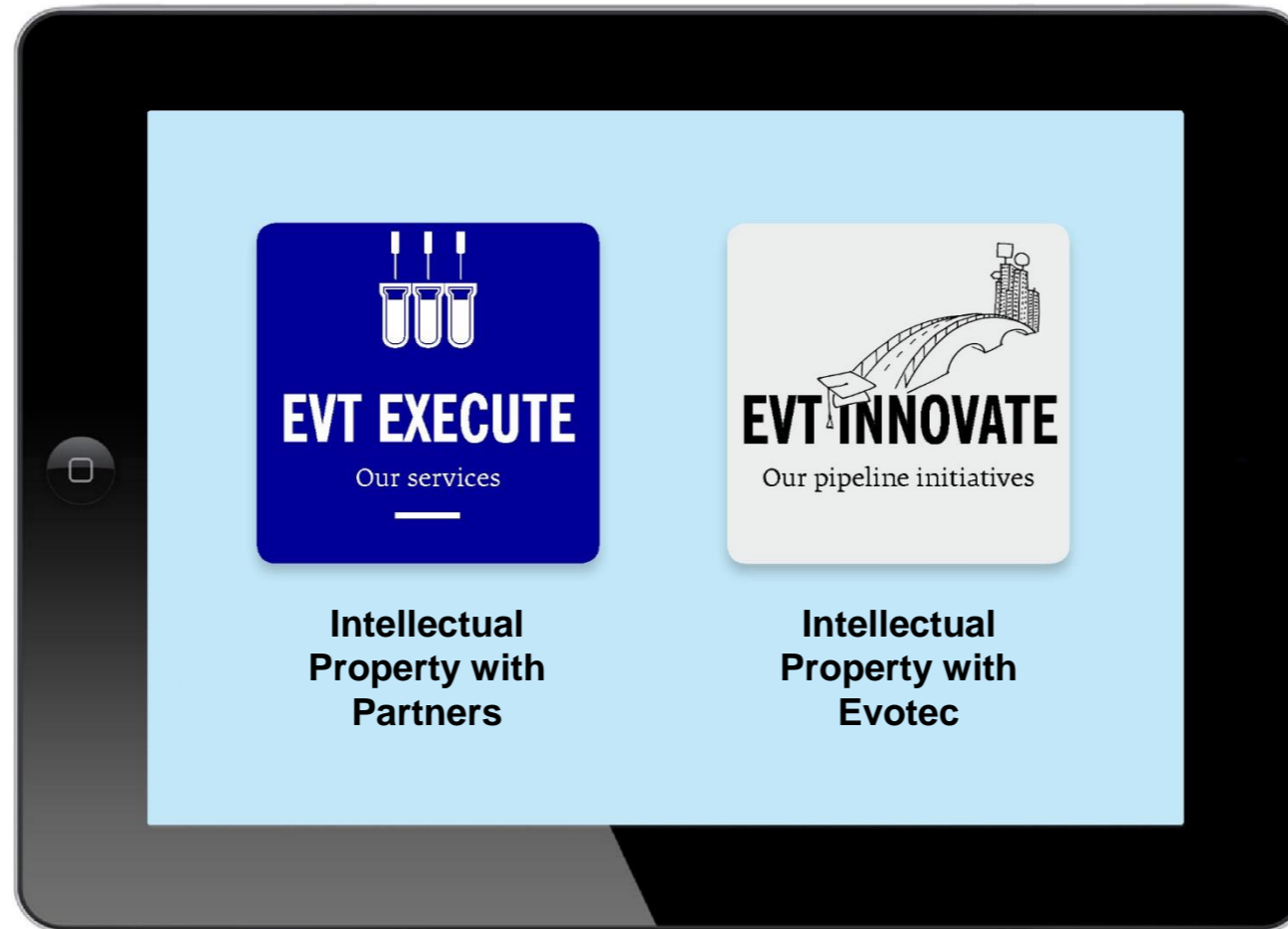
Partnered drug discovery & development

Financials & Outlook



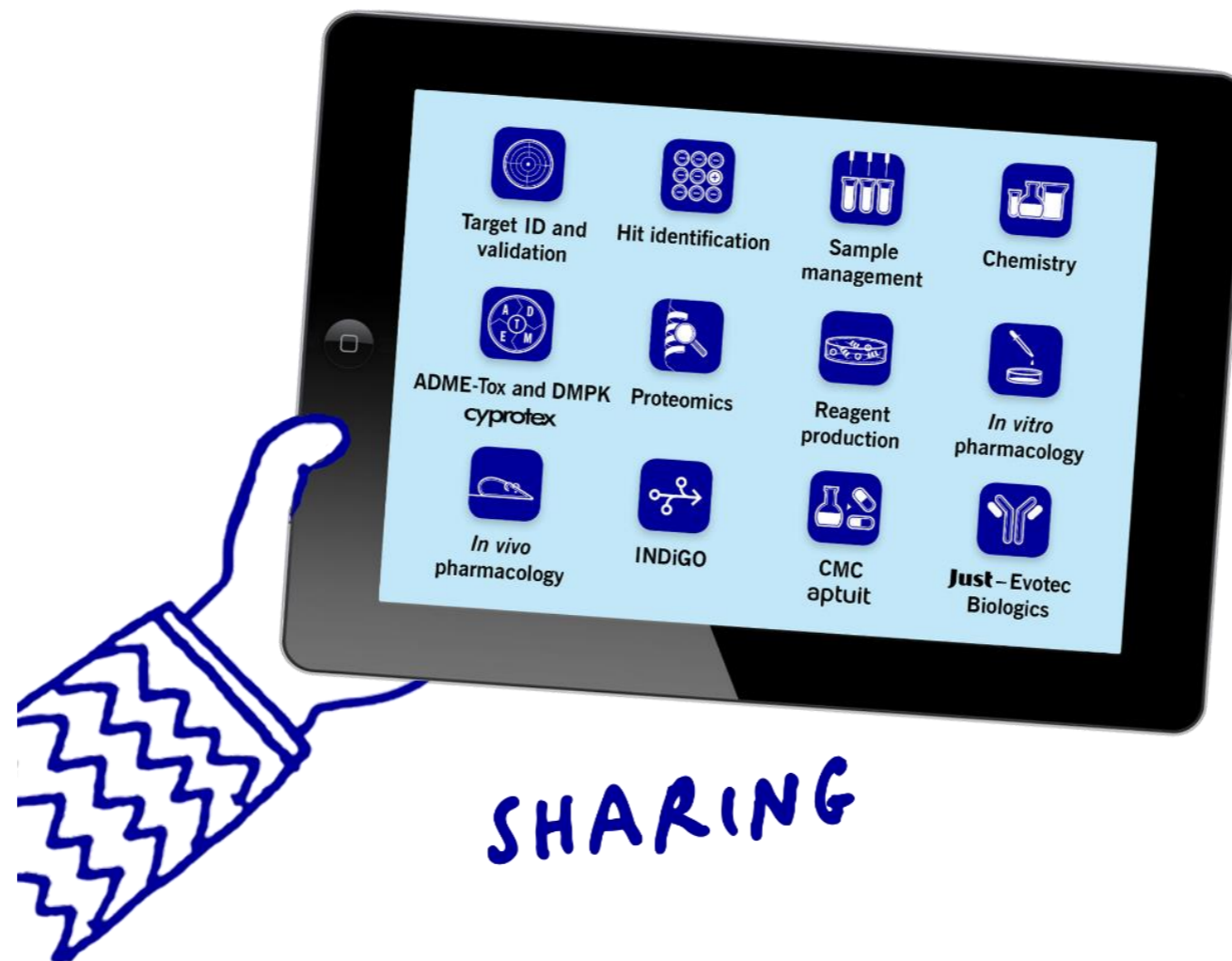
One platform, open for tailor-made business formats

EVT Execute & EVT Innovate



Best expertise and learning curves in all processes

“The Sharing Economy” for external innovation services



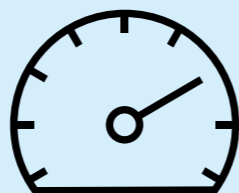
Better biologics with next generation technologies

Just – Evotec Biologics

Highest Quality



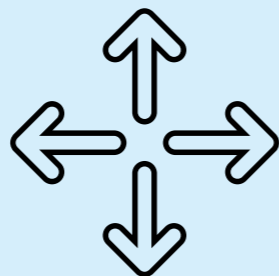
Higher Speed



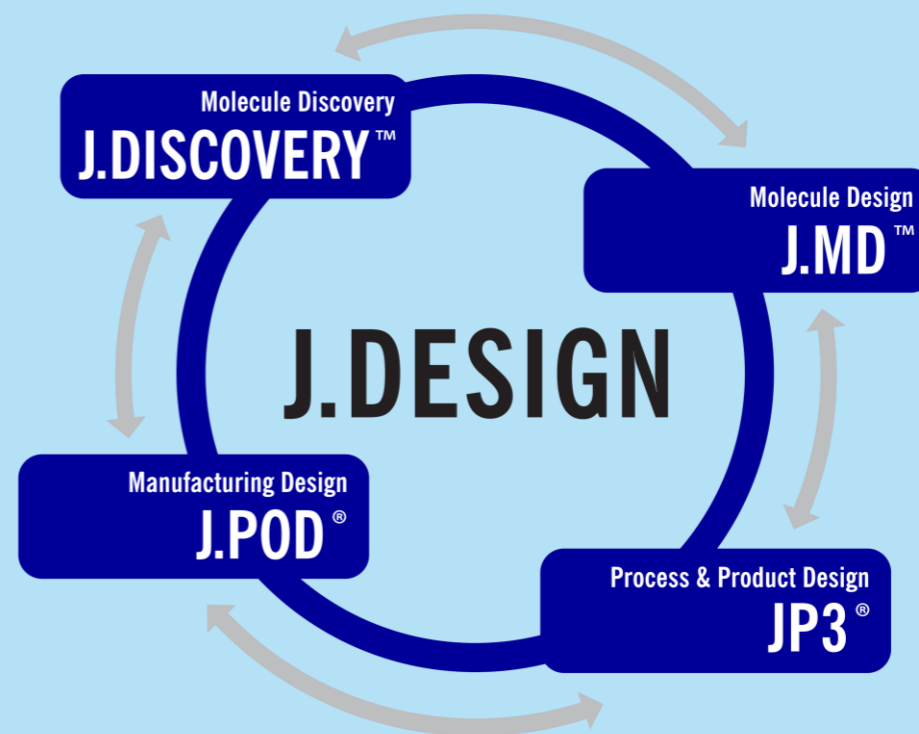
Cost Efficiency



Flexible Capacity



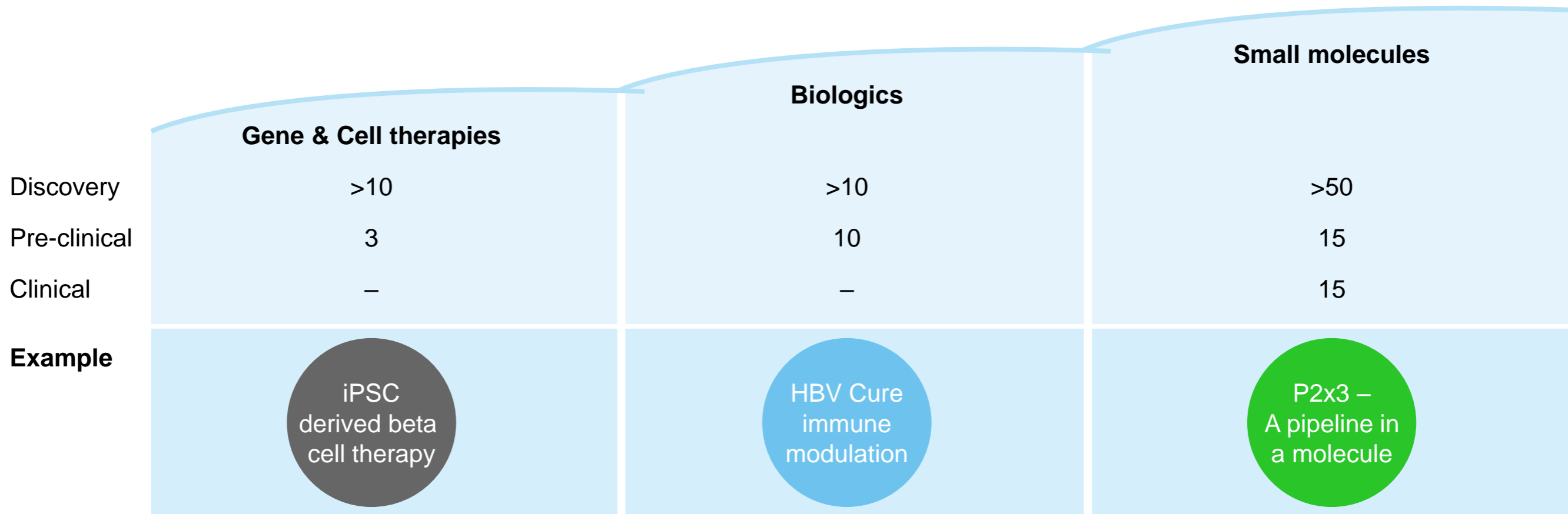
Integrated Design Approach



Portfolio across all modalities steadily growing






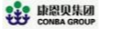
















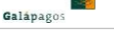



Our co-owned pipeline of assets

Number of projects (owned/co-owned)



Fully invested pipeline, gaining visibility

Partnership portfolio pre-clinical and clinical













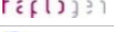










	Molecule	Therapeutic Area/Indication	Partner	Discovery	Pre-clinical	Phase I	Phase II	Phase III
Clinical	EVT201	Insomnia (GABA-A)		[Progress bar]				
	BAY-1817080	Chronic cough (P2X3)		[Progress bar]				
	CT7001	Oncology (CDK7)		[Progress bar]				
	CT7001	Oncology (CDK7)		[Progress bar]				
	BAY-1817080	Overactive Bladder (P2X3)		[Progress bar]				
	EVT401	Immunology & Inflammation (P2X7)		[Progress bar]				
	BAYxxx	Gynaecology		[Progress bar]				
	BAYxxx	Multiple indications		[Progress bar]				
	BAY2328065	Gynaecology		[Progress bar]				
	BI 894416	Asthma (not disclosed)		[Progress bar]				
	BI 860585	Oncology (mTORC1/2)	 	[Progress bar]				
	TPM203	Pemphigus Vulgaris (not disclosed)		[Progress bar]				
	DSP-1181	Obsessive-compulsive disorder (5-HT1A)		[Progress bar]				
	CNTX 6016	Pain (CB2)		[Progress bar]				
Pre-clinical	EVT894	Chickungunya (Antibody)	 	[Progress bar]				
	BAYxxx	Endometriosis (not disclosed)		[Progress bar]				
	EVT801	Oncology (VEGFR3)		[Progress bar]				
	APN411	Oncology – Immunotherapy	 	[Progress bar]				
	EXS21546	Oncology (various programmes)		[Progress bar]				
	GLPGxxxx	Fibrosis (not disclosed)		[Progress bar]				
	BAYxxxx	Nephrology (not disclosed)		[Progress bar]				
	QRB001	Metabolic – Diabetes (not disclosed)		[Progress bar]				
	BMSxxxx	Neurodegeneration (not disclosed)		[Progress bar]				
	EVTxxxx	CNS, Metabolic, Pain ...	>10 further programmes	[Progress bar]				

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, SGM-1019

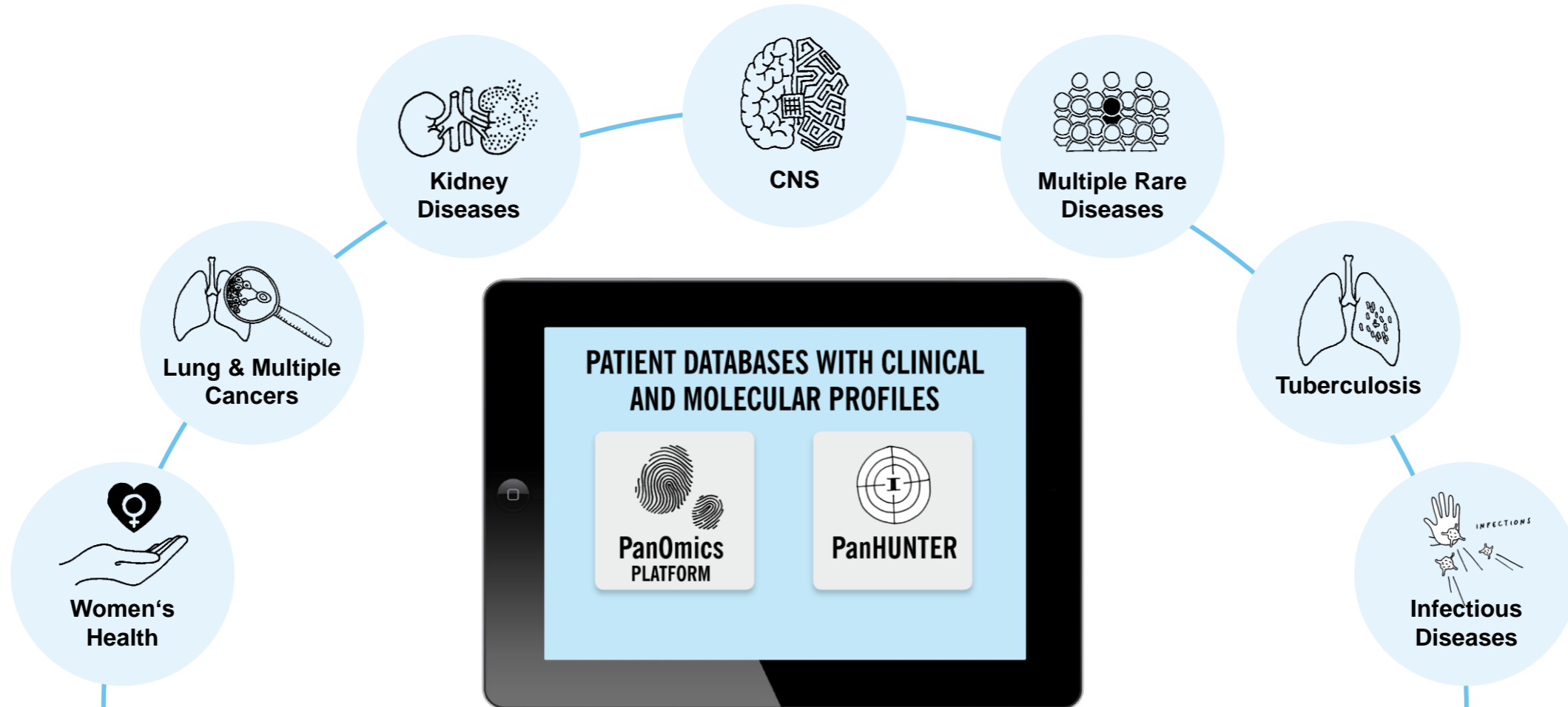
>100 discovery projects are progressing rapidly

Partnership research and discovery portfolio

	Molecule	Therapeutic Area/Indication	Partner	Discovery	Pre-clinical	Phase I	Phase II	Phase III
Discovery	Various ND ¹⁾	Nephrology		[Progress bar]				
	ND ¹⁾	Nephrology						
	ND ¹⁾	PCOS						
	INDY inhibitor	Metabolic						
	Various	Oncology						
	ND ¹⁾	Oncology						
	ND ¹⁾	Oncology – Colorectal cancer						
	ND ¹⁾	Oncology – DNA damage response						
	ND ¹⁾	Novel antibiotics						
	ND ¹⁾	Novel antibiotics						
	ND ¹⁾	Anti-bacterial						
	Target PicV	Antiviral						
	Various	Anti-infectives	 >5 programmes					
	Various	All indications	  					
	ND ¹⁾	Dermatological diseases						
	ND ¹⁾	Facioscapulohumeral Dystrophy						
	Various	Immunology & Inflammation – Tissue fibrosis						
	Various	Fibrotic disease	Fibrocor Therap./ Galapagos					
	Various ND ¹⁾	Immunology & Inflammation						
	ND ¹⁾	Inflammatory						
ND ¹⁾	Cancer							
ND ¹⁾	Novel broad-spectrum antibiotic	 Powered by CARB-X						
Various	Internal: Oncology, CNS, Metabolic, Pain & Inflammation	>40 further programmes						

Re-define health and disease via comprehensive clinical and molecular profiling

The foundation of precision medicine

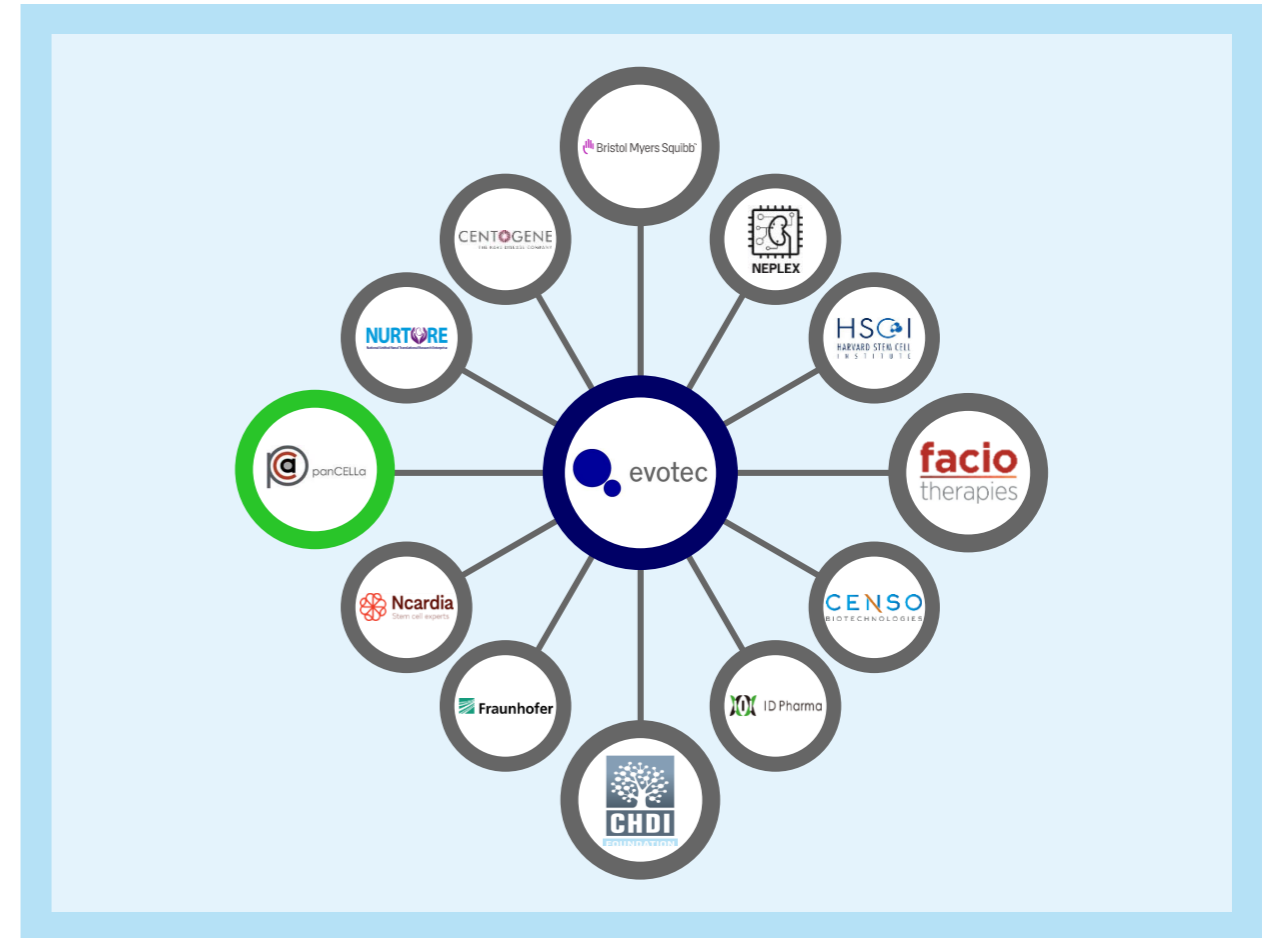
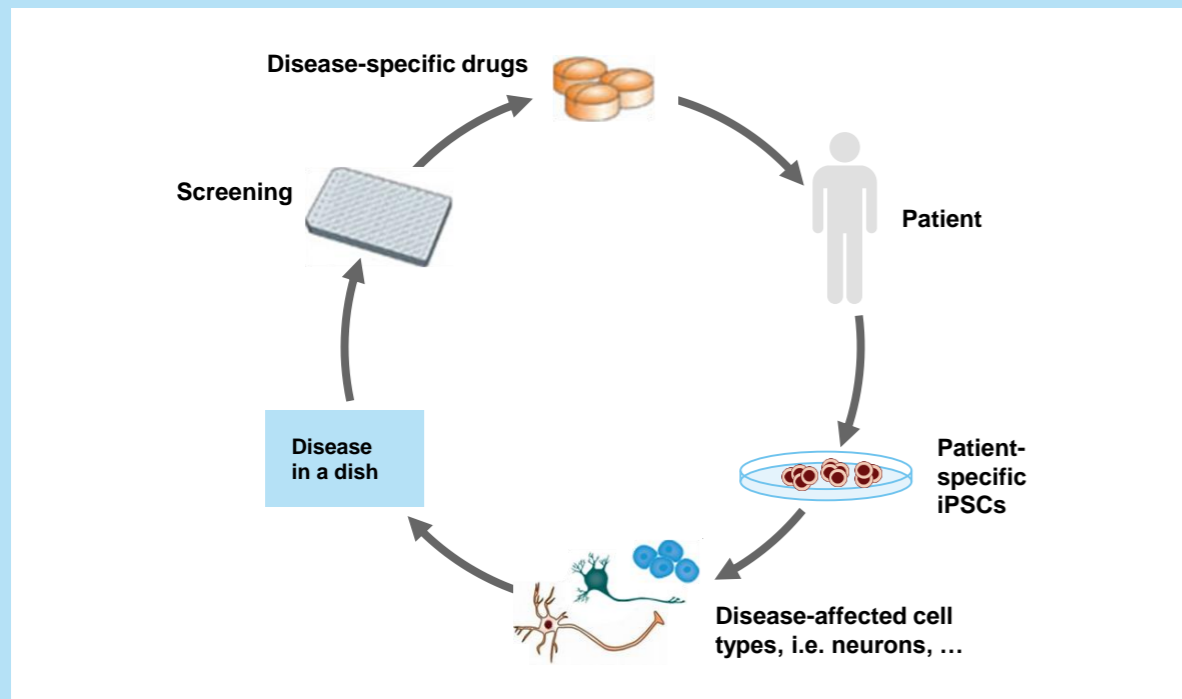


Patient-derived assays as new gold standard

World-leading iPSC processes and network

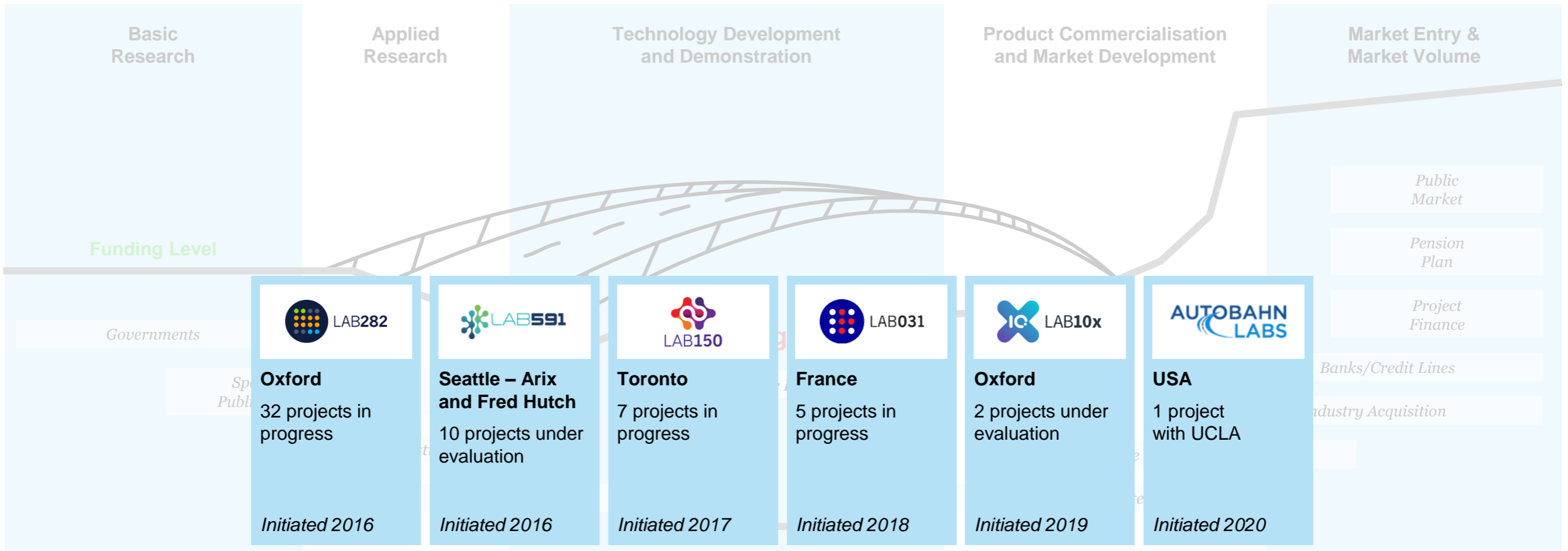
“IPS cells are a powerful tool to cure intractable diseases because they can be made from patients’ somatic cells.”

Shinya Yamanaka, Nobel prize laureate



BRIDGEs to link academia with industry

Long-term optionality with efficient translation



Agenda

Overview

Partnered drug discovery & development

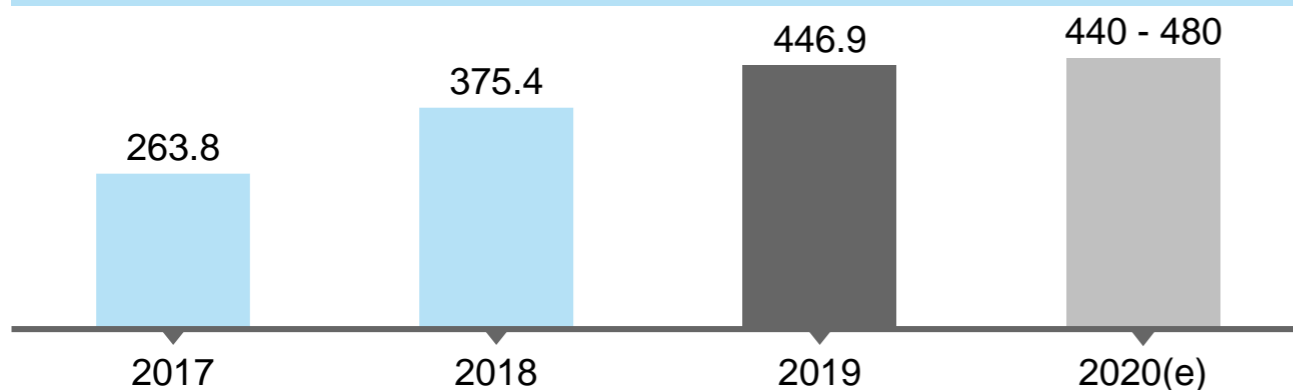
Financials & Outlook



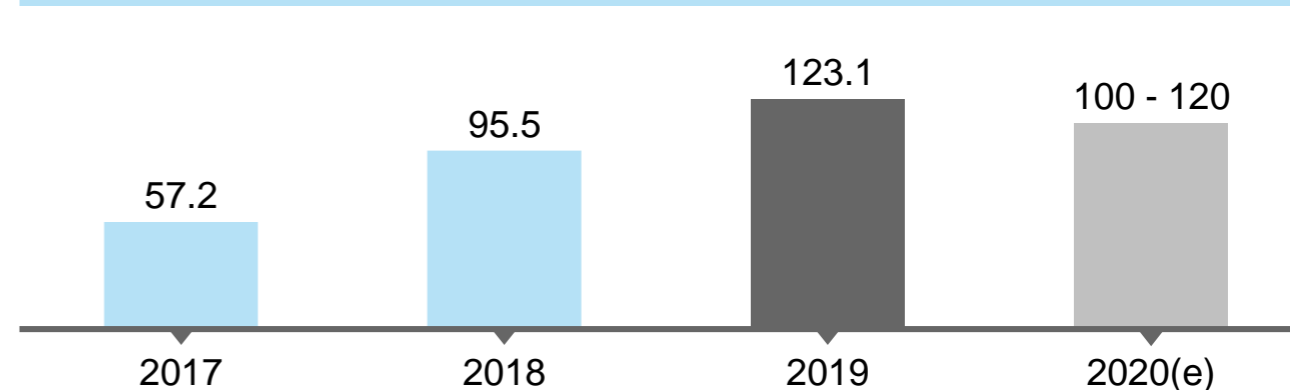
Strong long-term growth strategy

Financial history 2016-2020 (e) – Selected performance indicators

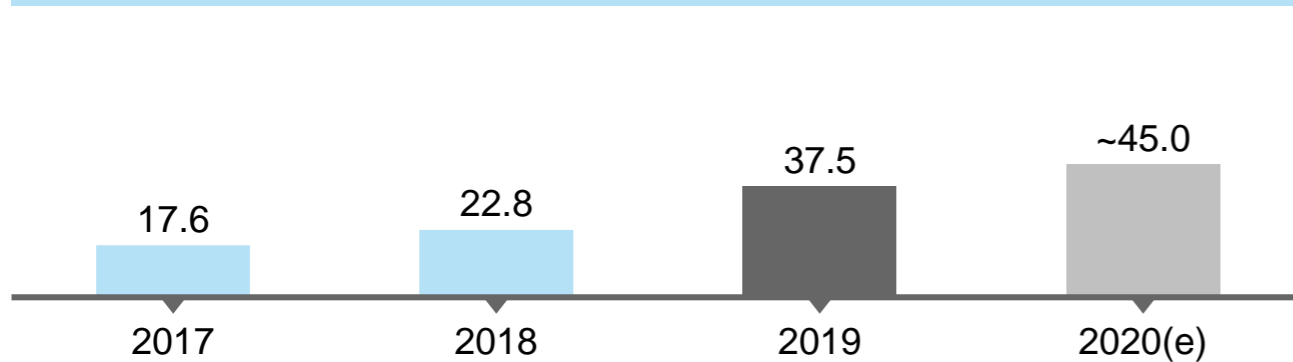
Strong revenue growth (in € m)



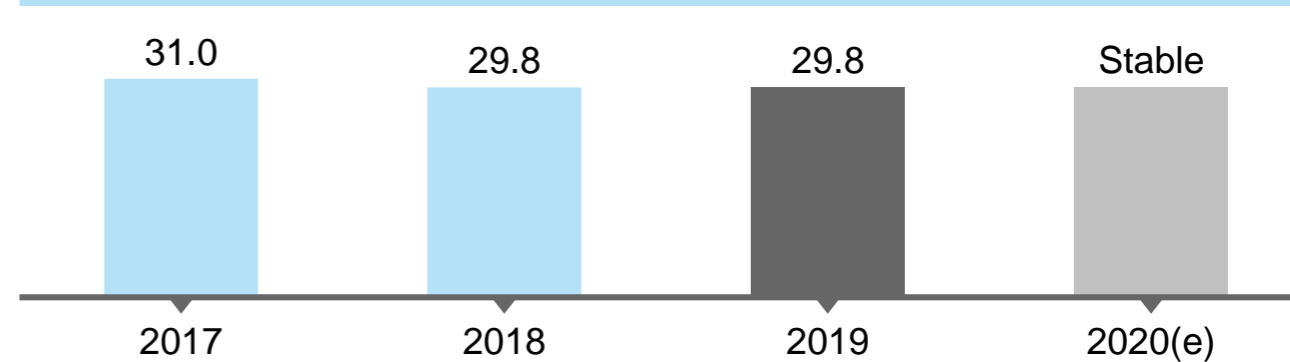
Adjusted Group EBITDA²⁾ (in € m)



High-value unpartnered R&D³⁾ (in € m)



Strong stable gross margins⁴⁾ (in %)



¹⁾ Please note that bar heights are only illustrative and not representing actual values

²⁾ Before contingent considerations, income from bargain purchase & excl. impairments on goodwill, other intangible assets & tangible assets as well as the total non-operating result

³⁾ Excluding expenses for ID-related expenses fully reimbursed by Sanofi under other operating income; total of R&D expenses in 2019 of € 58.4 m

⁴⁾ Gross margin in the future represents different business mix, considering amortisation of acquisitions, and may be volatile due to potential milestone or out-licensing payments; gross margin in 2017 restated for IFRS 15

Solid financial performance

Condensed income statement H1 2020 – Evotec SE and subsidiaries

in € m¹⁾

	H1 2020	H1 2019	% vs. 2019
Revenues from contracts with customers	231.0	207.1	12
<i>Gross margin</i>	23.0%	30.8%	–
• R&D expenses	(29.8)	(29.3)	2
• SG&A expenses	(36.5)	(29.9)	22
• Impairment of intangible assets and goodwill ²⁾	–	(11.9)	–
• Other op. income (expenses), net	32.2	31.3	3
Operating income	18.9	24.0	(21)
Adjusted Group EBITDA²⁾	47.3	58.2	(19)
Net income	7.3	10.7	(32)

- Strong performance across all business lines despite loss of Sanofi payments (€ 7.5 m); Just – Evotec Biologics first-time H1 contribution (€ 16.3 m)
- Gross margin decreased mainly due to lower upfront, milestone and licence contribution (€ 7.8 m compared to H1 2019: € 19.1 m)
- Adjusted Group EBITDA negatively affected by delays in milestone contributions, fade out of the Toulouse-related payment from Sanofi and less R&D tax credits in Italy; FX on the positive with approx. € 1.7 m

¹⁾ Differences may occur due to rounding

²⁾ H1 2019: One-off impairment of intangible assets and good-will following termination of SGM-1019 programme with Second Genome

³⁾ 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 year ahead – mastering all challenges

Guidance 2020

1	Good top-line growth expected	Total Group revenues expected to range from € 440 – 480 m, despite loss of € 20 m subsidy from Sanofi, and certain COVID-19 challenges ¹⁾
2	Similar level	Adjusted Group EBITDA ²⁾ expected to be in the range of € 100 – 120 m, at comparable level as in 2019, despite loss of € 20 m subsidy from Sanofi, significant ramping up J.POD [®] capacities, and certain COVID-19 challenges
3	R&D investments for growth	Unpartnered Group R&D expenses of approx. € 45 (previously approx. € 40 m)

¹⁾ Given current global insecurities, a likely negative impact from the ongoing Corona pandemic is already estimated within the introduced guidance for revenues and adjusted EBITDA

²⁾ Before contingent considerations, income from bargain purchase & excl. impairments on goodwill, other intangible & tangible assets as well as the total non-operating result

³⁾ Evotec focuses its guidance and upcoming reporting on the “unpartnered R&D” part. ID-related R&D expenses will be fully reimbursed by its partner Sanofi (“partnered R&D”).

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Research never stops

Our long-term mission in drug discovery and development



Manfred Eigen
Nobel Prize 1967

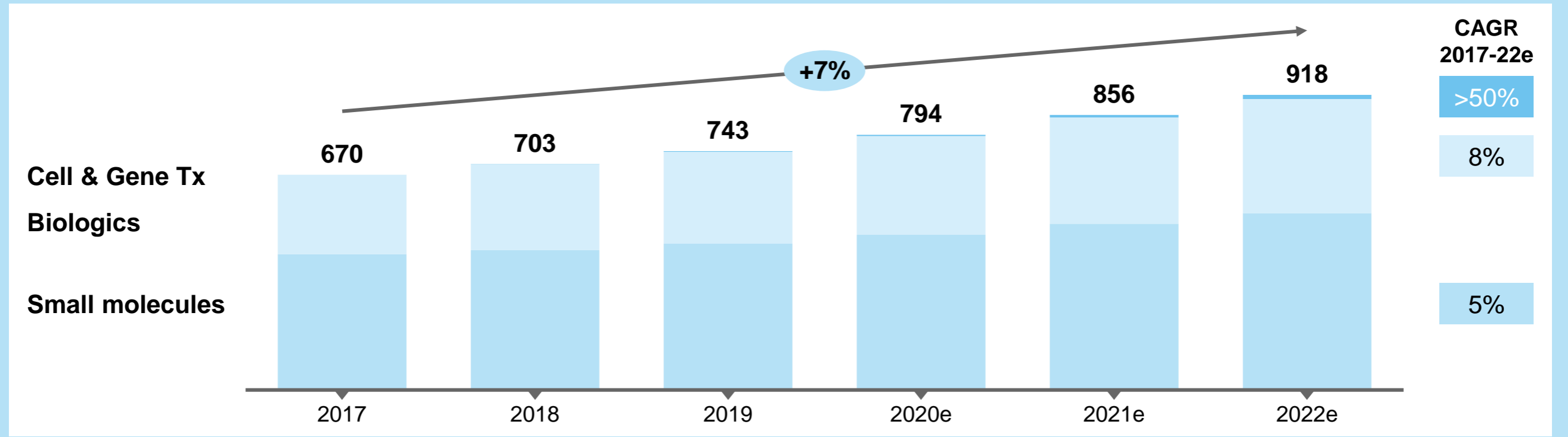
*We design and apply innovative technologies and processes across **all modalities** in order to expand access to more precise and effective medicines together with our partners.*

#RESEARCHNEVERSTOPS

Multimodality is reality

Small molecules, biologics & Gene Therapy in R&D

Global pharmaceutical market^{1), 2)}
in \$ bn



¹⁾ Small molecules forecast from May 2017 and Biologics forecast from Dec 2017

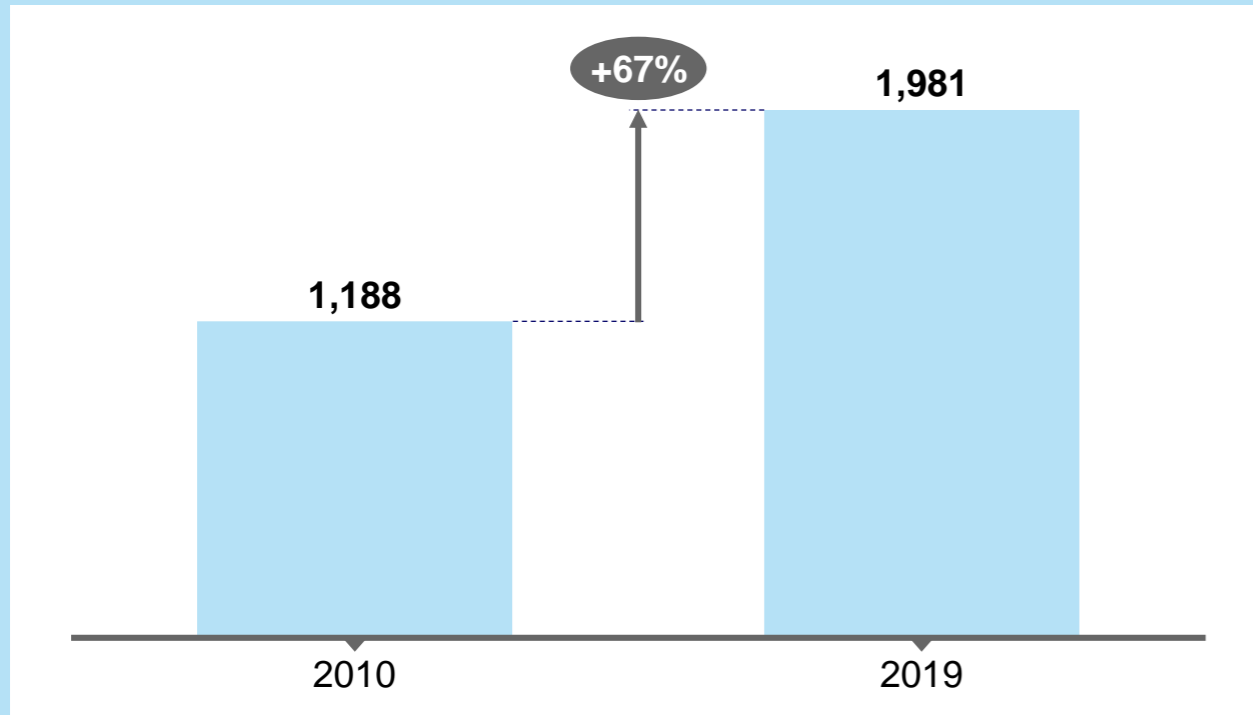
²⁾ Excluding sales not classified by EvaluatePharma

Source: EvaluatePharma

Productivity challenge will further increase

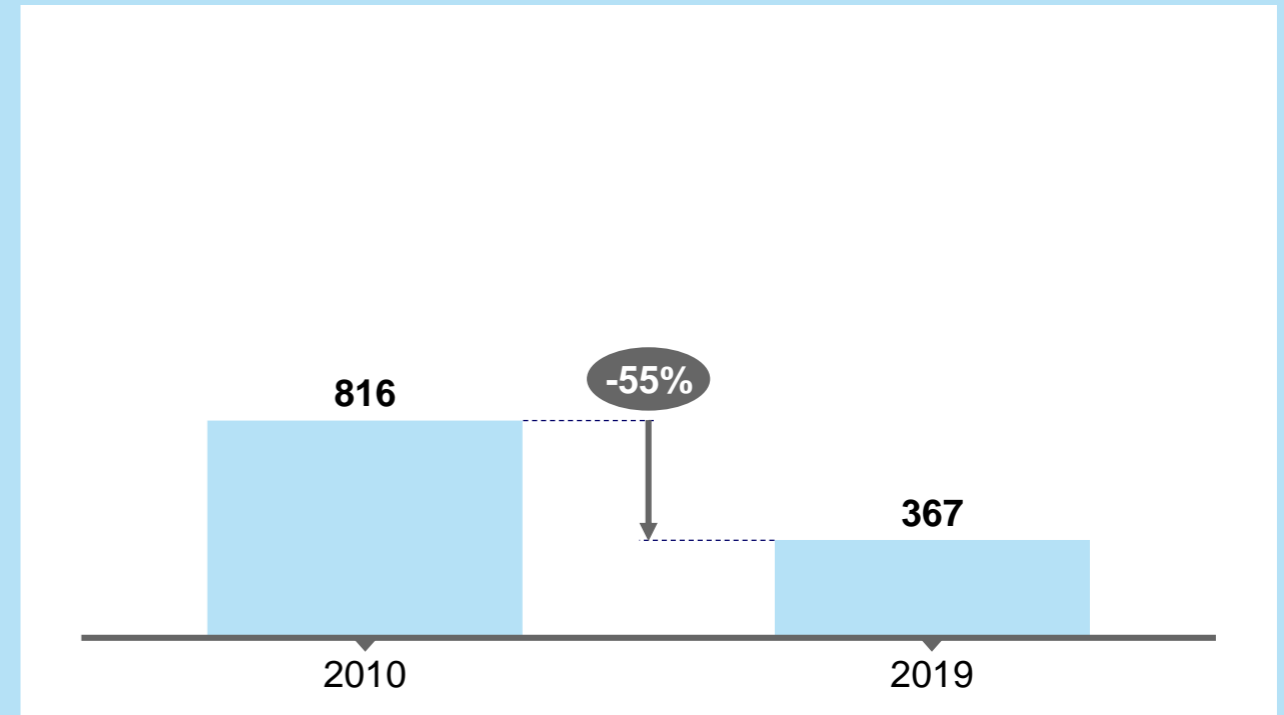
Development costs vs. average peak sales

Development cost, \$ m



Cost per asset increased ~2/3rd since 2010

Peak sales, \$ m

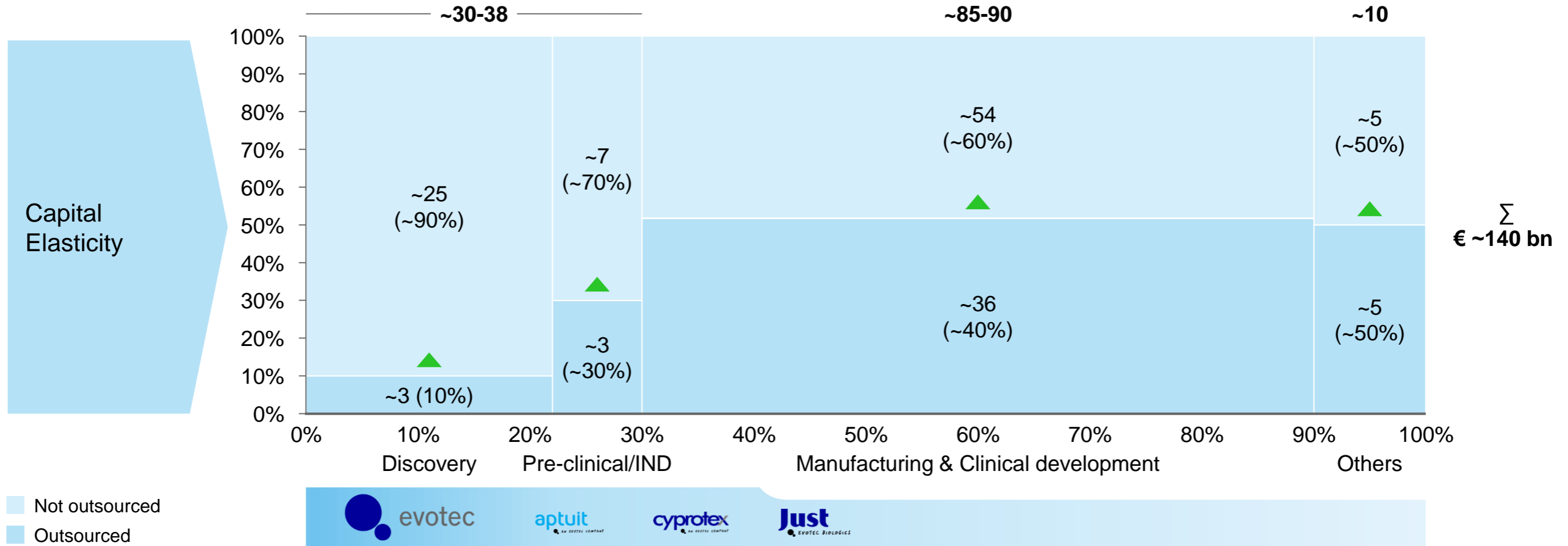


Average sales more than halved since 2010

Variable processes drive productivity and speed

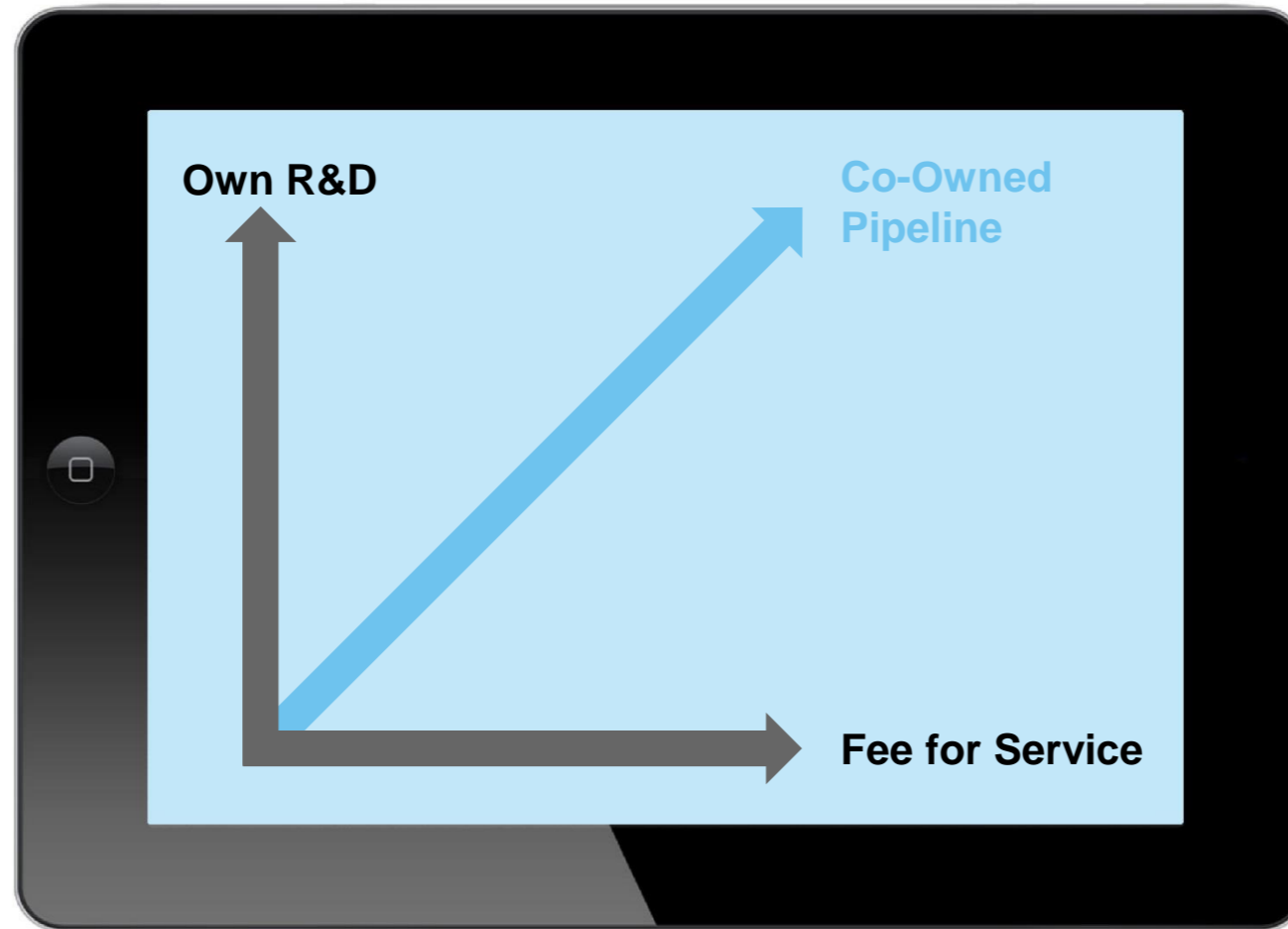
R&D outsourcing & External Innovation

in € bn



Building long-term partnerships

Our unique business model

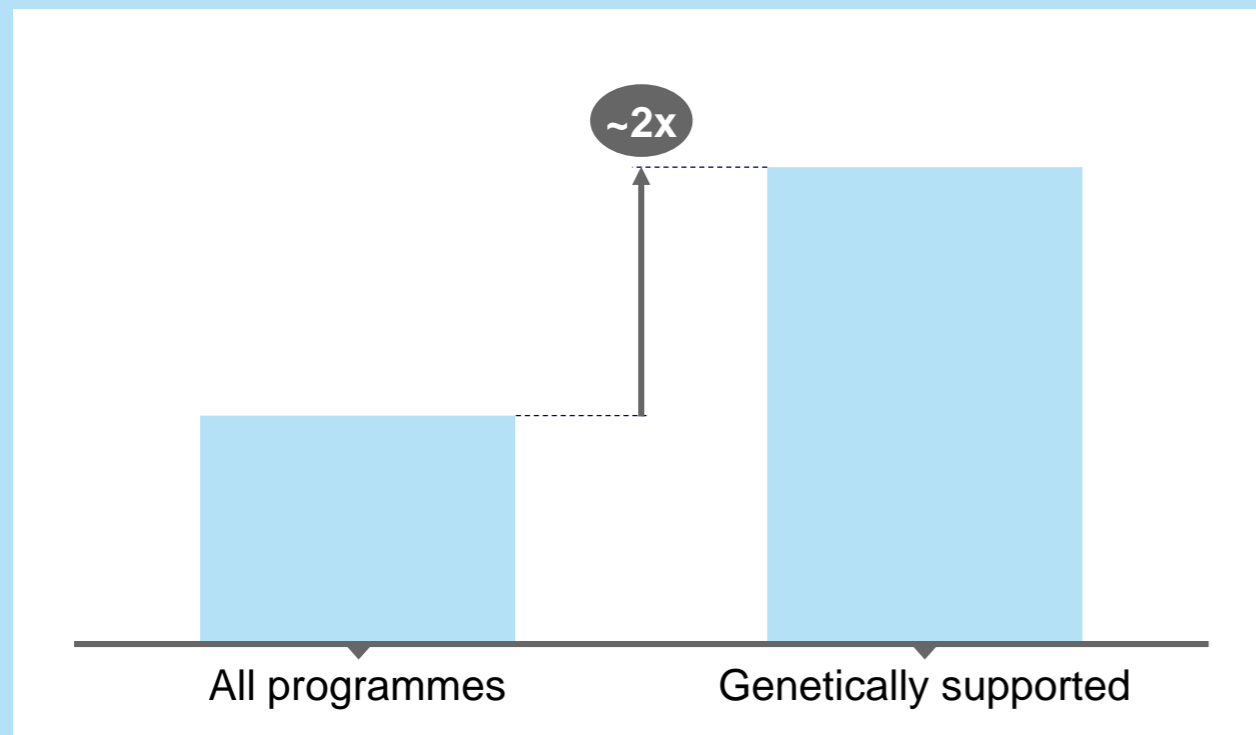


Leading technology platforms improve success rates

Better translation for better drugs

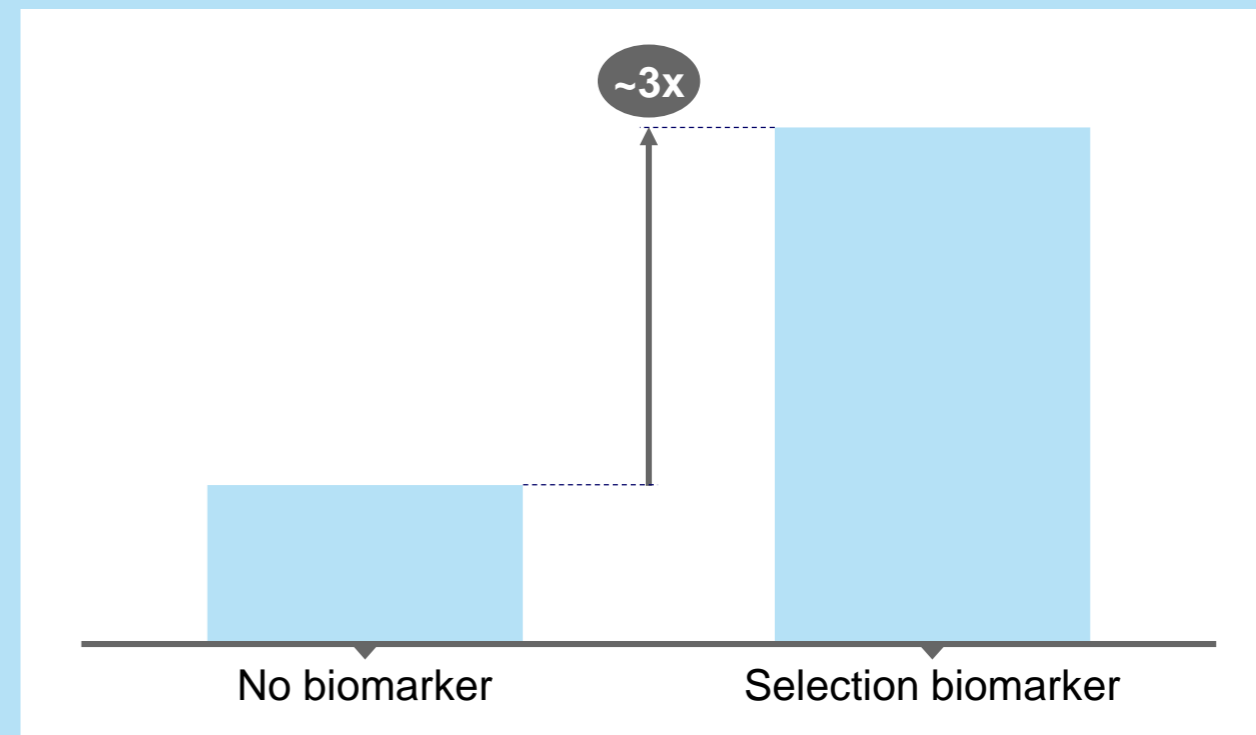
Human genetics supported targets¹⁾

% success



Biomarker-based patient stratification²⁾

% success



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

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

High-performance alliances built on quality & speed

Integrated alliances (examples)

 Oncology, Respiratory <i>Initiated 2011</i>	 Pain, Respiratory, CKD, Women's Health <i>Initiated 2012</i>	 CNS, Oncology, Protein Degradation <i>Initiated 2016</i>	 Oncology <i>Initiated 2018</i>	 Diabetes <i>Initiated 2018</i>	 Multiple therapeutic areas Start of new multi-year alliance in Gene Therapy in April 2020 <i>Initiated 2019</i>
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30%

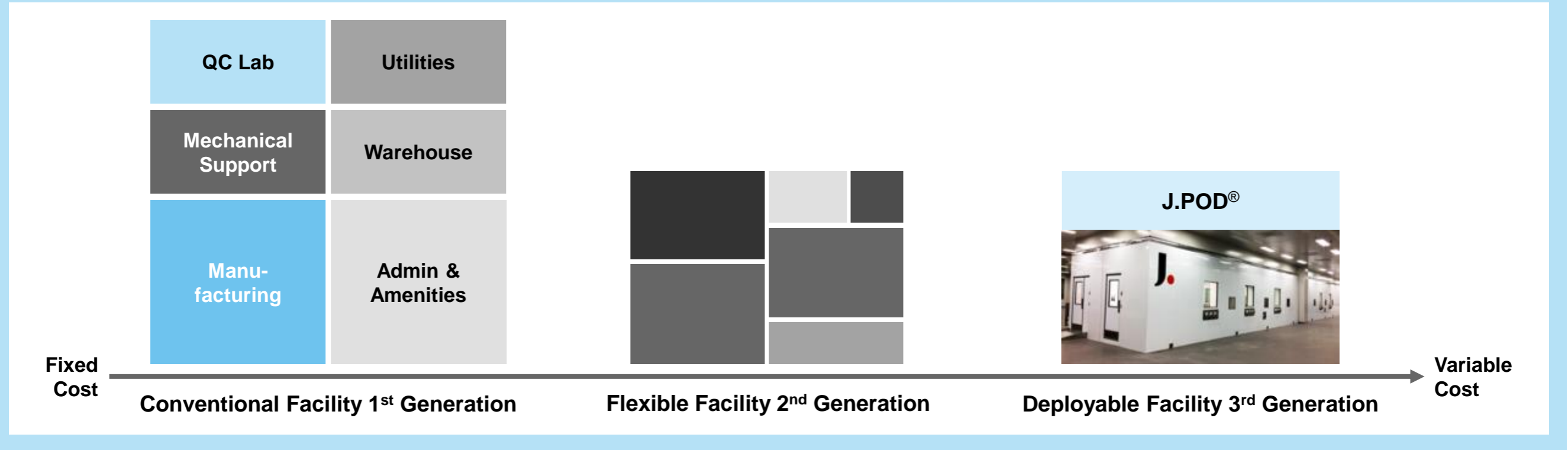
Lower cost and higher speed to safety assessment (FGLPD) than industry benchmarks¹⁾

J.POD[®] – The Biologics Facility of the Future

J.POD[®] – relatively low CAPEX and primary OPEX-driven manufacturing

January 2020:

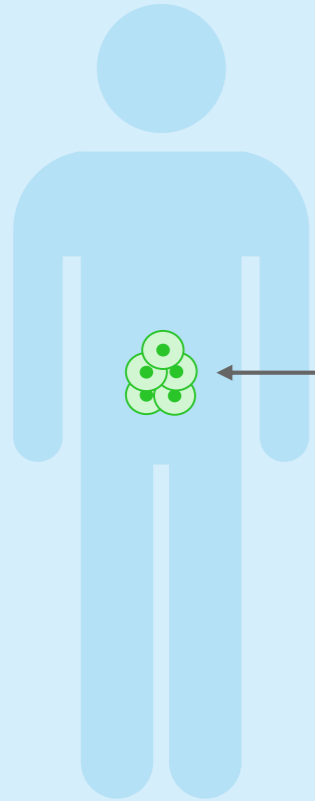
... Just – Evotec Biologics and MSD enter collaboration around facility of the future



Beta cell therapy – the new standard of care

QRbeta Therapeutics

iPSC¹⁾-derived beta cells



- 1 Tremendous therapeutic & commercial opportunity**
 - Potential to develop a cure for insulin-dependent diabetic patients
 - “Edmonton protocol”²⁾ provides unique clinical PoC
- 2 Excellent foundation to lead the beta cell therapy field**
 - Comprehensive data package including long term *in vivo* efficacy
 - Beta cell product ready to enter IND-enabling studies
- 3 Two-product strategy to maximise value**
 - Encapsulated cells with start of clinical testing expected in 2022
 - Infused immuno-invisible cell product secures life cycle management

¹⁾ Induced pluripotent stem cells

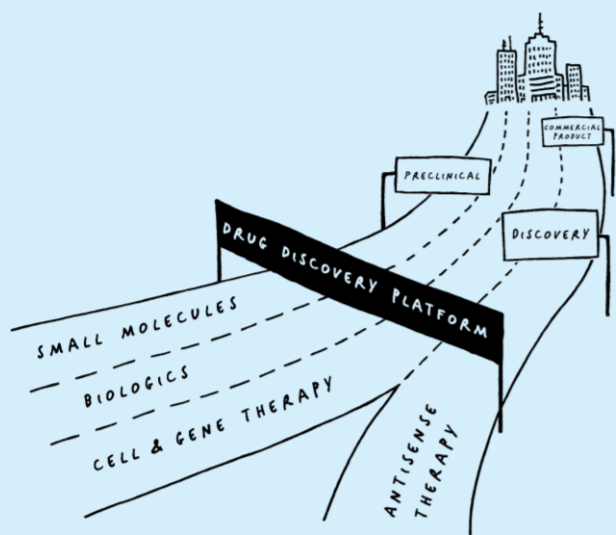
²⁾ Transplantation of cadaveric human islets into the liver for the treatment of diabetes; Shapiro et al., 2017

Partnership to build antisense pipeline

Evotec and Secarna

Further expansion of multimodality “Autobahn”

Global antisense & RNAi therapeutics market ~\$ 2 bn by 2025, growing at a CAGR of 7.5%¹⁾



Perfect match of capacities and capabilities

- Joint strategic multi-target drug discovery alliance
- Secarna provides proprietary LNAplus™ antisense molecules; Evotec responsible for further development and subsequent partnering
- Projects co-owned
- Evotec’s partners can access antisense therapeutics

If you would like to learn more about ASO and the partnership between Evotec and Secarna, please see our DDIN²⁾

Creating the next major classes of antibacterial drugs

Partnership between Evotec, Resolute Therapeutics, and CARB-X

- Global antibiotics market: \$ 45 bn in 2018 and expected to reach \$ 62 bn by 2026¹⁾
- Huge imbalance of demand-supply of antibiotics
- WHO lists antimicrobial resistance among top10 threats to global health²⁾



- Evotec received award of up to \$ 8.4 m for development of novel broad-spectrum antibiotic
- Gram-positive and Gram-negative coverage engaging well-validated antibacterial targets through novel MoA
- Programme was in-licensed to Evotec from Resolute Therapeutics in exchange for an upfront and success-based milestone payments –
- Evotec retains right to take over the project at a pre-agreed value inflection point and subsequently continue the development with other potential clinical and marketing partners

RESOLUTE
THERAPEUTICS










CARB-X

 evotec

Evotec follows an operational venture capital approach, building a portfolio of co-owned equity opportunities

Equity participations for co-owned pipeline

At equity investments (share ≥ 20% or significant influence)

								Joint Venture
								
Equity participation	Spin-off	Equity participation	Equity participation	Spin-off	Equity participation	Equity (in-kind)	Equity participation and partnership	Joint Venture with Vifor Pharma
Metabolic disorders	Nanoparticle-based therapeutics	AI for automated drug design	FSHD	DNA damage response	Women's health	Cross therapeutic areas	Oncology	Nephrology
<i>Initiated 2016</i>	<i>Initiated 2016</i>	<i>Initiated 2017</i>	<i>Initiated 2017</i>	<i>Initiated 2019</i>	<i>Initiated 2019</i>	<i>Initiated 2019</i>	<i>Initiated in 2020</i>	<i>Initiated 2019</i>

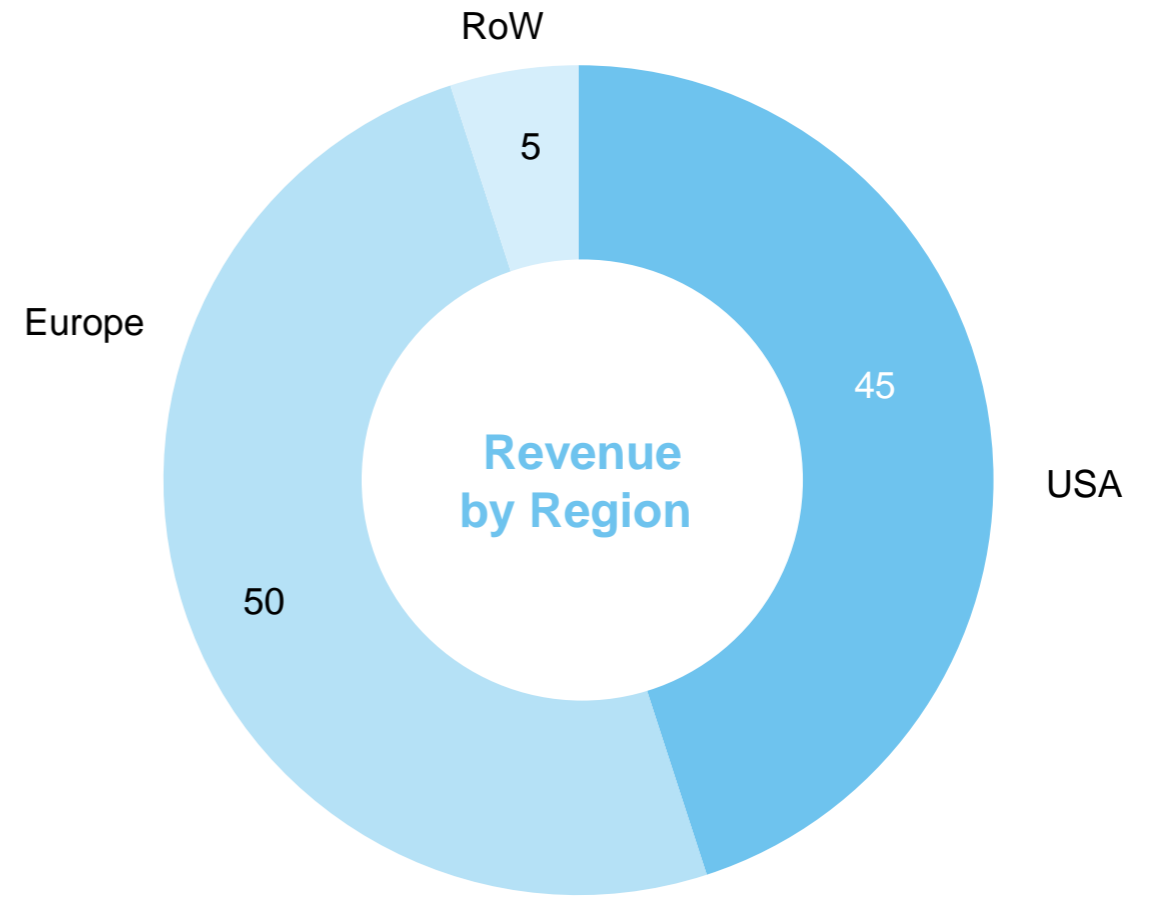
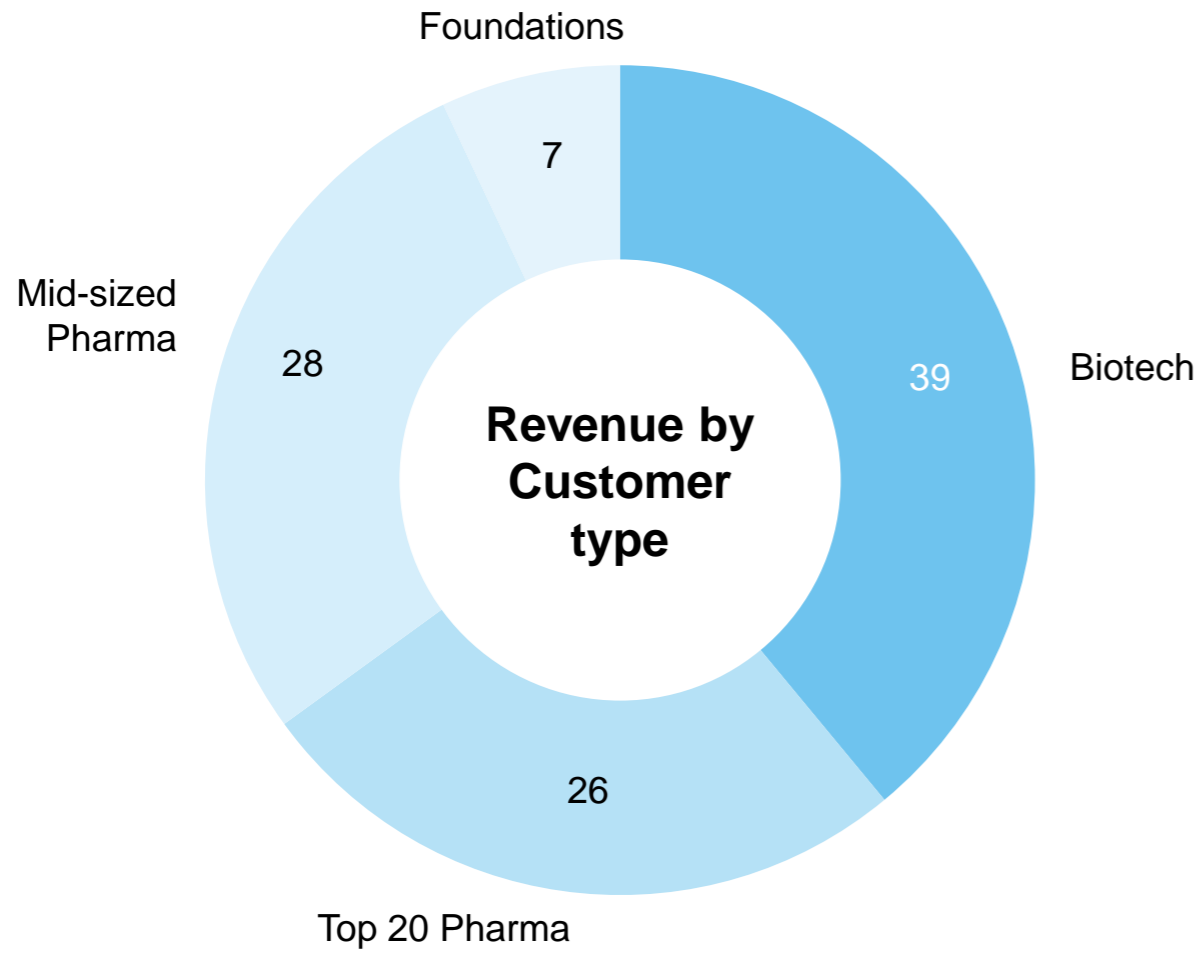
Minority Shareholdings (share < 20%)

								
Equity participation	Equity participation	Equity participation	Equity participation	Equity participation	Equity participation	Equity participation	Equity participation	Equity participation
Innovative pathways in oncology	Targeting metalloenzymes	Fibrosis partnership	Inflammatory disease	Oncology / Biologics	Oncology	Formulation nanotechnologies	Failsafe cloaking for cell therapies	Neuroscience
<i>Initiated 2016</i>	<i>Initiated 2017</i>	<i>Initiated 2017</i>	<i>Initiated 2019</i>	<i>Initiated 2019</i>	<i>Initiated 2019</i>	<i>Initiated 2020</i>	<i>Initiated 2020</i>	<i>Initiated in 2020</i>

Very strong order book for 2020

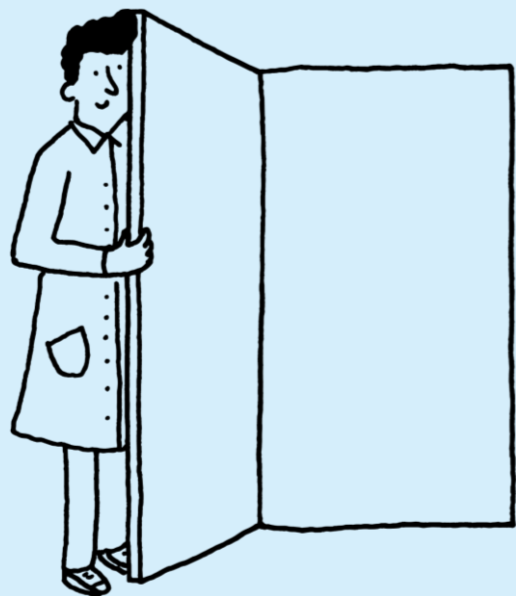
Global customer mix

in %



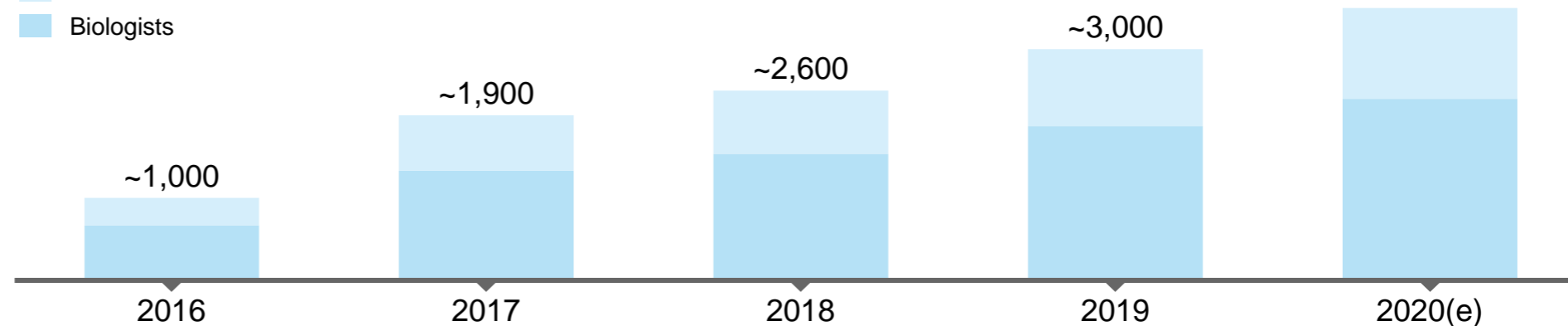
Scientific excellence meets operational excellence

Opening the door to > 500 new top talents in 2019



Total operations personnel

Chemists
Biologists



- > 80% of employees with at least one academic qualification
- Approx. 50% of employees have worked for Evotec > 5 years
- > 8 years on average drug discovery and development experience
- > 55% female; > 69 nationalities
- > 400 new talents planned for 2020

Financials reflect that strategy works

Key financials 2019: Condensed income statement (IFRS)

in € m¹⁾

	2019	2018	% vs. 2018
Revenues from contracts with customers ²⁾	446.4	375.4	+19%
<i>Gross margin</i>	29.8%	29.8%	–
• R&D expenses	(58.4)	(35.6)	+64%
• SG&A expenses	(66.5)	(57.0)	+17%
• Impairment of intangible assets	(11.9)	(4.4)	+173%
• Income from bargain purchase	–	15.4	–
• Other op. income (expenses), net	66.6	47.0	+42%
Operating income	62.6	77.5	-19%
Adjusted Group EBITDA³⁾	123.1	95.5	+29%
Net income	37.2	84.1	-56%

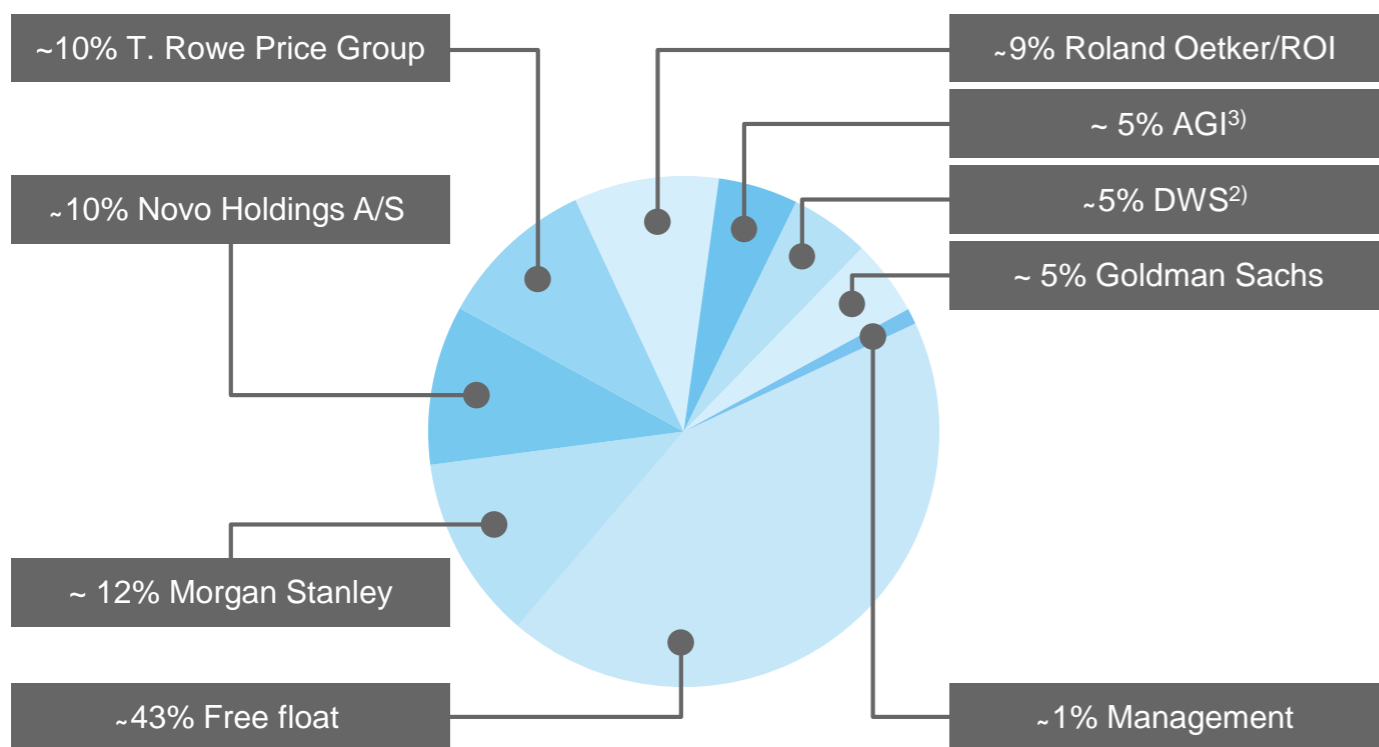
¹⁾ Differences may occur due to rounding

²⁾ 2018 and 2019 including IFRS 15 material changes

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

Strong team and shareholders for innovation

Management & shareholder structure¹⁾



Number of shares: 151.6 m

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

52 week high/low: € 26.75/€ 17.26

Management Board

- **Werner Lanthaler (CEO)**
Long-time experience in Pharma & 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 & biotech

Supervisory Board

- **Wolfgang Plischke**
Ex-Bayer
- **Iris Löw-Friedrich**
UCB
- **Kasim Kutay**
Novo Holdings
- **Mario Polywka**
Ex-Evotec
- **Roland Sackers**
QIAGEN
- **Elaine Sullivan**
Carrick Therapeutics

¹⁾ All stated shareholdings comprise the total of voting rights attached to shares and instruments

²⁾ DWS Investment GmbH, formerly Deutsche Asset Management Investment GmbH

³⁾ Allianz Global Investors GmbH

Strong news flow to be continued in H2 2020

Overview



EVT Execute

- New integrated service alliances in drug discovery & development

EVT Innovate

- New clinical initiations and progress of co-owned pipeline
- New co-owned partnerships

EVT Equity & BRIDGES

- Initiation of new BRIDGEs
- New operational ventures