

Supervisory Board Chair Letter 2023

Dear Shareholders,

In a volatile environment, 2022 was a further very successful year for Evotec. Our unique business strategy to operate as a profitable biotech company met an undisrupted demand for external innovation. We have enjoyed important momentum and acceleration, particularly in the field of precision medicine. Precision medicine is based on the deep understanding of disease biology of specific patient populations and their unmet needs. Clearly, this is the future of medicine where 'one size fits all' approaches will be increasingly replaced by innovative medicines with high probabilities of treatment success in well-defined patient populations. This tailored approach will accelerate the development of medicines, reduce cost and the burden on healthcare systems.

At the same time, global challenges such as the climate crisis, the lasting impact of the pandemic, geopolitical conflicts, socio-economic pressure, inflation, cyber-crime, supply chain challenges, reduced globalization, to mention a few, emphasize the importance of the resilience of organisations. Organisations are frameworks for employees to unfold their talent and to maximize their impact on the innovative realization of business opportunities. Our people, the energy of our people, are our biggest asset. We are committed to build an environment where they can thrive, and we are addressing topics such as wellbeing, psychological safety, personal and career development, clarity of roles and responsibilities, empowerment, diversity, equity and inclusion. These topics need to be in our focus as they drive resilience, agility, commitment and dedication by everyone in the organization which are of vital importance, especially in moments of mounting challenges.

During the pandemic years, our teams managed to keep operations running at any point, flawlessly, with high quality, on time. Inflationary pressure, triggered by the external shock of the war in the Ukraine was absorbed in 2022. The Evotec team demonstrated exceptional work ethos, leadership, willingness to learn, transparency and collaboration in reaction to the criminal cyber-attack which was discovered on 6 April 2023. All colleagues at Evotec deserve our deep gratitude and appreciation. We recognize that people, equipped with best practices, efficient processes and state-of-the-art systems are at the heart of every truly sustainable and long-term successful company. We are committed to continue to create this empowering and inspiring work environment so that the purpose *#researchneverstops* is held up at any given moment.

Progress on our Sustainability Roadmap

Integrating environmental, social and governance topics (ESG) into the group's strategy is part of Evotec's mission to discover, develop and manufacture medicines that matter in a collaborative way together with our partners. Evotec's goal to discover patient specific disease mechanisms to improve health and well-being of individuals around the globe therefore directly targets the third Sustainable



Development Goal (“SDG”) of the United Nations. Moreover, Evotec is committed not only to SDG 3 but to all aspects of sustainability.

This is reflected in a refined remuneration scheme. Ambitious and more quantifiable ESG targets hold our Management Board accountable. We have carefully considered investor concerns and further aligned incentives with shareholder interests. We have redesigned LTI performance metrics in 2022 together with the remuneration system as a whole to ensure that high pay-outs only materialise in case of a strong increase in company value and with an extended vesting schedule of four years. Discretionary elements were awarded for the last time in 2022, owed to commitments made earlier and will no longer be part of the management remuneration scheme in the future. In addition, we decreased the maximum compensation levels while maintaining target remuneration levels which were found reasonable compared to both, German and international peers. Further information can be found in our remuneration report (published [here](#)).

But not only remuneration topics were addressed in 2022. The newly formed ESG Committee within the Supervisory Board took on his duties and met once per quarter as of Q2 2022. The ESG Team had been expanded from two to four dedicated members and a roadmap was set for 2023, focussing on the development of long-term Science-Based Targets initiative (SBTi) goals as well as on conducting an impact and materiality analysis, also considering requirements of the upcoming Corporate Social Responsibility Directive (CSRD) regulation. Lastly, we strive for a stronger top-down and bottom-up implementation of site-specific sustainability topics via the nomination of so-called sustainability champions at each of our 17 sites. Execution on this measure has become a management goal for 2023.

In the field of environmental topics, Evotec reached the next important milestone of our journey to align with ambitions as defined in the Paris Agreement. After completing our Greenhouse gas (GHG) inventory in 2022, we have submitted short-term science-based targets with the Science based Target initiative on 2 January 2023. Evotec’s pledge is to reduce absolute Scope 1 and 2 GHG emissions by 50% by 2032 from a 2021 base year. Evotec also commits to increase annual sourcing of renewable electricity from 25% in the base year to 100% by 2026. Evotec commits to reduce Scope 3 GHG from purchased goods and services and capital goods by 72% per revenue over the same period. Finally, Evotec also commits that 80% of its suppliers by emissions covering purchased goods and services and capital goods will have science-based targets by 2027.

In 2022, Evotec did not hold back with taking first actions. The decision to replace a heating system in building B95 in Abingdon (est. CO₂e savings of ~800t/yr) on which we reported last year was implemented in summer 2022. In Q4 2022, Campus Curie in Toulouse was connected to the renewable energy heating network Toulouse Energie Durable (TED), which should result in an annualised saving of ~2,000t/yr of CO₂e. These measures helped to reduce scope 1 & 2 emissions by 2% even before SBTi targets are officially in place, which is in particular encouraging against the backdrop of a 22% revenue growth.

An example for Evotec’s engagement in the field of societal topics are the launch of Aurobac Therapeutics. The JV with Boehringer Ingelheim and bioMérieux targets Antimicrobial Resistance (“AMR”) with next generation antimicrobials and diagnostics.



We celebrated Diversity Month and Pride Month and joined the Proud Science Alliance, advocating the interest of the LGBTQ+ community in our industry. Given the additional burden that a cyber-attack means for every individual, both Supervisory Board and Management Board feel that the initial management goal of starting a broad employee engagement survey has gained even more in relevance. Preparations for such group-wide survey will unfold in H2 2023 and we will transform the outcome to a catalogue of actions to be taken as of 2024.

Improved transparency

During 2022, Evotec progressed further on its ESG agenda and decided to audit selected non-financial topics with reference to the GRIs and against the GHG Protocol. We work hard to continuously build trust with our stakeholders. A fully audited report will support this ambition in the coming years and also the preparation for the CSRD coming into effect for Evotec in the 2024 fiscal year.

The following topics are subject to audit: Employment, Anti-Corruption, Bioethics, Animal Welfare, Supply Chain, and IT Security. Additionally, within the GHG Emissions section, data on scope 1 and 2 emissions, science-based targets and the renewable energy target have been verified.

This report includes the change from GRI Standards 2016 to GRI Standards 2021. Additionally, our emissions reporting underwent a change in methodology to comply with the requirements laid out by the SBTi, in which the GHG Protocol Corporate Standard is used as the criteria for inventory coverage.

Change in Management Board composition setting the stage for evolution

Enno Spillner has decided to open a new chapter in his professional career. He has been essential for Evotec's rapid, yet sustainable growth over the past years and contributed substantially to the Company's success story. I would like to express our sincere gratitude and wish him all the very best for his personal and professional future. At the same time, we are excited to welcome Laetitia Rouxel as Evotec's new CFO at this important juncture in the Company's evolution. We look forward to benefiting from Laetitia's leadership, her financial expertise and operational experience as she joins the Management Board. The Supervisory Board will adjust the target for the proportion of women on the Executive Board in one of its next meetings.

Supervisory Board Engagement becoming a good tradition

We continue the dialog of our Management Board and the Investor Relations team with financial analysts and investors. Following an analysis of shareholder votes at the Annual General Meeting (AGM) in 2021, we have established the format of a Governance Roadshow with the Chairperson of the Supervisory Board in the beginning of the year.

At the beginning of 2023, I have had the opportunity to engage directly with some of our largest institutional investors as well as all relevant proxy advisors for the second time. Institutional investors represent more than 25% of our share capital, in addition to our core shareholders Novo

A/S and Mubadala Investment Company, representing more than 17%. We discussed our remuneration scheme and potential areas of further improvement, our sustainability strategy and explained our evolving target competence profile for the composition of our Supervisory Board and scenarios of shorter terms of supervisory board mandates. The presentation slide deck used during this governance roadshow is available to all our shareholders (please find the presentation [here](#)).

Resilience in challenging times

On 6 April, the Evotec IT-team detected a malware running in corporate systems. Immediately, a 'Zero-compromise' approach was taken. The existing infrastructure was completely disconnected from internet / external connections which created a "contained zone". The Evotec staff was brought back to a new and secure Microsoft tenant for collaboration/knowledge work with hardened security shortly thereafter.

With the intent to protect our entire collaboration ecosystem while delivering on our commitments, colleagues in science / operations restarted their work in this contained environment with secure data release to partners. I have heard directly from partner companies that the immediate actions, the transparency and communication reflected best practices and were appreciated.

Evotec will continue to invest into the processes, systems and personnel backbone structures that are needed to support effective and secure R&D. This will include a strong focus on an upgraded security architecture and cyber culture, set to become a role model for the biopharma industry under threat. I am convinced that Evotec will emerge much stronger from this crisis and that partnering with Evotec will be more secure and effective than ever before.

The Supervisory Board and in particular the Audit and Compliance Committee monitor Evotec's risk and compliance management and have immediately been involved after the cyber-attack had been detected. The entire Supervisory Board was informed daily about the recovery process, supporting the implementation of adequate measures in this challenging situation.

Impact on reporting and Index memberships likely of temporary nature

The deliberate shut down affected exchange of documents in many areas and is the only reason for the delayed publication of the Annual Report. While numbers were already published on 28 March 2023 – and have not changed since – alignment with our auditor on review of operations (Lagebericht), notes and related documentation was put on hold. By the rules of Deutsche Börse, the delayed publication triggered an exclusion from relevant German Indices. In the meantime, the audited Annual Report was published which is reassuring for investors. By the time of our Annual General Meeting (AGM) on 20 June, Evotec might already have re-joined MDAX, TecDAX and other relevant German indices as a meaningful member.

Benefits for all from new framework for virtual Annual Shareholder Meetings

Our AGM this year will be held virtually again. I appreciate the important changes to the legal framework that combine attention to the interests of shareholders, society and companies. Active



participation on the day is guaranteed based on the use of interactive technology while emissions and cost of the event are reduced compared to a physical shareholder meeting. I encourage you to make best use of the new interactive opportunities and to engage in a meaningful conversation. After the AGM, we will analyse the learnings and will decide in due time about the appropriate format in future. For the time being, we ask for your support: Please remain as flexible as possible and allow us to make best use of the option of a virtual annual shareholders' meeting also in the future. We therefore propose a corresponding amendment to the Articles of Association, restricted to a period of two years (instead of five years in the past) to allow us and our shareholders to revisit the benefits of a virtual AGM based on experience with the new legal framework.

At Evotec, the commitment of every individual to find solutions in a collaborative way is a cornerstone of the company's values. This makes Evotec unique, particularly in challenging moments like the cyber-attack. Rapid and effective problem solving in a team effort was demonstrated in an outstanding manner. Beyond our deep gratitude, the people at Evotec deserve our trust and confidence to deliver on their mission. I appreciate your continued recognition of our valuable contribution to society.

I look forward to staying closely connected with you also in 2023/2024 and I am eager to learn from your feedback as an enabler of our evolution. On behalf of the entire Supervisory Board I would like to thank you for your continued support, engagement and investment in Evotec.

Prof. Dr Iris Löw-Friedrich

Chairperson of the Supervisory Board