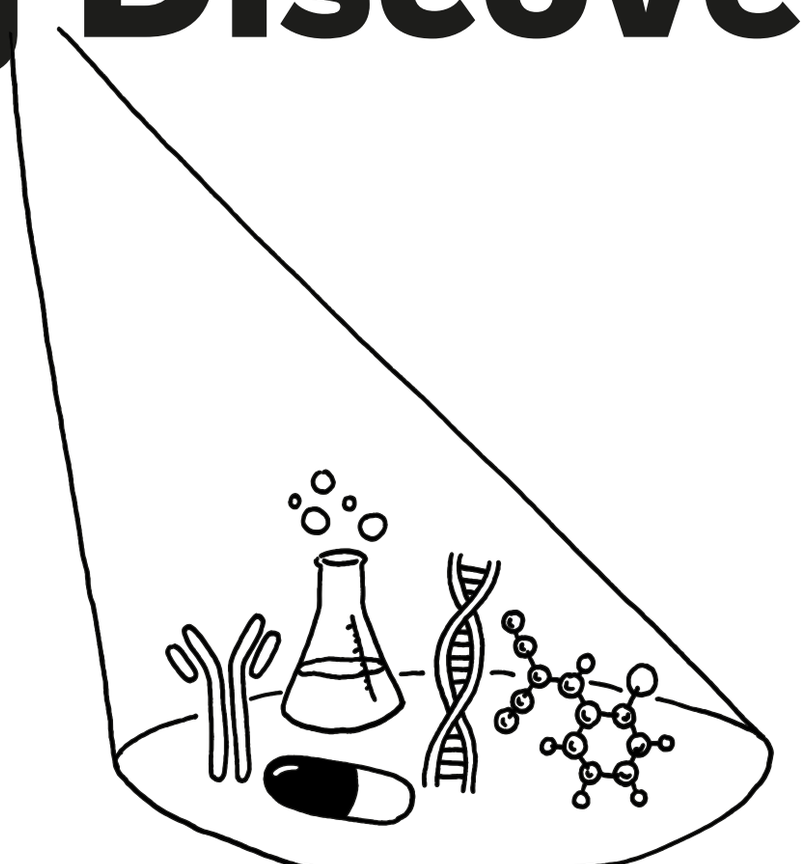
evotec

#RESEARCHNEVERSTOPS

ANNUAL REPORT 2024

Pioneering Drug Discovery



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Evotec's Annual Report 2024 published on 17 April 2025 containing the Consolidated financial statements is available in English and German.

Forward-looking statements

Information set forth in this annual report 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 report. 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.

For further information on Evotec, please be invited to visit our website at www.evotec.com. You can also contact us by email: investorrelations@evotec.com.

Dr Christian Wojczewski
Chief Executive Officer

Dear Shareholders *and* Friends of Evotec,

When I arrived at Evotec at the beginning of July, I was impressed as of Day One about the passion and quality of our people, the world-class science and technology, and the exciting customer feedback. Those outstanding parameters are the basis for our work and our sustainable success. The fundamentals are intact.

At the same time, we are currently navigating through challenging times. Our response to these challenges has been swift, forceful and determined. Whilst we are resetting our priorities towards profitable growth, we initiated a strategic review to re-position Evotec for the future. I would like to thank Dr Mario Polywka, who took responsibility for the company at an important turning point earlier in 2024. I am particularly grateful to the dedicated team around him for taking decisions that were not easy. Our people at Evotec stand for scientific excellence, but equally for great dedication and energy. They took on the task to navigate through our current market environment; a sharp contrast to the previous decade of dynamic, fast growing revenues.

It is now the time to set the course for the next successful era. Our purpose is clear: Evotec is unleashing innovation to develop life-changing medicines. We are pioneers in drug discovery and development, leveraging cutting-edge technology, disruptive science, and AI-driven innovation.

Together with our partners, we accelerate the journey from concept to cure. On our path forward, and in order to achieve our ambitious goals, we will now be pairing scientific with operational excellence.

We invite you to open with us the next chapter of a successful growth journey at Evotec and I want to thank you for your trust and support.

Sincerely,
Dr Christian Wojczewski

OUR PEOPLE CREATE OUR SUCCESS

88
Nationalities

4,827
Employees worldwide

3,880
Scientists

>64%
Employees with academic qualification

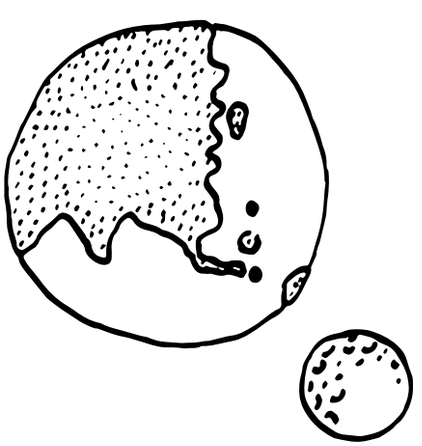
54.7%
Share of women

34.0%
Share of women in management positions

OUR OFFERING CLOSE TO PHARMA, BIOTECH AND ACADEMIA (AS OF 31 DECEMBER 2024)

USA

▶ **Branford, Princeton, Redmond, Seattle, Watertown, *USA***
~ 704 employees
- Hit identification
- Cell & protein production
- ADME-Tox, DMPK (Cyprotex)
- Sample management
- Biologics design, development, and production (Just – Evotec Biologics)
- J.POD
- J.HAL



EUROPA

▶ **Hamburg (HQ), Goettingen, Cologne, Munich, *Germany***
~ 1,257 employees
- Hit identification and Biophysics
- *In vitro* & *in vivo* biology
- PanOmics & PanHunter: Genomics, Transcriptomics & Proteomics
- E.MPD
- Biomarker discovery and validation
- Cell production
- iPSC
- Antibody discovery
- Cell Therapy
- (clinical and commercial) drug substance manufacturing

▶ **Lyon, Toulouse, *France***
~ 1,057 employees
- Sample management
- Hit identification
- *In vitro* & *in vivo* oncology
- ADME & PK
- Cell, protein & antibody production
- Proteomics & Metabolomics
- Anti-infective research and platforms
- J.POD (start of operation in 2025)

▶ **Verona, Medolla, *Italy***
~ 876 employees
- *In vitro* & *in vivo* biology
- Medicinal chemistry
- ADME-Tox, DMPK
- Biomarker discovery and validation
- INDiGO and INDiGO-Select
- Integrated CMC
- cGMP cell therapy manufacturing

▶ **Orth/Donau, *Austria***
~ 4 employees
- Rare diseases

UK

▶ **Abingdon, Alderley Park, *UK***
~ 929 employees
- Medicinal chemistry
- ADME-Tox, DMPK (Cyprotex)
- Protein sciences and production
- Structural biology and SBDD
- *In-silico*-design
- *In vitro* & *in vivo* anti-infective platform/screening
- Process development
- CMC and Commercial manufacture
- Pre-formulation

JAPAN

▶ Sales representative office

€ 50.8 m

R&D Expenses

OUR SPIRIT OF INNOVATION

€ 729.4 m

Capex investments over the last 5 years

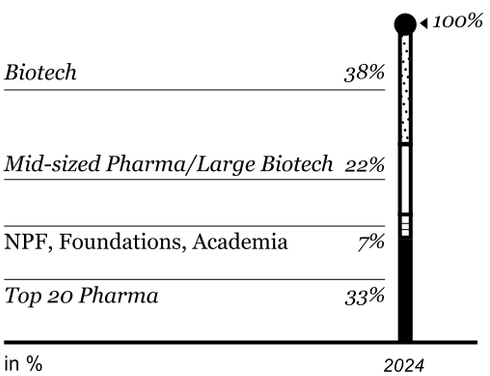
>10

Precision platforms capable of generating multiple projects

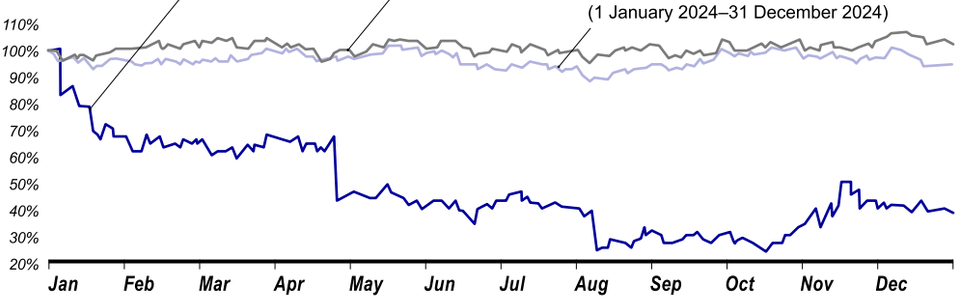
11

Current projects with Academia and biotech partners (BRIDGE)

THIRD PARTY REVENUES BY CUSTOMER TYPE 2024



PERFORMANCE OF THE EVOTEC SE SHARE (INDEXED)
(1 January 2024–31 December 2024)
PERFORMANCE OF THE TecDAX (INDEXED)
(1 January 2024–31 December 2024)
PERFORMANCE OF THE MDAX (INDEXED)
(1 January 2024–31 December 2024)



292

New customers during 2024

75

Active partnered projects

45

Projects eligible for partnering in the future

1) Headcount as of 31 December 2024 excluding leavers

OUR PARTNERSHIPS

94%

Repeat business

31

Equity participations in breakthrough company formations

849

Alliances 2024

The Evotec share

2024

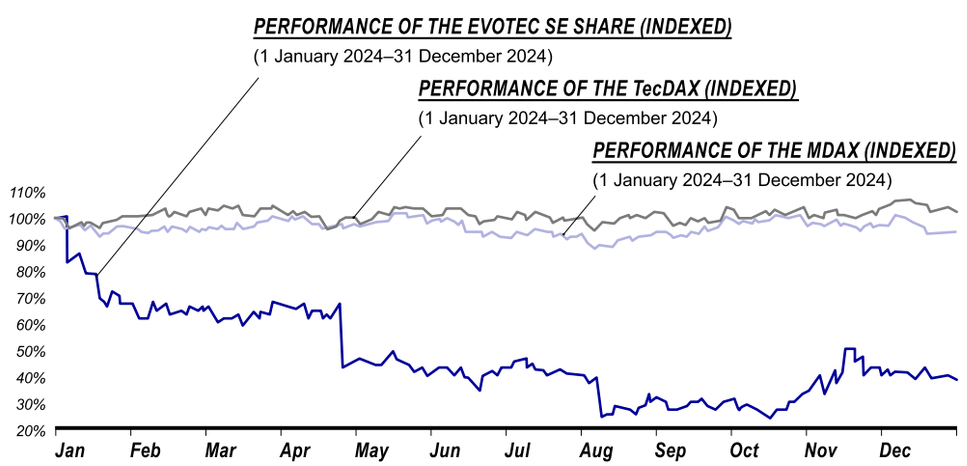
was a challenging year on the global financial markets for Evotec and all its shareholders. Several factors weighed heavily on Evotec's share price - in particular the ad hoc transition in the CEO position in the beginning of the year and the reduction of the outlook for the financial year 2024 on 6 August. An additional factor was a soft market environment for outsourced early-stage R&D.

Sell-side analysts covering Evotec reflected the events in their reports and adjusted the models and price targets accordingly. At the end of 2024, the average target price stood at € 12.58, compared to € 25.46 in December 2023. The number of analysts covering Evotec has decreased from 15 to 13, due to capacity reallocations at two addresses. Of the 13 analyst recommendations on Evotec shares at the end of December 2024 were seven positive, two neutral and four negative.

Performance of the Evotec share in 2024

The Evotec share started the year at € 21.28 and closed on 30 December 2024 at € 8.20, underperforming the benchmark indices (TecDAX +2%) and the MDAX (-6%) with a decline of 61%. Throughout 2024, the share price experienced a significant decrease, related to the events mentioned above. The departure of the former CEO on 3 January 2024 triggered a sharp share price correction that was completed on 12 February at a price of € 14.22. Supported by news related to operating progress, the share price stabilized at that level during March 2024. On 24 April 2024, following the announcement of the business figures for 2023 and the release of plans to refocus the business, Evotec recorded a further drop in its share price to € 9.34.

The announcement by Evotec and Sandoz to expand their technology partnership for the development and commercial manufacturing of biosimilars as well as the release on a multi-year master research collaboration with Pfizer caused a moderate recovery in early July. Although the company announced progress in its neuroscience and protein degradation partnerships with BMS as well as the Grand opening of the second J.POD facility in Toulouse, France, shares recorded the trough at € 5.27 on 15 October 2024. Since then, the share price increased by +60% until year end. Evotec's average daily trading volume for all German stock exchanges amounted to 1,394,102 shares in 2024 compared to 428,679 shares in 2023. As part of the regular review of the index composition, Evotec SE was included in the SDAX by Deutsche Börse with effect from 23 September 2024. The main reason was the decrease in market capitalisation based on free float compared to other companies. The temporary relegation to small cap Index led to a turnover of 23,042,111 shares on 20 September 2024. Same applies for the day before Evotec's re-entry to MDAX with another turnover of 22,513,749 on 20 December 2024. Overall, average volume was even slightly higher during 3 months in SDAX, amounting to 1,699,774 traded shares.



Trading at NASDAQ in 2024

Evotec's 22,995,000 American Depositary Shares ("ADS") are listed since 3 November 2021 at Nasdaq in New York – each representing one-half of one ordinary share.

The NASDAQ Composite Index enjoyed significant growth in 2024 (38%), as did the NASDAQ Biotechnology index (2%), which is of relevance to Evotec. In contrast, Evotec's ADS have lost a lot of their dynamism by the end of 2024 (-62%).

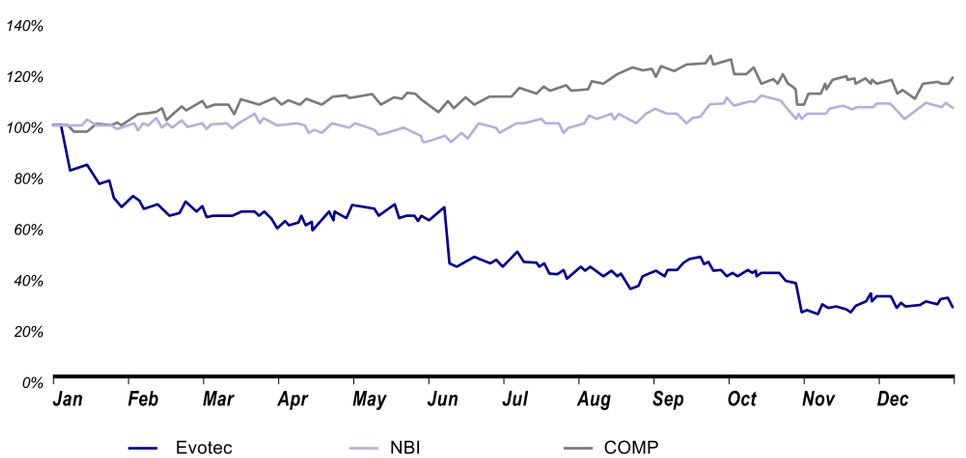
Evotec's share capital

Evotec did not issue new shares that were unrelated to stock options in 2024. The exercise of 367.720 stock options and share performance awards resulted in an increase in the number of Evotec's registered share capital 177,553,456 on 31 December 2024 (year-end 2023: 177,185,736). The increase corresponds to a negligible dilution of 0.3%. In 2024, no stock options were serviced of treasury shares. As of 31 December 2024, a total of 167.415 shares remained from a trust agreement terminated in 2012.

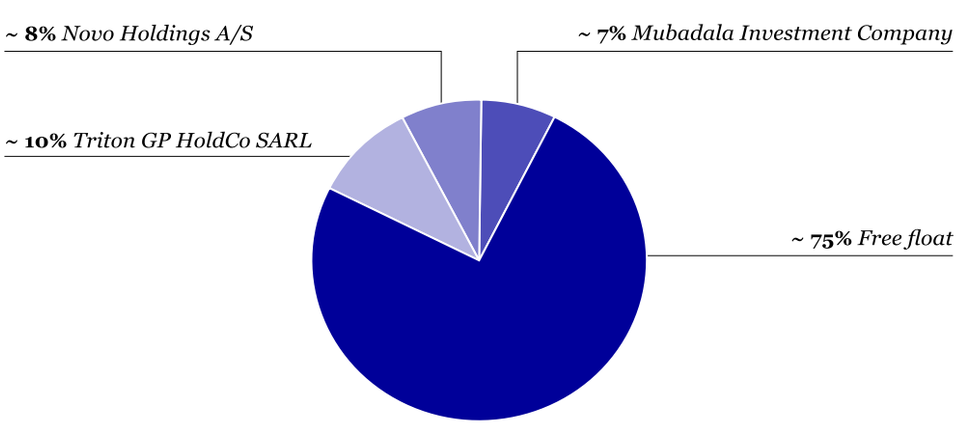
Shareholder structure

When certain thresholds related to voting rights are reached or crossed, the respective shareholders are required to inform the issuer of the shares and the Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht – BaFin) and since November 2021 the Securities and Exchange Commission ("SEC") as well. According to the voting rights notifications received by 31 December 2024, the following persons and institutions, excluding shares held via instruments, had exceeded the 5% threshold: Triton GP HoldCo SARL held 9.99%, Novo Holdings A/S held an interest of 8.4%, and the government of Abu Dhabi (Mubadala Investment Company) held 6.6%. Free float as of 31 December 2024 therefore was approximately 75.0%.

TRADING AT NASDAQ IN 2024



SHAREHOLDER STRUCTURE AS OF 31 DECEMBER 2024 [1)]



[1)] *Shareholdings excluding interest held through instruments*

Annual General Meeting 2024

Evotec held its Ordinary Annual General Meeting on 10 June 2024, the AGM again was held as an in-person event for the first time since 2019. 58.18% of Evotec's share capital was represented at the AGM (2023: 67.68%) and Evotec's shareholders approved with the required majority all proposals put to vote by the Company's management.

Investor Relations and ESG @ Evotec

For further information on Evotec and its Investor Relations ("IR") and Environmental, Social and Governance ("ESG") activities, please visit the IR & ESG section of Evotec's website. A continuous dialogue with the capital market participants is an essential part of the Company's philosophy. Please contact the Investor Relations and ESG team for any questions or suggestions.

SHARE DATA

	Frankfurt Stock Exchange	*NASDAQ New York*
Ticker symbol	EVT	EVO
Securities identification number	566480	
ISIN	DE0005664809	US30050E1055
Reuters XETRA symbol	EVTG.DE	
Bloomberg symbol	EVT GY Equity	
Market segment	Prime Standard	Global Select Market
Index	TecDAX, MDAX, STOXX Europe 600	
Designated Sponsor	ODDO BHF Corporates & Markets AG	

KEY FIGURES PER SHARE

	Frankfurt Stock Exchange (EVT)		*NASDAQ New York (EVO)*
	2024	*2023*	*2024*
High	€ 21.42	€ 24.24	$ 10.62
(date)	(3 January)	(25 July)	(1 January)
Low	€ 5.63	€ 15.28	$ 2.66
(date)	(15 October)	(2 January)	(15 October)
Opening price	€ 21.28	€ 15.28	$ 10.62
Closing price	€ 8.11	€ 21.28	$ 4.02
Weighted average number of shares outstanding	177,295,234	176,916,663	12,638,896
Total number of shares outstanding as at 31 December	177,553,456	177,185,736	355,506,912
Average daily trading volume (in shares)	1,394,102	428,679	140,437
Market capitalisation as at 31 December	€ 1.457 bn	€ 3.771 bn	$ 52.58 m
Net income per share (basic)	€ (1.11)	€ (0.47)	$ (0.44)
Net income per share (diluted)	€ (1.11)	€ (0.47)	$ (0.44)

FINANCIAL CALENDAR 2025

17 April 2025	Annual Report/20-F 2024
06 May 2025	Quarterly Statement Q1 2025
03 June 2025	Annual General Meeting 2025
13 August 2025	Half-year 2025 Interim Report
05 November 2025	Quarterly Statement 9M 2025

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Prof Dr Iris Löw-Friedrich
Chairwoman of the Supervisory Board

Supervisory *Board Report*

As required by the German Stock Corporation Act, Evotec SE has a two-tier board system consisting of Evotec's Management Board and Evotec's Supervisory Board. The Management Board is responsible for managing Evotec and representing the Company in its dealings with third parties, while the Supervisory Board appoints and dismisses the members of Evotec's Management Board and oversees the management of the Company. German law prohibits the Supervisory Board from making operational management decisions. The two boards, however, work closely together to achieve long-term and sustainable growth for the Company and to create shareholder value. They agree on the Company's strategy and on business transactions that are significant.

Evotec's Supervisory Board consists of six members – as provided in the current Articles of Association – all of whom are elected by the shareholders with a simple majority of the votes cast at an Annual General Meeting ("AGM"). The proposal to the AGM is carried out in accordance with the German Corporate Governance Code's recommendations. Regardless of gender, nationality or age, members are appointed based on their qualifications, work experience, independence and diversity. The six current members of Evotec's Supervisory Board were all lastly elected at the AGM 2024. The new Supervisory Board members Dr Duncan McHale and Wesley Wheeler have been initially elected for a term of office of two years, while the re-elected Supervisory Board members have been elected for a three-year term of office, except for the Chairperson Prof Dr Iris Löw-Friedrich who has been re-elected for a term of office of two years to allow for a coordinated succession after reaching the maximum tenure of 12 years.

The Company provides training sessions with the Management Board and a relevant set of on-boarding materials regarding the essence of the Evotec businesses, statutory documents, policies, rules of procedures etc. for each new Supervisory Board member which is also accessible to each member in a virtual Board room.

The Supervisory Board appoints a Chairperson and one Vice Chairperson from among its members. Prof. Dr Iris Löw-Friedrich is elected Chairperson of the Supervisory Board, and Roland Sackers is elected as Vice Chairperson. During 2025 the Supervisory Board will start the succession planning process for its Chairperson to allow for a coordinated succession after Prof Dr Löw-Friedrich will reach the maximum tenure of 12 years at the AGM 2026.

The Supervisory Board has determined concrete objectives regarding its composition and competencies and prepared a profile of skills and expertise reflecting the company-specific situation. These objectives and skills profiles are regularly reviewed and discussed within the Supervisory Board to reflect the ongoing evolution of the Company and its further specific and unique offerings and operational activities. As a consequence, the Supervisory Board has agreed in its meeting in September 2024 on the most recent skills matrix and competency profile set out below.

SKILLS/EXPERTISE	*Iris Löw-Friedrich (Chair; RemCom Chair)*	*Roland Sackers (Deputy Chair; ACC Chair)*	*Camilla Macapili Languille*	*Constanze Ulmer-Eilfort (ESG Chair)*	*Wesley Wheeler*	*Duncan McHale*
Independent Supervisory Board members (Chairman, ACC Chair, RemCom Chair; majority of total members)	X[1]	X	X[2]	X	X	X
Research & Development	X	–	–	–	–	X
Biologics Manufacturing	–	–	X	–	X	–
Biopharma	X	–	X	–	X	X
Small Biotech	–	–	X	–	X	X
Pharma Services	X	X	X	–	–	X
Commercial / B2B	–	–	–	–	X	–
M&A / Partnering	–	–	X	X	X	X
Capital Markets	X	X	X	–	–	–
Accounting / P&L / Risk Management	X	X[3,4]	X[4]	–	–	–
Auditing & Sustainability Reporting	X	X[3,4]	–	X	–	–
Digitization	X	X	–	–	–	–
IT and Cybersecurity	–	X	–	–	–	–
General Management	X	X	X	X	X	X
Legal & Compliance	–	X	–	X	–	–
Environment and Sustainability	X	X	X	X	–	–
Social and HR	–	X	–	X	–	–
Governance	X	X	X	X	X	X
Age of Supervisory Board candidate does not exceed 72 years at the time of the proposal	X (1960)	X (1968)	X (1983)	X (1962)	X (1956)	X (1966)
Nationality	German	German	Canadian	German	US	British
Regional experience in EU, USA, Asia	EU, USA, Asia	EU, USA	EU, USA, MENA	EU	USA	EU, USA
Female Supervisory Board members (at least 30%)	X	–	X	X	–	–

[1] Former Management Board Member of UCB until July 2024: The business relationship with UCB as a customer of Evotec is considered immaterial (~0.5% of 2022 group revenue)
[2] Head of Life Sciences of Mubadala Investment Company: Mubadala Investment Company holds ~7% of Evotec's shares but does not have control as defined in C.9 of GCGC
[3] Experience in audit and accounting
[4] Experience in accounting

In addition, the Supervisory Board decided to keep the age limit of 72 years at the time of the (re-)election. The gender quota shall remain at a share of women of 30%. Finally, the Supervisory Board has agreed to a rule membership of a maximum of 12 years. Overall, the Supervisory Board shall remain composed in such a way that the majority of its members are independent, including the Chairperson and Chairpersons of Audit & Compliance Committee and Remuneration & Nomination Committee and that its members as a group possess the knowledge, ability and expert experience required to properly complete its tasks.

Currently, the composition of Evotec's Supervisory Board fulfils all those objectives: All members have an extensive international professional background from working in numerous internationally operating companies. All members are considered as independent following the two-dimensional evaluation criteria of the German Corporate Governance Code, three nationalities are represented and there are three female members. Evotec's aspiration of "diversity of thoughts" is ensured by composing internationally experienced Management and Supervisory Boards with broad and complementary skill sets.

Prof. Dr Löw-Friedrich is also to be regarded as independent within the meaning of recommendation C.7 of the German Corporate Governance Code in its current version as of 28 April 2022. Until the end of June 2024 Prof. Dr Löw-Friedrich was a member of the Executive Committee of UCB S.A. which is an Evotec customer. Evotec Group's turnover with the UCB Group is only about 0.5% of the total turnover of the Evotec Group, so that no material business relationship between Evotec and UCB within the meaning of recommendation C.7 is to be assumed. Moreover, Iris Löw-Friedrich was responsible at UCB's Management Board for world-wide clinical development and life-cycle of marketed products but not for discovery research and pre-clinical development and manufacturing which are the only subjects of the services provided by Evotec to UCB. Since these services are not of significant business value, they are neither discussed within the UCB Executive Committee nor Evotec's Supervisory Board.

Furthermore and notwithstanding Section C.5 of the German Corporate Governance Code, Prof. Dr Iris Löw-Friedrich also has a seat in the Supervisory Board of Fresenius SE & Co. KGaA. However, Iris Löw-Friedrich always devoted sufficient time to perform her function, including attendance to all board and committee meetings (100%). She is running regular biweekly informal Supervisory Board calls, has regular biweekly calls with the CEO, as well as interactions with other members of the Management Board on an as-needed basis. She is also meeting with members of the n-1 leadership level, in groups and individually. Annual comprehensive governance roadshows with investors have enriched the mutual exchange and feedback loops. In summary, she is available to meet with internal and external stakeholders and has plausibly demonstrated that this will also be the case in the future. Information on the professional affiliations of Supervisory Board members can be found on page 116.

Despite her position as Deputy CEO of Direct Investments for Mubadala Investment Company, Camilla Macapili Languille is to be considered an independent Supervisory Board member. Mubadala Investment Company holds approx. 7% of Evotec SE's voting shares and, thus, has a material interest in Evotec SE within the meaning of section C.13 of the German Corporate Governance Code. Nevertheless, Mubadala Investment Company is not a controlling shareholder within the meaning of section C.9 of the German Corporate Governance Code. A shareholder's (and thus also Ms Macapili Languille's) dependency would exist if a controlling agreement existed with the shareholder, the shareholder held an absolute majority of the voting rights or at least a sustainable majority at the Annual General Meeting. A voting share of 7% does not constitute a sustainable majority at the Annual General Meeting in favour of Mubadala Investment Company and, therefore, neither a conflict of interest that is not merely temporary, nor a dependency due to de facto majorities of voting rights, especially since the number of validly cast votes at past general meetings regularly amounted to significantly more than 40% of the share capital.

A significant proportion of the Supervisory Board's work is conducted in committees. Pursuant to the German Stock Corporation Act and the recommendations of the German Corporate Governance Code, Evotec's Supervisory Board has established an Audit & Compliance Committee as well as a Remuneration and Nomination Committee and an ESG Committee from among its members.

Evotec's Audit & Compliance Committee, comprising three members, supports the Supervisory Board in independently monitoring the Company's financial reporting activities and in auditing reports. In particular, the Audit & Compliance Committee reviews the Company's accounting processes, the effectiveness of the internal control system and the audit of the financial statements. In addition, it discusses the quarterly and half-year reports with the Management Board as well as its risk management and IT security systems as well as the Company's compliance management systems. Within the scope of the audit of the financial statements commissioned by the Supervisory Board, the Audit & Compliance Committee also reviews possible transactions with related parties. Moreover, the Audit & Compliance Committee also discusses certain steps and procedures of the audit with the appointed auditing firm, including the auditors' independence, quality, the additional services rendered by the auditor, the issuing of the audit mandate to the auditing firm, the determination of auditing focal points, the fee agreement and compliance issues. The Audit & Compliance Committee exchanges information regularly with the auditor as part of the preparation and implementation of the audit without the Management Board.

The members of the Audit Committee possess the required skills and experience. As a Chief Financial Officer, the Audit Committee's Chairperson Roland Sackers is not only independent, but also has the required specialist knowledge and experience in the application of accounting principles, internal control processes and audit, including sustainability reporting and its audit and assurance. Roland Sackers' expertise in the field of accounting includes special knowledge and experience in the application of accounting

principles and internal control and risk management systems, and his expertise in the field of auditing includes special knowledge and experience in the auditing of financial statements. Following Dr Mario Polywka's assignment as interim CEO in January 2024, Camilla Macapili Languille has joined the Audit and Compliance Committee. As per her role in Mubadala Investment Company and her professional background, Camilla Macapili Languille also has expertise in the field of accounting, internal control and risk management systems. Neither the Chairperson of the Supervisory Board nor a former member of the Management Board may become Chairperson of the Audit and Compliance Committee. Evotec's Audit and Compliance Committee Charter can be found on the Company's website under https://www.evotec.com/en/investor-relations/governance.

The main duties and responsibilities of the Company's Remuneration and Nomination Committee are to prepare the appointment of Management Board members and to prepare recommendations concerning their remuneration system and Share Performance Plan. The Remuneration and Nomination Committee also prepares the succession planning for both Management Board and Supervisory Board. Final decisions are made by the full Supervisory Board. The Articles of the Remuneration and Nomination Committee can be viewed on the Company's website under the link https://www.evotec.com/en/investor-relations/governance.

Considering the increased importance of Environmental, Social and Governance (ESG) aspects in a corporate and global environment, Evotec's Supervisory Board has formed an ESG Committee in 2022. The ESG Committee consists of a minimum of two members from the Supervisory Board and is supported by the Head of Global Investor Relations & ESG. Together with the Management Board, the ESG Committee defines the priorities of Evotec with respect to environment, people and governance on a rolling basis, and is advising on and monitoring the implementation of such priorities. Evotec's ESG Committee Charter can be found on the Company's website under https://www.evotec.com/en/investor-relations/governance.
Each of the committees regularly report at the Supervisory Board meetings about recent meetings and discussions.

Members of all three committees are appointed in accordance with the Code. For detailed information about the composition of the Supervisory Board and its committees during fiscal year 2024, please find the table below:

		Audit & Compliance Committee	***Remuneration & Nomination Committee***	***ESG Committee***
Tasks		Supports the Supervisory Board in independently monitoring the Company's financial reporting activities and in audit reports. Scrutinises the Company's accounting processes, the effectiveness of the internal control system as well as its risk management and compliance management systems.	Prepares the appointment of Management Board members and to prepare recommend-dations concerning their remuneration system and the grants of Share Performance Awards.	Together with the Management Board, the ESG Committee defines the priorities of Company with respect to environment, people, and governance on a rolling basis, and is advising on and monitoring the implemen-tation of such priorities.
Members	Prof. Dr Iris Löw-Friedrich (Chairperson)	–	X (Chair)	–*
	Roland Sackers (Vice-Chairperson)	X (Chair)	X	–
	Camilla Macapili Languille	X	–	–
	Dr Duncan McHale	–	–	X
	Dr Constanze Ulmer-Eilfort	X	–	X (Chair)
	Wesley Wheeler	–	X	–

* Iris Löw-Friedrich is permanent guest to ESG Committee after resignation from Camilla Macapili Languille following her appointment to the ACC

In the course of 2024, the Supervisory Board held four formal meetings to discuss the operational and strategic developments of the Evotec Group and eight extraordinary meetings to discuss certain matters of urgency such as the circumstances around the leave of the former CEO at the beginning of 2024 or more recently the non-binding proposal to acquire all shares in the Company made by Halozyme

Therapeutics. The Audit Committee convened separately for seven meetings, the Remuneration and Nomination Committee convened for two meetings, and the ESG Committee convened for three meetings. The ordinary meetings of the full Supervisory Board, and its Committees were principally held in person. However, both ordinary and extraordinary meetings can also be held per videoconference in case of scheduling and/or travel problems. Regularly, the Supervisory Board met in closed session without the Management Board.

The individual participation of the Supervisory Board members in 2024 in meetings of the Supervisory Board of Evotec SE and its committees was as follows:

Supervisory Board member	*Member since*	*SB Meetings*	*ACC*	*RemCom*	*ESG Committee*	*Total Presence*
Prof. Dr Iris Löw-Friedrich (Chairperson)	2014	12/12	–	2/2	–	100%
Roland Sackers (Vice-Chairperson)	2019	11/12	7/7	2/2	–	95%
Camilla Macapili Languille	2022	12/12	7/7	–	2/3**	100%**
Dr Duncan McHale	2024	4/4	–	–	1/3**	100%**
Dr Constanze Ulmer-Eilfort	2021	11/12	7/7	–	3/3	94%
Wesley Wheeler*	2024	4/4	–	0/0	–	100%

* Joined RemCom after AGM (no RemCom meetings in H2 2024)
** Transition of membership from Camilla Macapili Languille to Duncan McHale after AGM

At each of the four formal Supervisory Board meeting, the status of the Company's business, its scientific initiatives, its development partnerships, out-licensing activities and regular standard agenda items were discussed. The Supervisory Board is also regularly updated about Evotec's R&D portfolio, including in-depth discussions with the Chief Scientific Officer.

In particular, the Supervisory Board addressed the following specific subjects in detail during its meetings:

– In January 2024, the Supervisory Board discussed and approved in an extraordinary call the early termination of the service contract with its CEO Dr Werner Lanthaler following certain undisclosed director's dealings in the previous years. In a further extraordinary call, the Supervisory Board discussed the analyst feedback following the departure of Dr Lanthaler as well as the projected landing for Financial Year 2023 and the Budget 2024.

– In March 2024, the Supervisory Board was updated on the revised timelines for Closing Financial Year 2023 and the potential landing. The Supervisory Board was also presented with an update on key projects. It discussed the current profitability challenges of the Company and potential responses including certain costs savings and efficiency initiatives. In a meeting of the Remuneration Committee the ongoing searches for a new CEO as well as a Chief People Officer were discussed. The progress was reported to the full Supervisory Board in early April 2024.

– In a second meeting in April 2024, the Supervisory Board discussed and approved the 2023 annual financial statements and the guidance for the fiscal year 2024 in the presence of the auditors and approved the achievement of Corporate Objectives for 2023 and the bonus payments for the Management Board members for their performance in 2023. As part thereof the Remuneration Report for 2023 was prepared and approved by the Supervisory Board. The sustainability report for Evotec SE and the Group was also approved. The long term incentive ("LTI") grants to the Management Board members were approved in a circular resolution in March 2024.

– In May 2024, the Supervisory Board partially redefined the Corporate Objectives 2024 since the forecast for 2024 as published on 24 April 2024, had differed significantly from the forecast originally used in December 2023 for the Corporate Objectives 2024. After careful consideration, the Supervisory Board decided on this step to maintain the incentivisation effect of the variable annual remuneration and an adequate performance measurement in the light of the significantly changed factors. The measure also serves the alignment of interests of investors and members of the Management Board which is

the foundation for the sustainable and long-term corporate success. The Supervisory Board also monitored and discussed the progress made on the cost savings measures and efficiency initiatives. Finally, following the share price drop after the announcement of the financial results 2023 and the Guidance for 2024, the Company was confronted with rumors about potential activities from private equity. Together with selected investment banks the Supervisory Board and the Management Board analyzed the situation.

– At the meeting in June 2024, the Supervisory Board had its constituting meeting following the Annual General Meeting. The Supervisory Board received a deep-dive update on the Company's activities to recover from the cyber-attack and a cyber security training by Evotec's CISO (Chief Information Security Officer) together with external experts. This was followed by a business and financial update together with an update on the cost savings program.

– At its meeting in September 2024, the Supervisory Board discussed the operational business of the Company together with a forecast on year-end landing. It also followed up on the cost savings measures. Furthermore, the new CEO gave an impression on his first two months in the Company and his plans for a strategy review and transformation program which had been recently kicked off with implementation expected as of Q2 2025.

– In another extraordinary Supervisory Board call in November 2024, the Supervisory Board was updated on a non-binding proposal by Halozyme Therapeutics to acquire all shares in the Company. Together with the Management Board as well as legal and financial advisors the offer was evaluated to form a Company position. Halozyme unexpectedly withdrew its offer within a week and before the Company completed its internal evaluation process.

– In December 2024, the Supervisory Board discussed and approved the budget for the fiscal year 2025. Updates on business development and the financial performance as well as the progress of the cost savings initiatives were provided. The Supervisory Board further discussed Corporate Governance matters, including the revised Management Board Rules of Procedure following recent changes in the Management Board as well as the format of the AGM 2025. Governance and Compliance are regular topics of the Supervisory Board meeting and lead to the annual announcement of the Corporate Governance declaration in December. The Supervisory Board discussed the performance of the Company in 2024 and the objectives for 2025. The discussion on Strategy continued and certain divestments in the EVOequity portfolio were approved.

In all ordinary meetings the Supervisory Board Committees reported from their activities as a standing agenda item.

The Supervisory Board passed resolutions on all individual measures taken by the Management Board which by law or the Statutes required the approval of the Supervisory Board.

The Management Board also provided continuous updates to the Supervisory Board through regular verbal and written reports that included in-depth analyses on the status of operations. The information provided included written monthly management reports with extensive coverage of the Company's financial figures for the previous month, accompanied by detailed comments and explanatory text. In addition, the Chairperson of the Supervisory Board and the CEO as well as other members of the Management and Supervisory Board monitored and discussed current topics such as strategy, planning, risk management and compliance management systems during numerous conference calls, held whenever appropriate.

Furthermore, in January and February 2024 the Supervisory Board Chair together with the Head of Global IR & ESG and the Global Head of Legal & Compliance of the Company conducted a Governance Roadshow where several investors and proxy advisors were met in individual virtual meetings to discuss the vote outcomes of the previous general meeting, ESG strategy, the implementation of the revised remuneration policy as well as the composition of the Supervisory Board. In these meetings, the Chairperson provided a strategic outlook and an overview on topics relevant for the Supervisory Board and ESG-related focus areas. In addition, the revised Management Board remuneration system was explained to collect the investors' and proxy advisors' feedback prior to seeking approval of the Company's remuneration report at the Annual General Meeting.

Outside the roadshow, the Supervisory Board Chair is also available to discuss Supervisory Board-related issues with investors.

The financial statements and the Management Report for Evotec SE for the fiscal year 2023 as well as the Consolidated Financial Statements together with the consolidated Management Report of the Evotec Group were audited by BDO AG Wirtschaftsprüfungsgesellschaft, Frankfurt. BDO is auditing Evotec since fiscal year 2021. The managing auditors of BDO for the Evotec Group are Silvia Sartori/Julia Wirth who have been newly appointed from fiscal year 2023 audit. The auditors issued an unqualified audit opinion.

In preparation for the Supervisory Board meeting on 14 April 2025, the auditors presented the status of the 2024 audit, a summary of key audit findings and other relevant topics to the Audit and Compliance Committee. The Audit and Compliance Committee used this information as guidance for its own evaluation of the statements and reports. The auditors participated in the meeting of the full Supervisory Board in April 2025 and presented a comprehensive report on the audit and their observations, including the Company's compliance and risk management system. The Supervisory Board examined both the financial statements and the Consolidated Financial Statements prepared by the Management Board based on its own judgment, taking into account the Audit Committee's input as well as information on key topics provided by the auditors. Following this, the Supervisory Board approved the financial statements of Evotec SE and the Consolidated Financial Statements for the year 2024. Evotec issued a separate Sustainability Report and a Declaration on Corporate Management in accordance with section 315b and section 315d in conjunction with sections 289b to 289f German Commercial Code (HGB) for fiscal year 2024. The Supervisory Board examined these

reports on the basis of a preliminary review by the Audit Committee and had no objections to the reports.

The Supervisory Board regularly performs a self-evaluation of its efficiency and working mode. In 2022, the evaluation was for the first time facilitated by external advisors who collected detailed input by interviewing each Supervisory Board member, each Management Board member and some key stakeholders. The external advisors analysed the collected feedback and provided a summary to the Chairperson and the full Supervisory Board which was then discussed among the full Supervisory Board in a full day workshop facilitated by the external advisors. The results of the assessment confirmed a professional and constructive cooperation within the Supervisory Board and with the Management Board based on trust and openness. The composition and the structure of the Supervisory Board, including the committee structure and meeting organisation were confirmed and generally appropriate.

In a half-day workshop in September 2024 the Supervisory Board reviewed the conclusions from the 2022 assessment and confirmed them as still valid. The Supervisory Board also identified further areas for improvement, such as meeting preparation rules as well as alternating meetings at the various sites of the Company for better interactions with the senior leadership team. Finally, the Supervisory Board refined its competency and skills profile as outlined above. The Supervisory Board will decide on a case-by-case basis whether any of the next efficiency testing should be supported by an external facilitator.

The Supervisory Board was not informed about any potential conflict of interest among its members in the course of 2024.

The year 2024 was another difficult and demanding year for Evotec and its stakeholders, including shareholders, customers and employees. Just recovering from the cyber-attack in 2023, the year started with significant changes in the Management Board followed by a global efficiency program and continuous headwinds to the business. The non-binding proposal to acquire the Company which was withdrawn shortly thereafter contributed to the challenges. Under these strenuous circumstances, the people of Evotec remained committed and dedicated to solving scientific problems for our customers, with the depth and creativity that are unique to Evotec. The performance and resilience of all the people who are Evotec has been truly remarkable and impressive. The Supervisory Board is deeply grateful to the Company's employees and to the Management Board for their devotion and steadfastness and for the important work done in the year under review: Thank you very much!

We wish the entire company a successful year 2025 with the implementation of a refined and focused strategy and the consequential transformation of the company under the leadership of an experienced Management Team that has been specifically strengthened to lead the transformation towards profitable growth.

Hamburg, 14 April 2025

The Supervisory Board
Prof. Dr Iris Löw-Friedrich

Combined Management Report

'24

Combined Management Report

The combined management report relates to the Evotec Group (Group management report) as well as to Evotec SE. The reporting period covers the period from 1 January to 31 December 2024. The presentation of the business development, the position and the forecast of key performance indicators ("KPIs") relate to the Evotec Group (the Group), unless otherwise stated. Information which solely relates to Evotec SE is disclosed as such.

The Evotec Group

GENERAL INFORMATION ON BUSINESS AND STRATEGY

GROUP STRUCTURE

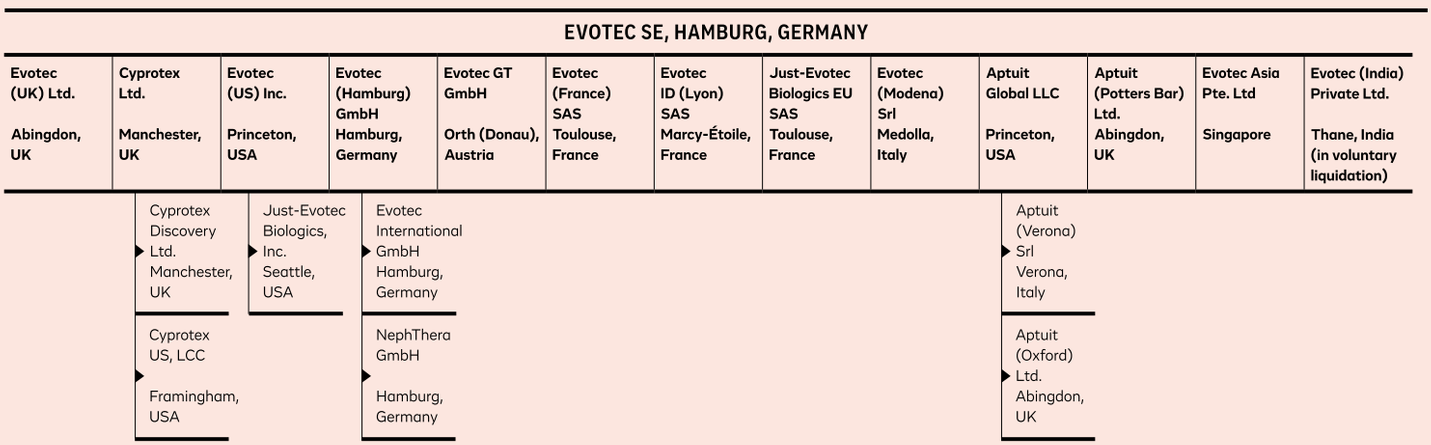
Evotec SE, headquartered in Hamburg, Germany, is the parent company of the Evotec Group, whose group structure reflects its strategic international positioning and activities.

At the start of 2024, we operated at 17 sites, including a network of five manufacturing facilities, including capacities for continuous manufacturing of biologics in the United States, in Redmond (Washington), the "J.POD" facility. In September 2024, we celebrated the Grand Opening of our second J.POD facility in Toulouse, France (Europe) which will be operational in 2025. Our Active Pharmaceutical Ingredient ("API") manufacturing capabilities are in Europe in Abingdon, United Kingdom, and Verona, Italy. We also have Good Manufacturing Practices ("GMP") manufacturing for cell therapy in Medolla, Italy.

In the first half of 2024, we announced a reset of priorities resulting in a stronger focus on profitable growth. This process triggered size and footprint adjustments and led to the exit of our gene therapy activities in Orth, Austria and Chemistry activities in Marcy / Lyon, France as well as the decision to discontinue the operation of Halle / Westphalia, Germany. Eventually, the site in Halle was sold to Monacum Partners GmbH, a Munich based Private Equity firm with closing of the transaction in early December 2024. At the end of 2024 our local footprint represented 15 sites in eight countries with 4,827 employees.[1]

MAJOR OPERATING ENTITIES[2]

as of 31 December 2024



[1] *Headcount as of 31 December 2024 without leavers*

[2] *Indirect and direct holdings*

— BUSINESS OVERVIEW —

At Evotec, we envision drug discovery, development, and manufacturing as a seamless continuum. Our ambition is to lead the way by combining comprehensive disease understanding at the molecular level with cutting-edge technologies, transforming this knowledge into precise, life-changing medicines through collaborative partnerships. We aim for reshaping the future of healthcare through providing flexible access for our partners in the pharmaceutical and biotechnology industry to our platform across the continuum of discovery, development and manufacturing.

As of 31 December 2024, more than 3,800 scientific experts cover a large range of disciplines along the Research & Development ("R&D") value chain and in a large variety of disease areas and they have gained deep knowledge of the underlying biology, molecular mechanisms, and therapeutic targets over the years. Our broad range of disease area expertise covers oncology, central nervous system (“CNS”) disorders, metabolic diseases and cardio-metabolic disorders, auto-immune, inflammatory and infectious diseases, other areas of expertise cover fibrotic and respiratory diseases, rare diseases, and animal health.

Our proprietary technologies and platforms, such as proprietary molecular patient databases, induced pluripotent stem-cell based disease modelling, high performance Omics technologies and comprehensive fully integrated platforms for drug screening, profiling and development as well as manufacturing are setting Evotec apart from competitors. We believe that we differentiate from our competition because we combine technologically leading, fully integrated drug discovery and development platforms with these cutting-edge next generation platforms across a spectrum of modalities. By sharing access to these platforms, we build customized, result-focused partnerships which can be based on standalone and/or integrated fee-for-service relationships with the goal to advance to projects of our partners in the most cost-effective and timely manner to drug candidates with highest probability of success during clinical development and in the market. Furthermore, we also build strategic partnerships where we co-create pipelines together with our partners based proprietary assets, targets, or technology platforms. The ultimate goal is to align patients’ needs with the industry’s demand for efficient R&D.

Our network of partners ranges from leading pharmaceutical companies, small and large biotechnology companies, academic institutions, patient advocacy groups and venture capitalists as well as mission-driven foundations and not-for-profit organisations.

Evotec's offering covers all areas of pre-clinical R&D from Discovery Services to Development & Manufacturing Services as well as Absorption, Distribution, Metabolism, Excretion (“ADME”)-Tox Solutions, provided by our subsidiary **Cyprotex**. Moreover, we cover the entire value chain of discovery, process development and manufacturing expertise in the field of biologics, operated by **Just – Evotec Biologics**. By sharing access to these platforms, we form result-driven partnerships to co-create potential drugs and intellectual property by leveraging our assets, targets, and propriety technology platforms together with our partners for co-development or new co-creation of therapeutics.

Artificial Intelligence ("AI") and Machine Learning (“ML”) expertise and capabilities such as deep learning and computational knowledge integration is put into use, where effective, along the entire value chain to complement the expertise of our scientists. Our platforms are specifically designed to lead to differentiated results by integration into established R&D capabilities and ultimately for the discovery of next generation precision, highly differentiated precision medicines.

Our services across the continuum can be clustered in the four areas: Discovery Services, Development & Manufacturing Services, Cyprotex ADME-Tox Solutions, and Just – Evotec Biologics, where the latter represents a separate reporting segment besides Shared R&D, which covers the first three areas. Within our service clusters, we have developed specific areas of expertise and proprietary platforms that are combined with established R&D capabilities designed to offer holistic drug discovery and development solutions.

The composition of revenues and profitability depends on the composition of services provided, the nature of the contract with our partners, the ownership of the intellectual property (i.e. the degree of integration of proprietary technologies and platforms), the stage of the project and our right to generate revenue from development success. We believe our partnership model is unique and allows us to balance and diversify the risks associated with drug discovery.

Discovery Services

Evotec's comprehensive toolbox combines established R&D capabilities and our industrialized PanOmics approach towards molecular disease understanding and iPSC disease modelling platform.

Our integrated Drug Discovery toolbox includes (selection):
- Target ID & Validation
- Hit Identification
- Structural Biology
- Molecular Design & MedChem
- In-vitro Biology
- In-vivo Pharmacology
- Biomarkers
- Bioreagents & Cellular Sciences
- Early Formulation
- Sample Management
- In-silico-design and AI/ML platforms
- Proprietary Technology platforms: PanOmics, Evotec’s Molecular Patient Databases ("E.MPD"), induced pluripotent stem cells ("iPSC") (explained in more detail below)

- **PanOmics**

  PanOmics, our multi-omics supported drug discovery platform, combines industrialized Omics data generation and AI/ML supported Omics data analysis. Built on the foundation of clinical and Omics data and on our unique analytical capabilities, the platform fundamentally improves the understanding of disease processes, disease modelling in vitro and in vivo, the identification of novel high value targets, as well as biomarker discovery and patient selection.

  The technologies in use cover the whole range of biomolecules from genes to protein to metabolites. While we are using standard

commercially available processes for genomics, we have invested massively into high-throughput and high-resolution transcriptomics, proteomics, and metabolomics methods. These methods allow us to study diseases processes on all molecular levels and yield a deeper understanding of the disease mechanisms and discovery of novel predictive biomarkers. We believe our proprietary multi-omics data generation platform, PanOmics, is industry-leading in terms of throughput, robustness, and cost efficiency, in the fields of transcriptomic and proteomic analysis.

The results often lead to the stratification of sub-populations within a broader group of patients and eventually can lead to the development of personalized therapies. This change in paradigm has increased the need for new AI/ML-based platforms, tools, and methods to better understand, interpret, and translate the vast amounts of information and data that is being generated to better understand the molecular biology, cell regulation and the pathogenesis of individual diseases. PanHunter, our integrated data analytics platform, makes the Company's Omics data available in a user-friendly manner at the enterprise level. Users can freely interact with and combine data in a modular, app-based system where results are available immediately and can be interpreted or used as input for subsequent steps. This rapid feedback is a crucial feature distinguishing PanHunter from other similar tools.

– **Evotec's Molecular Patient Databases**

The drug discovery process starts with a fundamental understanding of molecular disease processes. We believe that gaining a better insight into the molecular level of disease processes is the only way to develop disease modifying or even curative therapies. Evotec has established unique and proprietary molecular patient databases in number of disease areas including Chronic Kidney Disease ("CKD"), Immunology & Inflammation ("I&I"), and neuronal diseases. Utilizing the PanOmics data generation platforms, we conducted molecular profiling of patient tissues and samples in the database and thereby generated crucial molecular patient data required to drive precision medicine approaches in CKD. We have continuously expanded this database, which is based on data from over 12,000 CKD patients. To our knowledge, this constitutes by far the largest CKD patient molecular database worldwide and now constitutes more than six hundred billion data points.

Based on the strength of our molecular CKD patient database, we have built four partnerships in kidney diseases in the last five years with prominent pharmaceutical companies such as Bayer, Novo Nordisk, Eli Lilly, and Chinook (a Novartis company). Our collaborations are structured as multi-target agreements pursuant to which an undefined number of targets may be pursued.

While our molecular patient database in CKD is the most comprehensive set of data at this stage, we aim to advance several additional proprietary molecular patient databases in other disease areas (e.g., Metabolic and Cardiac diseases, women's health etc) by adding samples from more patients. The opportunity to derive new targets and therapies in these disease areas is tremendous, and we aim to capitalize on these databases via additional strategic alliances.

– **iPSC-based disease modelling**

The improved molecular understanding of disease processes and therefore of sub-populations of larger patient populations enables us to establish more disease relevant in vitro models especially using patient-derived disease models through iPSC technology. Combining our improved understanding of molecular disease processes in patients with iPSC-based patient derived disease models as well as high performance Omics profiling and AI/ML supported data analytics is a unique set up to seamlessly prosecute novel insights in disease biology into next generation drug discovery programs.

iPSC cell assays enable a more accurate modelling of diseases and therefore represent an alternative to animal models in profiling drug candidates at preclinical stages. Patient-derived iPSCs offer unprecedented opportunities for in vitro disease modelling and have unlocked new possibilities for the development of more efficacious and safer drugs. Since 2013, we have built an iPSC infrastructure that forms an integral part of our PanOmics-driven drug discovery platform and can be applied to a broad range of therapeutic areas. It has been created with the key goal of developing more accurate and scalable models to investigate disease aetiology and to industrialize iPSC-based drug screening in terms of throughput, reproducibility and robustness in miniaturized 384-well format.

While iPSC disease models are traditionally utilized in two-dimensional monocultures, we are also investigating next generation multi lineage technologies, such as co-cultures and organoids, to attain greater physiological relevance. Our 'clinical-trial-in-a-dish' approach allows testing of novel drug candidates on iPSC-derived models from a representative sample of human patients in a multiplexed fashion and has vast potential for multiple areas of drug discovery – from early stages of lead optimization to regulatory safety assessment.

Development & Manufacturing Services

We provide a one-stop shop for drug development and Active Pharmaceutical Ingredients ("API") manufacturing across all stages, designed to working closely together with our partners to design and execute the best strategy for rapid entry into first in human studies and further advancement into clinical supply for Phase II and Phase III studies.

– **INDiGO**

Investigational New Drug ("IND") Enabling Program - INDiGO is a fully integrated development program wherein clinical-enabling drug substance, safety assessment, clinical drug product, and regulatory activities are conducted at a single site and within a single contract, providing a fully integrated and optimally-efficient plan for IND/ clinical trial application ("CTA") submission. All these activities are governed by a project team with decades of pharmaceutical experience, and harmonized with our fully-equipped regulatory support team providing a robust, streamlined development engine with multi-disciplinary coordination to accelerate drug candidates into the clinic. Instead of single services, we offer a solution designed to materially shorten the process of bringing a new drug candidate into the clinic.

– **Fully integrated API capabilities**
Our API capabilities encompasses process chemistry, analytical, and manufacturing operations. In addition to offering integrated process R&D and analytical development services using state-of-the-art laboratory facilities and equipment, we also supply APIs for preclinical development, non-clinical use, clinical trials, and small-scale commercial supply.

– **iPSC based Cell Therapy**
We have built a fully integrated end-to-end platform to develop and manufacture off-the-shelf iPSC-based cell therapeutics. In addition, we conduct R&D to develop innovative proprietary product candidates to accelerate pipeline building with our partners. Our proprietary internal iPSC-based pre-clinical product candidate pipeline encompasses immunotherapies for cancer and autoimmune diseases, as well as regenerative therapies targeting diabetes and heart failure. Our platform integrates cutting-edge gene editing and targeting technologies, along with a GMP facility for manufacturing clinical development candidates located near Modena.

Cyprotex ADME-Tox Solutions
Cyprotex enables and enhances the prediction of human exposure, clinical efficacy and toxicological outcome of a drug or chemical. We are able to combine quality data from a comprehensive portfolio of in vitro assays with leading in silico technology and harness our extensive experience in the absorption, distribution, metabolism, excretion ("ADME")-Tox field to add value, context and relevance to the data supplied to our partners. Cyprotex serves several different industries including the pharmaceutical and biotech, personal care and cosmetics, household products, and the chemical and agrochemical industries.

The range of Cyprotex ADME-Tox Solutions encompasses:
– In vitro ADME and pharmacokinetic (“PK”)
– Integrated and standalone bioanalysis
– In-vitro and in-silico Toxicology
– Physicochemical Profiling.
– Modelling and Simulation

Just – Evotec Biologics
Just – Evotec Biologics is our advanced approach to designing, discovering, developing, and manufacturing modern bio-therapeutics. We believe that Just – Evotec Biologics positions us well to establish further significant long-term, integrated partnerships with the expansion of our solutions into highly efficient and flexible biologics manufacturing. This differentiated offering is available to our partners on a fee-for-service and/or Full-time equivalent ("FTE")-rates-based model as well as through arrangements that involve milestones and royalties.

Evotec acquired Just Biotherapeutics (subsequently renamed Just — Evotec Biologics) in 2019, which represented our entry into the large and growing market of commercial biologics and expanded our multi-modality capabilities. The founding and original concept of Just — Evotec Biologics was to create an agile, flexible, and cost-effective method of biologics discovery, development, and manufacture to enable affordable global access to modern biologics therapies. This powerful, horizontally integrated end-to-end system is called J.DESIGN.

Our full suite of capabilities from Discovery to Commercial Supply of biologics includes:
– Antibody Molecular Optimization
– Integrated Services for First-in-Human Biologics
– Development Services
– Continuous Bioprocessing Platforms
– Biomanufacturing Services
– Technology Partnerships

Because we utilize J.DESIGN throughout the entire drug discovery and development process of a biologic, by the time it reaches the manufacturing stage in any given program, we have already predicted and reduced the risk of most scaling problems that may occur. As a result, we can deliver flexible, right-sized manufacturing with faster turnaround times and without sacrificing the quality of the products. This new paradigm broadens the scope of disease areas for biologic drug candidates driven by significantly higher yields and lower costs. It will also accelerate the growth of biosimilars given cost advantages, and it makes orphan diseases more amenable to biologics despite small addressable populations. For the same reasons, smaller patient populations resulting from precision medicine-based patient stratification will also benefit.

The so called J.POD. a late-stage clinical and commercial manufacturing facility, is the plant design aspect of J.DESIGN. A J.POD accelerates the development of highly productive processes that can be executed in relatively small unit operations and still make enough product to meet almost all commercial market needs in a single facility. These highly intensified processes reduce the size of unit operations to fit into relatively small, flexible “PODs” or cleanrooms, and become the core manufacturing space in a J.POD facility. Since the entire process train uses single-use technology, central and Capex intense utilities like “clean in place” or “sterilize in place” systems are eliminated, as well as the large amount of stainless-steel piping and large stainless-steel vessels that must be precisely built and validated. In addition, PODs, and the equipment they contain can be built and assembled while the plant is being constructed so that the time and complexity of validation are dramatically reduced.

Finally, instead of increasing the size of bioreactors and processing steps to expand capacity (as in traditional large-scale manufacturing facilities), additional bioreactors of the same size are essentially “cloned.” In essence, we “scale-out” rather than “scale-up” and effectively reduce scale-up risks by manufacturing at the same scale from early clinical development through commercial manufacturing. Our processes are highly “intensified,” using continuous perfusion and connected downstream processing to make large amounts of high-quality drug substance with a relatively small bioprocessing footprint.

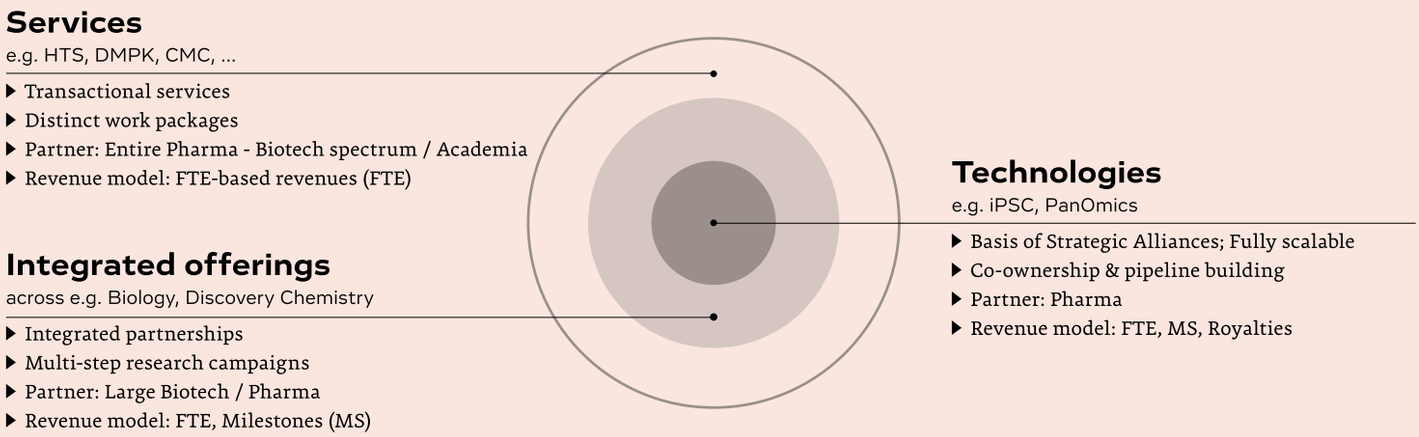
To enhance our manufacturing capabilities, in August 2021, we opened our first J.POD, a late-stage clinical and commercial manufacturing facility in Redmond, Washington, United States. Because our facility contains clinical and commercial processes, both can be operated at the same scale to facilitate seamless transfer and eliminate scale-up risk. The site will be able to produce on a large enough scale to meet most of our

commercial needs in a single facility and will mainly supply markets in North America.

As global demand for flexible biologics capacity and for more affordable access to medicines increases, we have started construction of a second J.POD facility in Toulouse, France in September 2022 and celebrated the Grand Opening in September 2024. The second J.POD facility will be fully operational in 2025.

Business Model and Generation of revenues

As an external innovation partner to the life science industry, we provide stand-alone services or integrated offerings, characterised by multi-year, multi-stage drug discovery and development campaigns using our industrialised and comprehensive infrastructure. Strategic pipeline building, leading to co-ownership in drug products, is achieved if proprietary technologies and intellectual property (IP) is leveraged. The "fee-for-service model" is the main source of revenues today. It usually applies where no IP of Evotec is involved or no essential proprietary technology platforms (e.g., PanOmics, iPSC, proprietary molecular patient data) are used. We grant partners access to our own IP and technology platforms only in return for milestone payments or licence payments and future royalties in case of commercial success of jointly developed pipeline assets. These payments are added to FTE-rate based payments for the work required to achieve scientific progress. In the years ended 31 December 2023, and 2024, 0.6% and 0.4%, respectively, of our total group revenues from third parties were derived from milestone payments. There was no mentionable contribution of licence payments or royalties at this stage.



Benefits to us from our strategy to co-create pipelines include:
- Milestones and royalties-based revenue to secure and accelerate profitability.
- A risk-reduced development pathway for drugs given the ability to combine Evotec and partner R&D capabilities and expertise.
- Deepen our knowledge base of high-quality R&D capabilities.

Evotec ventures: Equity Investments

We have made equity investments in products, technology platforms and companies with the goal to obtain early access to innovation and generate upside through our role as an operational partner and potential pre-clinical and clinical successes, or even positive commercial developments that could drive the valuation of individual portfolio companies. This could lead to returns on investments in case of successful exits from our portfolio companies. In the meantime, we generate fee-for-service and FTE-rates-based revenues with our portfolio companies. Active management of the portfolio strongly depends on scientific progress of each asset individually.

Evotec ventures: Academic BRIDGEs

We have developed a model to accelerate translation of academic assets by initiating Biomedical Research, Innovation & Development Generation Efficiencies ("BRIDGEs"), our project incubation program designed to promote the early development of academic research. BRIDGEs provide us with access to a broad portfolio of first-in-class therapeutics across academic institutions. We serve as the exclusive technology partner to advance projects to the next value inflection points, which enables the formation of spin-out companies or collaboration with pharmaceutical companies.

Operationally, BRIDGEs fall into two categories: (i) Contractual partnerships with academic institution(s) and investors or pharma companies and (ii) equity investments into start-up studios which focus on accelerating academic projects. To date, we have created eight BRIDGE partnerships (LAB282, LAB150, beLAB2122, beLAB1407, LAB eN², Danube Labs, a BRIDGE with VC Amplitude Ventures and 65LAB in September 2023) and three investments into start-up studios (Autobahn Labs, Argobio and Extend).

Reporting segments

Evotec reports the results of its work and collaborations with third parties through two operating segments, newly implemented in 2024:

Shared R&D

Shared R&D primarily includes drug discovery and development services and solutions. It starts with sourcing novel treatment ideas derived from patient data and continues with target validation and lead optimisation. In the subsequent development phase selected candidates can seamlessly transition to IND application. Revenue generated through the Evotec or Cyprotex brands are included within the Shared R&D segment, including standard fee-for-service arrangements, larger collaboration arrangements, as well as all pipeline assets. Evotec believes its Shared R&D partnership model is unique and allows to balance and diversify the risks associated with drug discovery.

Just – Evotec Biologics

Just – Evotec Biologics is our advanced approach to designing, discovering, developing, and manufacturing modern bio-therapeutics, provides services in the areas of antibody molecular optimization, first-in-human integrated biologics, product and process design, continuous bioprocessing platforms, and commercial biomanufacturing. Revenue generated through the Just – Evotec Biologics brand are included within the Just – Evotec Biologics segment.

Co-development of products to benefit from success-based payments

The chart below provides an overview on active projects/drug candidates, which we co-develop with partners ("Partnered Pipeline") in our strategic alliances as described above or which could be subject to co-development alliances in the future (Unpartnered Pipeline"). As of 31 December 2024, the portfolio of projects in clinical trials composed of one drug that obtained market approval in China in 2023 and six projects in Phase I.

		Neuroscience & Pain			*Oncology*				*Metabolic Diseases*				*Inflammation & Immunology*		*Virology, Anti-bacterial & Global Health*			
Approved		Jingxin																
Registration																		
Clinical	Ph3																	
	Ph2																	
	Ph1																	
		BMS Neuro	Centrexion		Kazia				Bayer				Conba				EVT	
Pre-clinical & Discovery																		
		ND			ND	ND	EVT		ND									
		ND			ND	ND	EVT		ND	ND	EVT							
		ND			ND	ND	EVT	EVT	ND	ND	EVT	EVT						
		ND			ND	ND	EVT	EVT	ND	ND	EVT	EVT						
		ND			ND	ND	ND	EVT	ND	ND	EVT	EVT						
		ND	ND		ND	ND	ND	EVT	ND	ND	EVT	EVT					EVT	
		ND	ND		ND	ND	ND	EVT	ND	ND	EVT	EVT		EVT	ND	ND	EVT	EVT
		ND	ND		ND	ND	ND	EVT	ND	ND	EVT	EVT		EVT	ND	ND	EVT	EVT
		ND	ND	EVT	ND	ND	ND	EVT	ND	ND	EVT	EVT		EVT	ND	ND	EVT	EVT
		ND	ND	EVT	ND	ND	ND	EVT	ND	ND	EVT	EVT	ND	EVT	ND	ND	EVT	EVT

Partnered Pipeline Unpartnered Pipeline

We initially discovered most of the candidates for which we have the right to receive royalty or milestone payments. We subsequently licenced or assigned those candidates to partners for continued pre-clinical and clinical development. Moreover, it also includes candidates that have been initially discovered by our partners and that have become the subject of a joint research project pursuant to which we are eligible for royalty or milestone payments. As of December 2024, 75 active projects were partnered and an additional amount of 45 projects are eligible for partnering in the future. To improve our risk/return profile in future, we will focus on co-developed projects and will pursue independent discovery and development of proprietary asset very selectively as proof-of-concept of our platforms, only. Important to note that the chart above does not contain candidates that are being discovered and developed by partners in whom we have solely an equity stake. For these projects we have no rights to benefit from milestone or royalty payments and there is no direct impact on our P&L. However, we could benefit from value accretion related to the progress of these assets.

— EVOTEC'S GROWTH STRATEGY —

Our growth strategy aims to address the entirety of the R&D continuum by tackling a wide range of disease areas utilizing a modality-agnostic approach. We believe we have built one of the most efficient integrated drug discovery, development and manufacturing infrastructures that generates the highest quality results in the fastest and most cost-efficient way. In addition, by leveraging the value of our platform we anticipate to benefit from an increasing share of success-based ("value add-on") payments in future.

Our strategy includes:
- Striving for differentiation through technological and scientific leadership
- Shared R&D to focus on Drug Discovery & Pre-clinical Development (Target ID to IND)
- Just – Evotec Biologics to evolve as technology and service provider and manufacturing accelerator
- Focus on high-quality, high-potential co-owned assets

— FINANCIAL PERFORMANCE INDICATORS —

The Management Board has committed to the following financial objectives: continued revenue growth, progressing R&D innovation, and increasing profitability. The Group's long-term key financial performance indicators are defined to support these goals.

The Group's performance is measured against budgeted financial targets and the prior-year's performance.

In addition, management thoroughly analyses all costs (with a focus on cost of sales, research and development expenses and selling and administrative expenses). Liquidity levels are monitored in comparison to forecasts and against defined minimum cash levels. Operating cash flows are reviewed on a regular basis with an emphasis on the receipt of contract research revenues and milestone payments as well as working capital management. Investing activities like capital expenditure in maintenance and expansion and funding of Evotec's equity portfolio are compared against budget every month. Balance sheet structure, equity ratio and net debt leverage are monitored to manage a balanced equilibrium of financing tools. Treasury management is undertaken on an ongoing basis with a focus on cash management, foreign exchange rate and interest risks, as well as funding and investment opportunities. Value analyses based on discounted cash flow and net present value models are the most important financial metrics for Evotec's investment decisions regarding M&A projects, equity investments and licensing opportunities.

Evotec reviews a number of key performance metrics and non-GAAP measures (Generally Accepted Accounting Principles) to assess the progress of its business, make decisions about where to allocate time and investments and assess the near-term and longer-term performance of its business. The measures set forth below should be considered in addition to, not as a substitute for or in isolation from, Evotec's financial results prepared in accordance with IFRS. The following table sets forth these metrics as of and for the period 2020 to 2024.

KEY FINANCIAL PERFORMANCE INDICATORS

in k€

	2020[1)]	2021	2022	2023	2024
Revenues	500,924	618,034	751,448	781,426	**796,967**
Unpartnered R&D expenses[2)]	(46,441)	(58,117)	(70,204)	(64,818)	**(50,857)**
Adjusted Group EBITDA[3)]	106,654	107,270	101,654	66,352	**22,564**

1) 2020 restated for IAS 19.
2) R&D expenses funded by Evotec. As of 2024, synonymous with total R&D expense.
3) Adjusted for changes in contingent considerations and distorting events.

Revenues
Please refer to the 'Business model and generation of revenues' section above.

Unpartnered R&D Expenses
Evotec's unpartnered R&D expenses comprise expenses incurred in connection with investments in its in-house discovery platforms and developing proprietary early stage drug discovery projects for future partnerships as well as overhead expenses. From 2024 onwards, all R&D expenses are considered "unpartnered".

Adjusted Group EBITDA
Adjusted Group EBITDA is defined as net income (loss) adjusted for interest, taxes, depreciation and amortization of intangibles, impairments on goodwill and other intangible and tangible assets, total non-operating results, change in contingent consideration (earn-out) and items that in magnitude, nature or occurrence would distort the presentation of the financial performance of the Group.

Adjusted Group EBITDA is reported as an additional performance indicator and does not correspond to the EBITDA resulting from IFRS. Adjusted Group EBITDA should not be considered as an alternative to net income as a measure of financial performance. Adjusted Group EBITDA is presented because it is a key metric used by the Evotec Management Board to assess the Group's financial performance. Management believes adjusted Group EBITDA is an appropriate measure of operating performance because it eliminates the impact of expenses that do not relate directly to the operational performance of the underlying business.

A reconciliation of the net result with the adjusted Group EBITDA can be found in the "Results of operations" chapter of this combined Management Report. The Company's 2024 performance compared to planned figures can be found in the "Comparison of 2024 financial performance indicators with forecast" chapter.

— NON-FINANCIAL PERFORMANCE INDICATORS —

Biotechnology is a research-driven and employee-based industry. Consequently, financial information alone does not provide a comprehensive picture of the Group's potential for value creation. Evotec's management therefore also uses non-financial performance indicators to manage the Group, e.g. total number of customers, number of customers who contributed more than € 1 m to revenues, as well as repeat business.

Number of customers

The number of customer alliances has exceeded 800 in the past three years, confirming the range of offered services. During 2024, 292 new customers were added compared to 298 in 2023 and 325 in 2022, an decrease of 2% versus 2023 and decrease of 8% versus 2022.

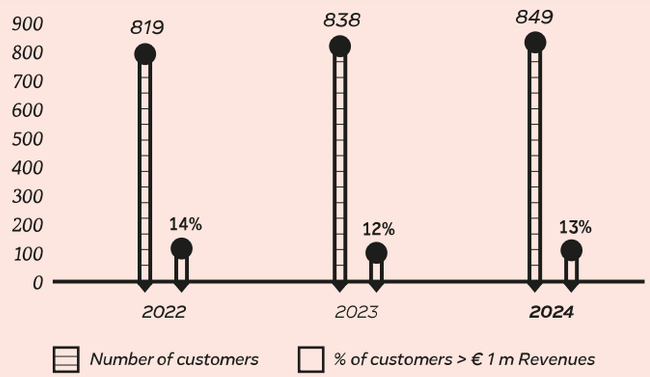
An entity with multiple subsidiaries, segments, or divisions is defined and counted as one single customer, even if Evotec has separate agreements with multiple subsidiaries, segments, or divisions that are part of the same entity.

Number of customers who contributed more than € 1 m to revenue

The number of customer alliances that generate revenues of more than € 1.0 m per year has increased to 109 in 2024 (2023: 102), or 13% and 12% of total customers in the last two years. This has therefore exceeded the guidance of greater than 100.

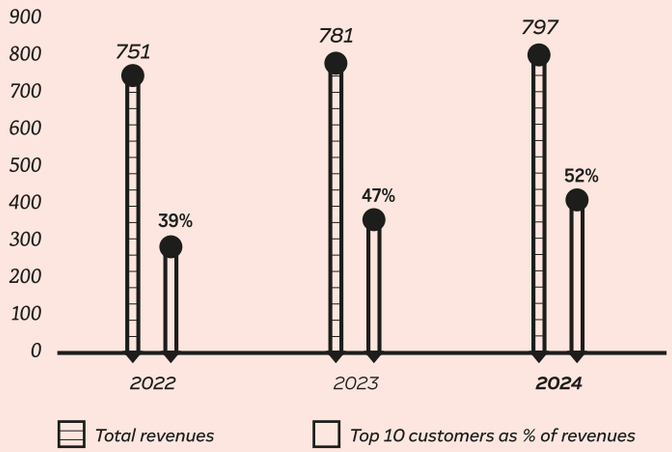
Evotec's largest three customers by revenue collectively accounted for 38% of the Group´s revenues in 2024. In 2023, Evotec's three largest customers by revenue contributed 35% to revenues. Bristol Meyers Squibb and Sandoz account for more than 10% of group revenues, individually. There is no other single customer that accounts for more than 10% of the group revenue.

CUSTOMER EVOLUTION AND CONTRIBUTION



Evotec's number of customers and revenues have continued to grow over the last three year. The top 10 customers' contribution to total revenues has increased from 47% in 2023 to 52% in 2024.

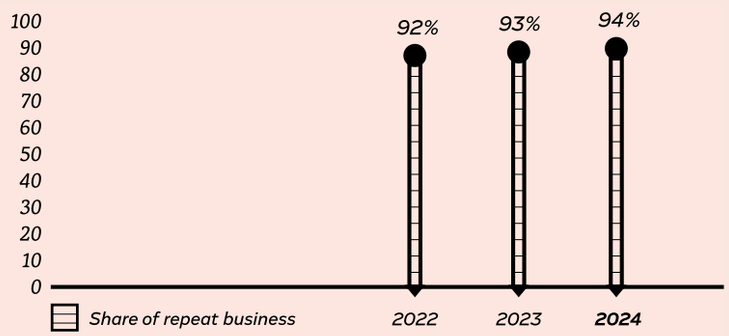
EVOLUTION OF CUSTOMER CONCENTRATION



Repeat Business

Evotec has demonstrated solid customer retention rates, as defined by the percentage of revenues from customers that Evotec had a relationship within the prior year, with 90% or above in each of the last three years. Evotec reviews its repeat business on a yearly basis, and aims to maintain current retention rates. Repeat business was retained at 94% in 2024 and 93% in 2023, respectively. Evotec believes that its significant amount of repeat business is primarily due to the ability to achieve success and high satisfaction of its partners and customers. The extent to which Evotec generates repeat business from its customers will be an important factor in the Group's continued revenue growth.

SHARE OF ANNUAL REPEAT BUSINESS



— RESEARCH AND DEVELOPMENT —

In 2024, Evotec continued to progress its projects e.g., in central nervous system disorders, diabetes, immunological diseases, infectious diseases, inflammation, kidney diseases, metabolic diseases, oncological diseases, and rare diseases together with our partners. Our R&D strategy is built on leveraging proprietary platforms to enable upside-bearing strategic deals, as demonstrated in our BMS collaborations in oncology and neurodegenerative diseases or our various collaborations with Lilly, Novo, and Novartis in the field of kidney disease that are based on our proprietary Molecular Patient Database and PanOmics platforms. Access to our platforms is provided in return for success based revenue components such as milestones payments, licences and royalties. Hence, our R&D expenses have translated into a long-term pipeline of assets over time, which is described in more detail in the Business Overview (Co-development of products to benefit from success-based payments).

As of 2024, R&D expenses were entirely self-funded, while in 2023 still a residual amount of about 5% was related to R&D projects funded by Sanofi and classified as so called "partnered R&D". The related activities focused on programs targeting infectious diseases, which were acquired in 2018 as part of the acquisition of Sanofi's anti-infective unit in Lyon, the costs of which were assumed by Sanofi up to a certain amount. This contract ended November 2023 after over five years. Subsequent to the contract end, all capacities of the relevant units have been switched to the fee-for-service business available for Evotec's partners. Consequently, when comparing R&D expenses 2024 with previous years, a more appropriate comparator would be so called expenses recognised under "unpartnered R&D".

— INTELLECTUAL PROPERTY —

Evotec seeks to protect and enhance the value of its proprietary drug discovery programs as well as technology platforms, including proprietary processes, technologies, inventions, and methods, and their application to the research and development of treatments for serious diseases and methods of manufacture through the filing of intellectual property. Evotec pursues a multi-layered intellectual property strategy to protect its technology platforms and their application to the research and development of treatments for serious diseases. One focus of Evotec’s intellectual property strategy is to provide protection for the Company’s platforms and pipeline assets currently in development. Evotec also pursues intellectual property protection for assets that may be used in future development programs and/or that may be of interest to its partners, or otherwise may prove valuable in the field.

Various aspects of Evotec’s technology platforms and pipeline assets are protected by patent filings, while other aspects remain trade secrets. Evotec also pursues other methods of protection, including seeking trademark registrations, as appropriate. Many of the Company’s intellectual property assets were developed and some have been acquired and are solely owned by Evotec, some have been developed via collaboration and are jointly owned, and some have been licenced from third parties. Evotec will continue to make additional patent application filings and pursue opportunities to acquire and licence additional intellectual property assets, technologies, platforms or pipeline assets, as developments arise or are identified.

As of 31 December 2024, Evotec’s owned patent portfolio included more than 45 patent families, each of which includes at least one filing in the United States or Europe, and several of which are pending or granted in multiple jurisdictions.

Report on economic position

2024 FINANCIAL PERFORMANCE INDICATORS COMPARED WITH FORECAST

PERFORMANCE AGAINST FORECASTS

in € m

in € m	*Forecast in Annual Report 2023*	*Forecast August 2024*	*Result 2024*	*Result 2023*
Group revenues	Low double digit percentage growth	790 - 820	**797.0 (+2%)**	781.4
(at constant exchange rates)[1)]			**795.0 (+2%)**	-
Unpartnered R&D expenses	Mid single to low double digit percentage reduction	50 - 60	**50.9 (22)%**	64.8
(at constant exchange rates)[1)]			**-50.8 (178)%**	-
Adjusted Group EBITDA	Mid double digit percentage growth	15 - 35	**22.6 (66)%**	66.4
(at constant exchange rates)[1)]			**23.8 (64)%**	-

1) At constant exchange rates from Actual 2023 (EUR/USD 1.0813; GBP/EUR 0.8698)

MANAGEMENT BOARD'S GENERAL ASSESSMENT OF EVOTEC'S ECONOMIC SITUATION

Against the backdrop of a much softer market environment, Evotec successfully executed necessary structural alignments in 2024. The revenue development evidenced the Company's strategy to extend and expand existing collaborations, e.g. in the collaborations with Sandoz, BMS, Novo Nordisk and Pfizer. In contrast, standalone business with short lead times and fast turnaround cycles saw a less dynamic development. Capacities built at the end of 2023 in anticipation of a more dynamic environment were not sufficiently utilised, which lead to a significant drop in profitability and ultimately in a priority reset, encompassing adjustments of footprint and headcount as well as the exit of gene therapy activities and the sale of Evotec DS in Halle Westphalia.

The year was characterised by comparably weak start of the Shared R&D segment in comparison to the previous year, while at the same time sales orders for Discovery Services were particularly strong. Just – Evotec Biologics had an excellent start, albeit against a rather low comparable basis.

By mid-year trends had not changed materially. At this stage, it became evident that the strong sales order book in Discovery will take longer than usual to convert into revenues and that countermeasures had to be taken to stabilise the business. The discussion resulted in the decision to reset priorities and to adjust capacities.

The third quarter saw exceptionally strong news with positive long-term implications, such as a contract extension and expansion with Sandoz, providing excellent visibility for Just – Evotec Biologics into future years, as well as the extension of the BMS collaboration into a new disease area, a new collaboration with Novo Nordisk in Cell Therapy, progress in existing BMS collaborations (Neuro & Onco), a new precision medicine partnership in cardiology with Bayer as well as a strategic research alliance with Pfizer in France in metabolic and infectious diseases. However, these transactions did not immediately translate in to revenues in the same quarter.

Eventually, Evotec delivered on the revised guidance by year-end. Revenue grew by 2% (fx-adjusted 2%), owed to a strong performance at the end of the year. A lower cost base and the high operating leverage of the business led to a material recovery of adjusted EBITDA.
In another challenging year after the experience of a cyber-attack in

2023, the customer retention rate of 94% again exceeded our target of 90%, which we consider an excellent achievement and a strong basis for good start to 2025.

MACROECONOMIC CONDITIONS AND BUSINESS ENVIRONMENT

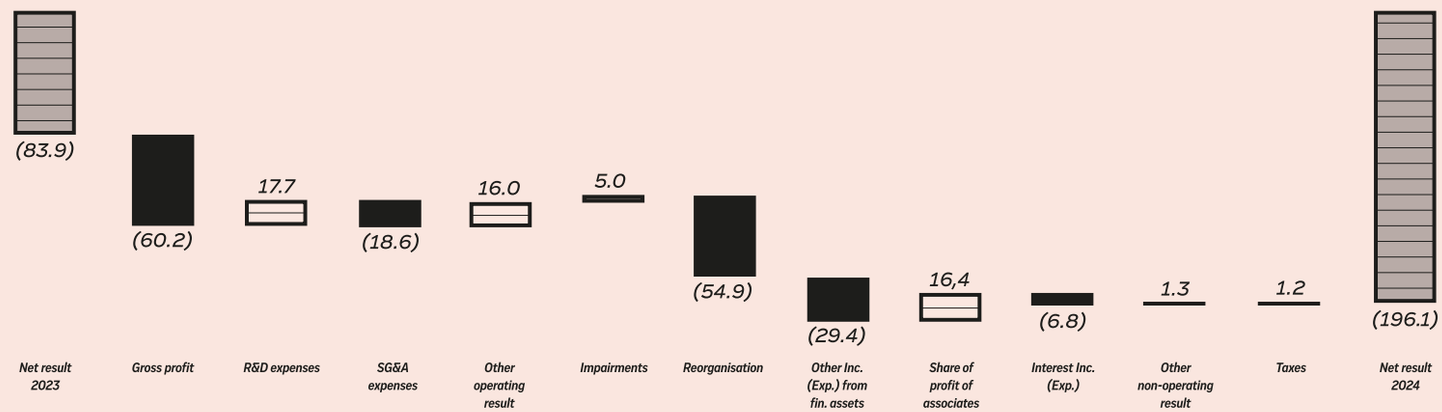
The market environment for biopharmaceutical industry remained challenging in 2024. At one end of the spectrum, most small biotech companies have seen an overall still challenging funding environment, while some green shots were observable. According to the Q4 2024 report of J.P.Morgan, 2024 biopharma venture investments of $ 26.0 bn surpassed 2023 levels by 11.6%. However, the mix was different as larger investments were made through fewer venture rounds and companies with assets in the clinic benefited disproportionately: $ 26.0 bn were invested in therapeutics and discovery platforms across 416 rounds (2023: € 23.3 bn across 462 rounds). 98 biopharma companies raised venture rounds versus 73 in 2023. Licensing transaction volume, which had been declining since 2020, stabilized at 148 year-over-year. 28 of these deals involved upfront payments of $100 m or more (2023: 27).

At the other end, many larger pharmaceutical companies conducted pipeline reviews and implemented restructuring measures. Consequently, money spent on external R&D collaborations has not recovered. Spending was rather selective. While transactional agreements related to more standardised execution of experiments by third parties were affected, there was higher interest in long-term collaborations with a more strategic focus. However, while the scope of these collaborations has increased, phasing turned out to be more back-end loaded. Therefore, conversion of order volumes into revenues has taken longer than in previous years.

RESULTS OF OPERATIONS

BRIDGE OF NET RESULT 2023-2024

In €m



CONDENSED INCOME STATEMENT

in €k

		2023	2024	Variance
Revenues		781,426	796,967	15,541
Cost of revenue		(606,375)	(682,086)	(75,711)
Gross profit		175,051	114,881	(60,170)
Gross margin	%	22.4%	14.4%	(8.0)%
– R&D expenses		(68,529)	(50,857)	17,672
– SG&A expenses		(169,610)	(188,201)	(18,591)
– Impairment result (net)		(5,011)	0	5,011
– Other operating income (expenses), net		20,591	36,585	15,994
– Reorganisation costs		0	(54,930)	(54,930)
Operating income (loss)		(47,507)	(142,522)	(95,015)
Net income (loss)		**(83,913)**	**(196,078)**	**(112,165)**
Adjusted Group EBITDA		***66,352***	***22,564***	***(43,788)***

REVENUES

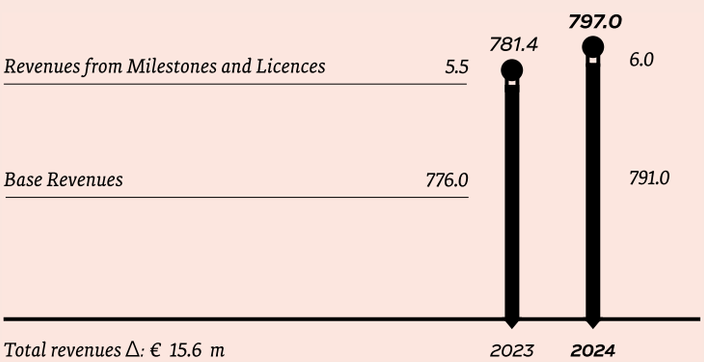
Another year of top line growth

In the financial year 2024, Evotec increased its consolidated revenues by 2%. During the twelve months ended 31 December 2024 Group revenues increased by € 15.5 m to € 797.0 m compared to the same period of the previous year (2023: € 781.4 m). The rise against the prior-year period was primarily driven by growth in the Just – Evotec Biologics segment.

At constant FX rates, Group revenues grew by 2% to € 795.0 m. The base business increased by 2% from € 776.0 m in 2023 to € 791.0 m in 2024.

Milestones slightly decreased in 2024 to € 2.9 m (2023: € 4.8 m). In general, milestone revenue differs at the various development stages, which may not be within the Group's control. It also is determined by the entire set of terms of the respective contract.

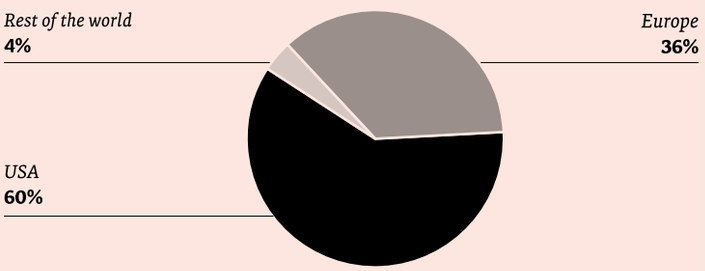
REVENUES[3]



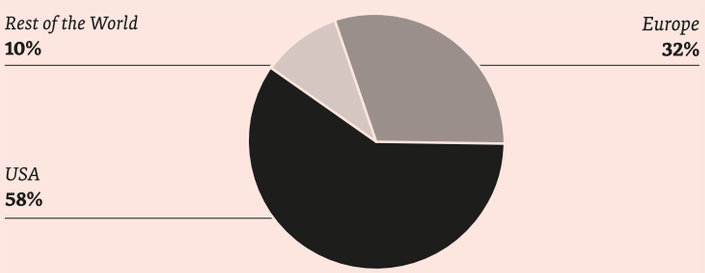
Evotec's revenues in 2024 were generated primarily with US (58%) and European customers (32%), and only to a very small extent in the rest of the world (predominantly Japan).

REVENUES BY REGION

2023



2024



[3] *Differences may occur due to rounding*

COSTS OF REVENUE/GROSS MARGIN

The Costs of revenue within 2024 amounted to € (682.1) m (2023: € (606.4) m yielding a gross margin of 14.4% (2023: 22.4%).The increase in cost of revenues was mainly attributable to the accelerated expenses for Just – Evotec Biologics, which increased by € 59.4 m year over year. This increase was driven primarily by the ramp up costs associated with the J.POD2 facility in Toulouse. The remaining increase was driven by increased labour cost and further footprint expansions (driving higher operating expenditure and depreciation) in Shared R&D.

RESEARCH AND DEVELOPMENT EXPENSES

In 2024, Evotec has continued to progress its projects e.g., in central nervous system disorders, diabetes, immunological diseases, infectious diseases, inflammation, kidney diseases, metabolic diseases, oncological diseases, rare diseases and women's health, the Company is working on. Thus, Evotec builds a long-term pipeline of assets and/or unique proprietary platforms.

R&D expenses were at € 50.9 m in 2024, compared to € 68.5 m in the twelve months ended 31 December 2023. The decrease of 26% in R&D expenses represents a balance between strong investments in Evotec's capabilities to improve efficiency and precision medicine platforms, and financial stewardship in a challenging macroeconomic environment. Furthermore, Evotec capitalized € 2.4 m of R&D expenses in 2024. Partnered R&D expenses ended in 2023 with the completion of the previous Sanofi agreement, thus R&D Expense is analogous with 'Unpartnered R&D Expense' in 2024.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

The Group's selling, general and administrative expenses (SG&A) increased by € 18.6 m or 11% from € 169.6 m in 2023 to € 188.2 m end of 31 December 2024, mainly due to higher personnel-related expenses.

Personnel-related expenses increased by € 7.9 m, from € 97.4 m in 2023 to € 105.3 m in 2024, mainly driven by growth in employee headcount in most areas of the enabling functions throughout the year, before returning to 2023 levels as a result of the reorganisation. Consultancy costs increased by € 4.9 m, from € 21.9 m in 2023 to € 26.8 m in 2024 mainly due to IT projects. Insurance costs increased by € 0.4 m from 7.7 m in 2023 to € 8.1 m in 2024. Audit and Tax expenses decreased by € 0.2 m to € 8.9 m in 2024 from € 9.1 m in 2023. Furthermore, IT and licence costs increased by € 1.2 m to € 15.0 m in 2024 from € 13.8 m in 2023, due to continued expansion of IT capabilities.

OTHER OPERATING INCOME

Other operating income, which primarily includes non-IFRS 15 income and income from R&D tax credits, was € 52.7 m in 2024 compared to income of € 64.8 m for 2023. In 2023, the other operating income still included Sanofi recharges for Evotec ID Lyon (2023: € 16.6 m), the contractual term with Sanofi ended in 2023. R&D tax credits were mainly recognized in France for the Toulouse and Lyon sites, UK, and Italy, resulting in overall R&D tax credit related other operating income of € 46.9 m (2023: 44.0 m).

Other operating expense amounted to € (16.1) m in 2024 (2023: € (44.2) m). The significant decrease in 2024 was driven by the reduction of cyber-attack related costs from € 43.5 m in 2023, which comprises of € 26.5 m internal costs and € 15.9 m of external costs, to € 8.6 m, which includes only external costs incurred due to the cyber-attack. Internal costs represent employee's active efforts to restore normal operations after the attack. External costs are additional third-party costs incurred due to the cyber-attack, such as increased consulting and IT costs that the Group would not have otherwise incurred. The external costs are considered to be an item that in magnitude, nature or occurrence would distort the presentation of the financial performance of the Group, as these are not deemed to be recurring costs.

REORGANISATION EXPENSE

In 2024 Evotec faced significant organisational changes and a challenging market environment. During the year the management announced a priority reset, a reorganisation program focused on streamlining operations. The direct expenditures arising from the program (necessarily entailed by the reorganisation and not associated with the ongoing activities) amounted to € 54.9 m, which included costs related to headcount reduction, footprint optimisation and divestiture of business lines.

OPERATING RESULT

The operating result of the Group came in at € (142.5) m for the twelve months ended 31 December 2024 (2023: € (47.5) m). Albeit a decrease from prior year, the company maintained a high level of investment in R&D expenses. Overall, unpartnered R&D cost ratio (unpartnered R&D spend in relation to revenues) of 6% for the twelve months ended 31 December 2024, compared to 8% in 2023.

The SG&A cost ratio increased from 22% in 2023 to 24% in the actual reporting period driven by a slowdown in revenue growth and the company's decision to maintain SG&A structures ready for future growth.

In addition, the operating result was further reduced by the reorganisation expenses incurred of € 54.9 m.

OTHER NON-OPERATING RESULT

The FY 2024 result from other non-operating result amounts to € (51.5) m versus € (33.1) m in 2023 and is driven by a remeasurement of € (38.5) m (2023: € (9.1) m) from financial investments and interest expenses at the amount of € (11.7) m (2023: € (11.7) m).

During 2024, Evotec didn't impair any equity investments (2023: € (7.9) m. The share of current losses from equity investments amounted to € (4.3) m in 2024 (2023: € (12.9) m).

Interest expense remained constant year over year € (11.7) m in 2023 and € (11.7) m in 2024. Interest income reduced to € 2.4 m in 2024 (€ 9.3 m in 2023) due to primarily to lower volume of investing activities, directly correlating to lower interest income.

Foreign exchange gain amounted to € 4.4 m (2023: € (2.5) m), mostly due to the weakened EUR vs USD from 1.1050 as per 31 December 2023 to 1.0389 as per 31 December 2024 which resulted in a revaluation in particular of the USD denominated cash and receivables after conversion in EUR.

Total tax expense amounted to € (2.1) m for full year 2024, versus an amount of € (3.3) m in 2023. Thereof, Evotec recorded total income taxes of € (7.4) m (2023: € (7.0) m). The increase in the current tax expense is generally a result of an increase in the IFRIC provision exceeding the impact of decreased taxable profits in Evotec International GmbH and Evotec (France) SAS. Deferred tax income (expense) amounted to € 5.3 m (2023: € 4.6 m), generally relating to tax loss carry forward attributes as well as various other temporary differences.

NET INCOME (LOSS) & ADJUSTED GROUP EBITDA

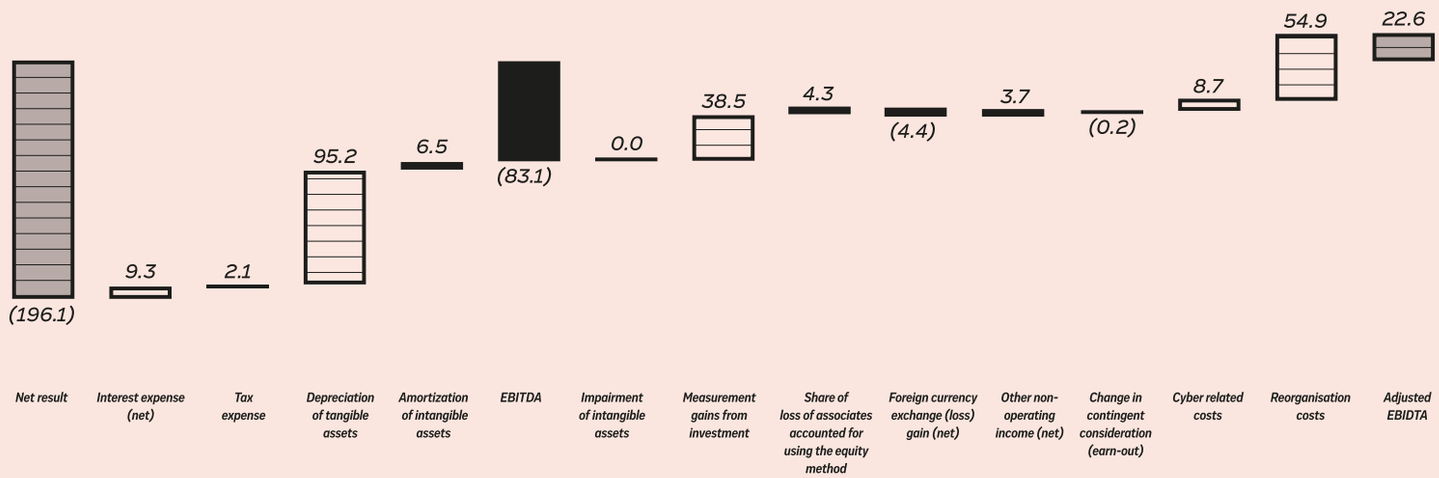
Adjusted Group EBITDA within Guideline

The net income (loss) as of 31 December 2024 amounted to € (196.1) m (versus € (83.9) m in 2023).

Adjusted Group EBITDA for the twelve months ended 31 December 2024 amounted to € 22.6 m versus € 66.4 m in 2023. The result was driven by a combination of lower than anticipated revenue growth, paired with a high cost base for the majority of the year. The cost base is addressed as part of our reorganisation which began in H2 2024, with the majority of savings to be realized starting in 2025. The adjusted Group EBITDA, as well as revenue and unpartnered R&D, were all within the revised guidance that was published in August 2024.

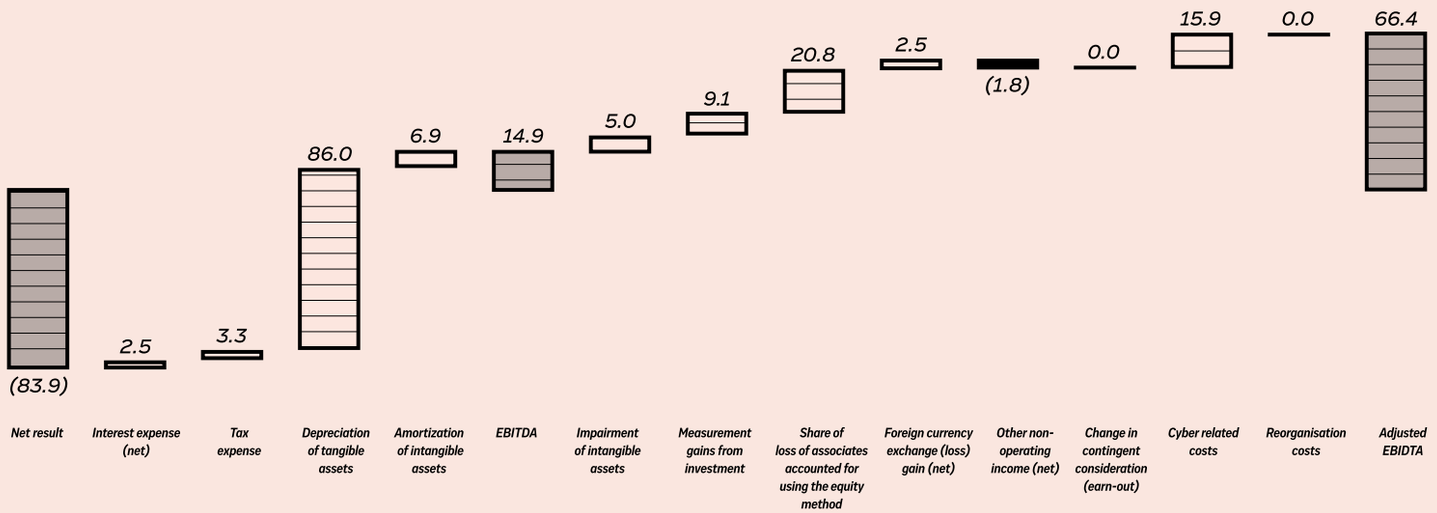
BRIDGE FROM NET INCOME (LOSS) TO ADJUSTED GROUP EBITDA FOR 2024

in €m



BRIDGE FROM NET INCOME (LOSS) TO ADJUSTED GROUP EBITDA FOR 2023

in €m



— SEGMENT REPORTING —

Overall Group revenues increased by 2% to € 797.0 m, compared to the four quarters in 2023 driven by strong growth of € 77.1 m (71% increase) in Just – Evotec Biologics, mostly offset by a revenue reduction in Shared R&D of € (61.6) m. Reduction of revenue in Shared R&D was driven by the overall market challenges within the Biotech industry in 2024.

SEGMENT INFORMATION 2024

in €k

	Shared R&D	*Just – Evotec Biologics*	*Intersegment eliminations*	*Evotec Group*
External revenues	611,394	185,573		796,967
Intersegment revenues	160	1,049	(1,208)	–
Costs of revenue	(509,361)	(173,068)	344	(682,086)
Gross margin	17 %	7 %		14 %
R&D expenses	(51,146)	(576)	865	(50,857)
SG&A expenses	(158,915)	(29,286)	–	(188,201)
Impairment result (net)	–	–	–	–
Reorganisation costs	(54,179)	(751)		(54,930)
Other operating income (expenses), net	35,878	707	–	36,585
Operating income (loss)	**(126,170)**	**(16,353)**	**–**	**(142,522)**
Adjusted EBITDA	**12,695**	**9,868**	**–**	**22,564**

SEGMENT INFORMATION 2023

in €k

	Shared R&D	*Just – Evotec Biologics*	*Intersegment eliminations*	*Evotec Group*
External revenues	672,977	108,449	–	781,426
Intersegment revenues	—	–	—	–
Costs of revenue	(492,674)	(113,701)	—	(606,375)
Gross margin	27 %	(5)%		22 %
R&D expenses	(68,529)	—	—	(68,529)
SG&A expenses	(143,167)	(26,442)	–	(169,610)
Impairment result (net)	108	(5,119)	–	(5,011)
Reorganisation costs	–	–	–	–
Other operating income (expenses), net	23,163	(2,572)	–	20,591
Operating income (loss)	**(8,122)**	**(39,385)**	**–**	**(47,508)**
Adjusted EBITDA	**78,444**	**(12,092)**	**–**	**66,352**

Shared R&D

Total revenues in Shared R&D amounted to € 611.6 m in the financial year 2024 (2023: € 673.0 m). The overall challenging market conditions in 2024, specifically within the Biotech sector, contributed strongly to the reduced revenues. The impact was felt most drastically within our more standalone and fast-turning offerings within our Discovery business.

Costs of revenue of Shared R&D came in at € (509.4) m in the twelve months ended 31 December 2024 (2023: € (492.7) m), corresponding to a gross margin of 16.7% (2023: 26.8%). Cost of revenue increased due to higher personnel costs and footprint expansion in the UK and US in the first half of the year. Higher energy costs, and inflation on materials and supplied services also contributed to the increase. R&D expenses were € (51.1) m (2023: € (68.5) m), the reduction being driven by a stronger focus on key investments that best align with our partners needs. SG&A expenses increased to € (158.9) m (2023: € (143.2) m) in accordance with the overall group trend. Reorganisation costs were € (54.2) m in 2024 (2023: € 0.0 m). The operating result of the Shared R&D segment was € (126.2) m (2023: € (8.1) m), leading to an adjusted segment EBITDA of the segment of € 12.7 m (2023: € 78.4 m). The overall reduction in the segments Adjusted EBITDA was driven by the lowered revenues compared with an increasing cost base.

Just – Evotec Biologics

Revenues in Just – Evotec Biologics amounted to € 185.6 m in 2024 (2023: € 108.4 m) reflecting an organic growth of 71%. This growth was driven by further progression of the Sandoz partnership, other new deals, and expansions of existing relationships. The costs of revenue increased by 52% from € (113.7) m in 2023 to € (173.1) m in 2024, resulting in a segment gross margin of 7.3% (2023: (4.8)%). The increase in cost of revenues was directly related to the build-out and ramp up of our J.POD2 site in Toulouse, which celebrated its grand opening in September 2024. The increase from € (26.4) m in 2023 to €(29.3) m in SG&A was mainly due to higher personnel-related expenses and IT expenses. Key driver for improvement in operating result from € (39.4) m in 2023 to € (16.4) m in 2024 as well as adjusted segment EBITDA from € (12.1) m) in 2023 to € 9.9 m in 2024 was higher top line growth in revenues, partially offset by the required costs for ramping up the Toulouse site.

— FINANCIAL MANAGEMENT PRINCIPLES —

Financial management at Evotec comprises capital structure management, cash and liquidity management including receivables management, and the management of market price risks (currencies, interest rates). Its main objectives are to secure the Group's liquidity and its creditworthiness and to reduce financial risks. The corporate Treasury division ensures uniform financial management for all of the Group's companies in accordance with the relevant legal requirements. In general, financial management operates within a given framework of guidelines, limits and benchmarks.

The Company manages cash and liquidity to secure the financial resources needed to support its business strategy.

Financial resources are usually acquired at the corporate level and distributed internally. Evotec may draw on several bilateral credit lines as required. In December 2022, the European Investment Bank (EIB) and Evotec signed an unsecured loan facility of € 150 m, to support the Company's R&D activities, equity investments and the building of the new J.POD biologics manufacturing facility on Evotec's Campus Curie in Toulouse, France. As of 31 December 2024, € 93.3 m of this loan facility were drawn. Further, in July 2024, Evotec signed a syndicated loan facility in the amount of €250 m with a consortium of major international financing institutions to support ongoing operations and strategic initiatives for further growth. In the third quarter of 2024, the Company revised its financial performance guidance for the year, which created unexpected pressure on the debt covenants, including the net debt leverage covenant associated with the newly signed Revolving Credit Facility ("RCF"). A covenant waiver and associated draw stop were agreed and remains in place until and including 30 June 2025.
The Company's unused credit lines amounted to to € 75.1 m (2023: € 141.1 m). In addition, there is a wide range of financing options accessible for the company across debt capital markets, or raise capital through the issuance of new shares when appropriate. The Group's liquidity, which consists of cash and cash equivalents and investments, decreased from € 604.1 m as of 31 December 2023 to € 396.8 m as of

December 2024 and the net debt position (incl. finance leases obligations according to IFRS16) is € 42.6 m (compared to a net debt position of € 22.1 m as of 31 December 2023). The decrease in liquidity was due primarily to continued Capex investment within the Group, including the J.POD build-out in Toulouse, as well as a repayment of loan in June 2024.

Due to its liquidity situation, Evotec is in a position to support continued organic and non-organic growth. This includes investments in facilities for the manufacturing of biologics (J.POD) for clinical development and commercial applications in the US and France, projects in novel cell therapies, as well as the continued expansion of scientific capabilities in many of its sites in the US and Europe.

Capital expenditure proposals are carefully evaluated by the Management Board to ensure that they are consistent with the business strategy of either maintaining or expanding the Company's technology platform and its proprietary research. In particular, larger capital investments are carefully assessed in terms of the expected financial return and payback periods or savings. The discounted cash flow method is the main management tool for such assessments, supported by key performance indicators such as payback period, return on investment, and internal rate of return.

— CASH FLOW —

Group cash flow provided by operating activities amounted to € 18.2 m in 2024 (2023: € 36.4 m). The reduction in operating cash flow was driven by a higher net loss driven by the reorganisation activities, offset by higher tax refunds and higher R&D tax credits in 2024 than 2023.

Group cash flow used in investing activities was € (71.2) m (2023: € (13.3) m). The net cash inflow from the sale of investments (corporate bonds and fixed deposits) with terms of more than three months amounted to € 6.3 m. Investments in the amount of € 35.7 m were sold while investments in the amount of € (29.4) m were acquired.

Investments in property, plant and equipment decreased to € (117.5) m (2023: € (213.3) m) as the build out of the J.POD production facility at Just – Evotec Biologics in Toulouse, France slowed considerably as it approaches full operation. In total, the investments into the J.POD facilities in France and the US slowed year over year, with € (92.6) m 2024 (2023: € (128.5) m). Furthermore, the remaining investment was primarily for maintenance of our sites in Toulouse, France, Alderley Park and Abingdon, UK, Verona, Italy and Hamburg, Germany.

In 2024, Evotec did not invest in any new companies, rather made additional follow-on investments to the existing portfolio, in the amount of € (15.1) m. In Q4, the company divested of its holdings in Recursion Pharmaceuticals, Inc., for a cash-inflow of € 69.4 m, and divested of Evotec DS (Germany) GmbH for a cash out-flow of € 11.5 m.

Investments in intangible assets increased to € (14.8) m (2023: € (2.7) m as the company continued to invest in updating its IT capabilities, including investments into self-developed software.

Group cash flow used in financing activities amounted to € (161.4) m (2023: € 72.0 m). Repayment of bank loans amounted to € (128.8) m, while proceeds from bank loans amounted to € 0.9 m. Repayments of lease obligations (mainly rent of buildings) amounted to € (24.1) m (2023: € (22.4) m).

The impact of exchange rate movements on cash and cash equivalents in 2024 was € 9.9 m (2023: € 0.6 m).

CONDENSED STATEMENT OF CASH FLOWS (INCL. BRIDGE TO LIQUIDITY)

in €k

in T€	2023	2024	Variance
Net cash provided by (used in)			
Operating activities	36,439	18,220	(18,219)
Investing activities	(13,291)	(71,187)	(57,896)
Financing activities	71,963	(161,421)	(233,384)
Net increase/decrease in cash and cash equivalents	**95,110**	**(214,388)**	**(309,498)**
Exchange rate difference	644	9,866	9,222
Cash and cash equivalents			
At the beginning of the year	415,155	510,909	95,754
At end of the year	**510,909**	**306,387**	**(204,522)**
Investments	93,203	90,413	(2,790)
Liquidity at end of the year	**604,112**	**396,800**	**(207,312)**

FINANCING AND FINANCIAL POSITION

— FX RATES / HEDGING —

The Euro (€) to US dollar ($) exchange rate fluctuated in a range between $ 1.0389 and $ 1.1196 in 2024. The year started with a EUR/USD fx rate of $ 1.0956. The volatility in this currency pair was particularly high in the second half of the year with peak in September and low point in December. Overall the USD depreciated against the EUR and closed at a rate of $ 1.0389. On average, Euro to US dollar was slightly higher with $ 1.0824 per Euro in 2024 compared to $ 1.0813 per Euro in 2023.

The Pound Sterling (£) to Euro (€) exchange rate fluctuated between € 0.8243 and € 0.8665 in 2024. In the first half of 2024, the Pound Sterling crawled up to its high in July, then moved sideways with a drop in fall, ending the year at 0.8292. The average exchange rate in 2024 was € 0.8466 per Pound Sterling compared to € 0.8698 in 2023.

The Evotec Group is exposed to both translational and transactional foreign currency risks. The Company mainly uses foreign currency forward contracts to hedge its transaction exposures but does not apply hedge accounting.

Deposits are primarily held in the three major currencies: Euro, Pound Sterling and US dollar. In 2024, 62% of group's revenue and 31% of group's operating costs were in USD (2023: 65% and 28%) along with 10% of the group's revenue and 18% in operating costs in GBP (2023: 11% and 20%). Therefore, the Group's foreign exchange risk mainly relates to these two foreign currencies. Evotec uses foreign currency forward contracts and spot transactions to convert US dollars to Euros and Pound Sterling, mitigating this exposure and covering costs incurred in these currencies. € 246.3 m of the liquidity position is held in Euros as per end of 2024 (31 December 2023: € 379.8 m) and accounted for 62% of the Group Liquidity. The currency holding in US dollars decreased to € 104.1 m or 26% at the end of 2024 (31 December 2023: €187.8 m). The currency holding in Pound Sterling was € 46.2 m or 12% as of 31 December 2024 (31 December 2023: € 36.4 m).

The Company mostly uses its foreign currency holdings for operational purposes in the same currency. In order to protect itself against adverse currency movements, Evotec entered into forward contracts, selling US dollars against Pound Sterling and Euros. This resulted in a realised foreign exchange gain of € 1.9 m and an unrealised loss of € 4.1 m in 2024 (2023: realised gain of € 2.2 m and an unrealised gain of € 6.1 m). The economic hedging relationships are not recognized as hedging relationships in the consolidated financial statements.

As of 31 December 2024, the Company held derivative financial instruments in the amount of € 105.8 m (31 December 2023: € 219.9 m), thereof € 76.8 m in forward contracts selling US dollars against Euro and € 29.0 m in forward contracts selling US dollars against Pound Sterling. These forward contracts have a maturity of up to 12 months.

Interest rates

The European Central Bank ("ECB") cut interest rates in June 2024 (25bp), September 2024 (25bp), October 2024 (25bp) and December 2024 (25bp). Consequently, the Euro Interbank Offered Rate (EURIBOR) with a 3-months term decreased during 2024 from 3.9% to 2.7%. As per 31 December, 95% of Evotec's bank loans had a fixed interest rate.

— DEBT / NET DEBT —

Net cash/debt development

The Company makes use of bank loans to manage its short-to-long-term liquidity. Compared to 31 December 2023, total bank loans decreased significantly to € 287.6 m as of 31 December 2024 (2023: € 435.9 m) due to loan repayments, including € 16.4 m repayment of EIB loan and € 108.5 m repayment of promissory notes. The company has an overall line of credit from Banque Publique d'Investissement in the amount of € 43.3 m. During the year, the drawn amount of € 20.8 m has been reclassified from Non-Current Liability to Deferred Income in June 2024 as the company determined that conditions were substantially met for forgiveness. All bank debt is denominated in Euros.

Due to a decreased cash position and a weaker operating result, the net debt leverage ratio changed to 1.9x net debt to adjusted Group EBITDA (2023: 0.4x net debt to adjusted Group EBITDA). All financial covenants in the loan agreements were therefore complied with.

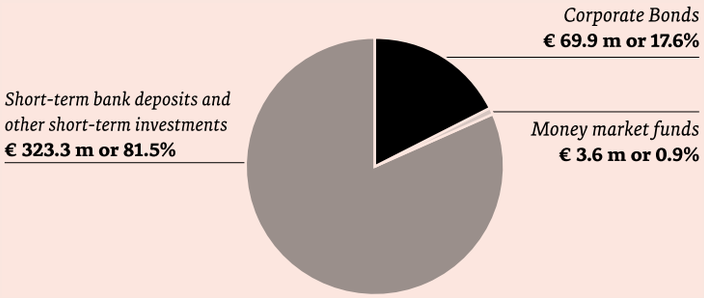
— LIQUIDITY —

Evotec ended the year 2024 with liquidity of € 396.8 m (2023: € 604.1 m). Cash and cash equivalents accounted for € 306.4 m and investments (corporate bonds and long term deposits) for € 90.4 m. Cash and cash equivalents can be accessed within a period of less than three months. The decrease in liquidity in 2024 is mainly driven by Capex investments of € (117.5) m and loan repayments of € 128.7 m.

Active liquidity management at Evotec is focused on funding the operational business and maintaining and preserving liquidity. At the same time, the Company seeks to maintain flexibility and optimise returns. Evotec's cash and securities as well as other financial investments are held with several financial institutions. The Company exclusively invests in liquid instruments with at least investment grade rating (BBB- or better, Standard & Poor's ratings or equivalent). All investments must be in line with Evotec's internal investment policy. As of 31 December, the liquidity was invested in short-term bank deposits and other short-term investments (€ 323.3 m), money-market funds (€ 3.6 m) and corporate bonds (€ 69.9 m) with a maturity of up to seven years. As a result, Evotec has sufficient flexibility to seize strategic growth opportunities while financing operations, capex and research activities and platforms.

LIQUIDITY BY INVESTMENT TYPE

in € m



— CAPITAL EXPENDITURE TO DEPRECIATION —

Lowered total investment as J.POD facility in Toulouse nears completion

Capital expenditure decreased significantly as planned to € (117.5) m in 2024 (2023: € (213.3) m), partially driven by reduced investments into Just – Evotec Biologics with € (92.6) m compared to € (128.5) m in 2023, where especially the investments into JPOD2 in Toulouse have decreased, as the facility is near completion. Within the Shared R&D segment, we invested € (24.9) m in 2024 (2023: € (84.8) m), where investments were limited to regular replacement activities that maintain the highest technology and infrastructure standards for scientific operations and to finalize the new buildings in Hamburg and Manchester. Other investments were paused in alignment with the new strategy reset that is expected in Q2 2025.

Depreciation of property, plant and equipment amounted to € 95.1 m (2023: € 86.0 m), mainly due to higher investments. Of this amount, € 21.5 m can be attributed to IFRS 16 Right of Use assets (2023: € 21.1 m).

— CAPITAL STRUCTURE —

Solid equity ratio with 50%

In 2024, Evotec's share capital increased to € 177.6 m (31 December 2023: € 177.2 m) and additional paid-in capital to € 1,454.7 m (31 December 2023: € 1,449.7 m) due to granted stock options.

The decrease in stockholders' equity of € 167.4 m to € 952.5 m as of the end of 2024 (31 December 2023: € 1,119.9 m) is due to the net loss of € 196.1 m (2023: € 83.9 m), partially offset by Other Comprehensive Income (€ 23.3 m).

At the Annual General Meetings in 2017, 2020 and 2022, contingent capital amounting to € 6.0 m, € 1.2 m and € 6.0 m, respectively, was approved for use in the share performance plans and the restricted shares plan. At the Annual General Meeting 2023 a new contingent capital of € 35.4 m was created to grant bearer shares to holders or creditors of convertible bonds and/or warrant-linked bonds and/or profit-linked bonds (or combinations of these instruments) that are issued for subscription in cash by Evotec SE or its direct or indirect investee companies and include a conversion right, a warrant or a conversion obligation for new bearer Company shares.

In 2024, a total of 367,720 shares (2023: 233,083 shares) were issued from conditional capital for exercised Share Performance Awards ("SPA"). During the first quarter of 2024, a total of 117,292 SPAs (2023: 227,555) were granted to the Management Board. These awards could result in a maximum of 234,584 bearer shares (2023: 455,110) being issued at maturity after four years. In 2024, no additional restricted share awards ("RSA") (2023: 0) were granted to Management Board or to key employees.

As of 31 December, the total number of awards granted for future exercise amounted to 2,645,773 (2023: 2,571,334), approximately 1.5% of issued shares in 2024 and 1.5%% in 2023. Evotec's equity ratio remained stable at 50% at the end of 2024 (2023: 50%).

NET ASSETS

— CURRENT AND NON-CURRENT ASSETS —

The Company's total assets decreased by € 340.0 m to € 1,912.5 m as of 31 December 2024 (2023: € 2,252.5 m). The decrease in total assets was driven primarily by the reduction in cash and cash equivalents and non-current financial investments and other non-current financial assets. These reductions were partially offset by smaller increases in property, plant and equipment, intangible assets, contract assets, and trade receivables.

Trade and other receivables increased by € 17.9 m from € 98.4 m on 31 December 2023 to € 116.3 m on 31 December 2024. The increase was driven by higher revenues in December 2024 where the associated payments were not yet received as of year end.

Inventories as per 31 December 2024 amounted to € 31.1 m, an increase of € 0.2 m compared to 31 December 2023 (€ 30.9 m). This increase related mainly to the Just – Evotec Biologics € 21.0 m (31 December 2023: € 16.6 m) offset with reduced inventory levels at other sites.

Current tax assets amounted to € 41.9 m as per end of 2024, a decrease of € 38.8 m compared to 31 December 2023 with € 80.7 m, mainly driven by the net refund of R&D tax credit receivables and tax payables in France (€ (34.3) m).

Prepaid expenses and other current assets decreased from € 51.3 m as per 31 December 2023 to € 45.5 m as per 31 December 2024. This decrease resulted mainly from a reduction in VAT receivables.

Property, plant and equipment increased slightly by € 17.4 m to € 823.9 m in 2024 (31 December 2023: € 806.6 m). The increase was driven by further investment of € 126.0 m primarily due to advance investments for site expansions (reported as construction in progress) which increased by € 71.2 m and related mainly to the J.POD facility in Toulouse (France) and further build out of the J.POD facility in Redmond (US). Buildings and leasehold improvements increased by € 30.6 m and related primarily to the J.POD US facility and site expansion in Alderly Park for our Cyprotex business. The increase in plant and

equipment of € 18.5 m resulted from the overall investments into laboratory equipment and infrastructure to support the continued growth of the Company and to maintain the highest technology and infrastructure standards. These increases were offset by depreciation of € 95.1 m.

Intangible assets and goodwill increased from € 291.1 m as of 31 December 2023 to € 309.3 m as of 31 December 2024. Intangible assets increased by € 11.0 m to € 26.4 m. As of 31 December 2024, € 19.8 m (31 December 2023: € 4.6 m) was attributable to internally developed technologies and € 1.6 m (2023:€ 0.3 m) to acquired technologies. The remainder is related to customer relationships, patents and licences and trademarks. Goodwill increased by € 7.2 m to € 282.9 m due to foreign currency translation effects on Goodwill held by non-Euro functional currency entities.

Non-current investments and other non-current financial assets and investments in associates and joint ventures decreased from € 142.1 m at 31 December 2023 to € 42.2 m at 31 December 2024. The decrease was primarily driven by the fair value adjustment of our Recursion Pharmaceutical, Inc. (former Exscientia Ltd) investment of € (12.0) m, and the subsequent sale of 100% of our shares of € (69.4) m. Further fair value adjustments to our holdings in Blacksmith Medicines Inc. € (9.9) m, Immunitas Therapeutics Inc. € (5.5) m, and Sernova Corp. € (5.1) m drove the further decrease, offset by a fair value adjustments to Tubulis GmbH of € 4.3 m and various minor additional investments to existing holdings of € 10.9 m.

Deferred tax assets increased to € 17.3 m (31 December 2023: € 14.3 m) generally driven by the tax loss carryforward in UK and France, and further increased by various temporary differences.

Non-current tax assets amounted to € 34.4 m (31 December 2023: € 94.4 m), the reduction is mainly driven by the factoring of R&D tax credit receivables in France (€ 67.0 m).

— CURRENT AND NON-CURRENT LIABILITIES —

The current financial liabilities decreased from € 149.1 m as of 31 December 2023 to € 50.8 m as of 31 December 2024. The decrease is mainly driven by the repayment of loans during the year of € (128.8) m, driving the reduction in the current portion of loans (from € 130.0 m as of 31 December 2023 to € 27.1 m as of 31 December 2024). The current financial liabilities further include current lease obligations which came to € 19.6 m, an increase of € 0.4 m over 31 December 2023 (€ 19.1 m). Current trade and other payables decreased from € 134.3 m to € 85.8 m mainly due to improved working capital management. Current provisions increased from € 45.2 m to € 62.2 m driven by a reduction in ongoing personnel related expenses and an increase due to reorganisation expense, while current contract liabilities amounted to € 106.6 m (31 December 2023: € 97.6 m). Other current liabilities increased to € 27.4 m (31 December 2023: € 22.6 m) mainly due to an increase in social charges.

The non-current financial liabilities decreased from € 477.1 m as of 31 December 2023 to € 392.7 m as of 31 December 2024. The non-current financial liabilities consist of the long-term portion of bank loans and long-term lease obligations. The long-term portion of bank loans decreased by € 46.6 m to € 260.4 m as of 31 December 2024 (31 December 2023: € 307.1 m) mainly due to a reclassification to current financial liabilities and the reclassification of a subsidized loan by Banque Publique d'Investissement of € 20.8 m deferred income in June 2024 as the company determined that conditions were substantially met for forgiveness. Long-term lease obligations decreased from € 170.0 m to € 132.3 m, driven by footprint reductions in Germany and the UK. Non-current contract liabilities amounted to € 156.7 m in 2024 (31 December 2023: € 155.3 m). The increase is driven by prepayments received for future projects, offset by the reclassification of a portion of the initial prepayment associated with the BMS Onco collaboration from non current to current contract liabilities.

Deferred tax liabilities amounted to € 14.5 m (31 December 2023: € 18.1 m). Movements generally relate to book to tax temporary differences in fixed assets and especially depreciation of property, plant and equipment.

— OFF-BALANCE-SHEET FINANCING INSTRUMENTS AND FINANCIAL OBLIGATIONS —

The Company is not involved in any off-balance-sheet financing transactions in the sense of the sale of receivables, asset-backed securities, sale-and-lease-back agreements or contingent liabilities in relation to special-purpose entities not consolidated.

In July 2024, the Company secured a € 250 m senior secured revolving credit facility ("RCF") to strengthen its liquidity position, supporting investments, working capital needs, and future growth. The RCF was intended as a backup credit line rather than a critical financing instrument. In the third quarter of 2024, the Company revised its financial performance guidance for the year, which created unexpected pressure on the debt covenants, including the net debt leverage covenant associated with the newly signed RCF. A covenant waiver and associated draw stop were agreed and remains in place until and including 30 June 2025.

Unused credit lines as per 31 December 2024 amount to € 75.1 m.

As of year end, the company had € 12.9 m of Restricted Cash (31 December 2023: € 11.8 m).

Other commitments and contingencies consist of consultancy agreements, purchase commitments, mile-stone based commitments and guarantees. The future payment obligations resulting from long-term commitments and contingencies total € 95.9 m (31 December 2023: € 89.5 m). Lease obligations for non-cancellable lease agreement not yet commenced amounted total € 53.6 m (31 December 2023: € 53.6 m) Please see section 18 of the Notes to the Consolidated Financial Statements.

The Company has licenced or acquired certain third-party intellectual property for use in its business. Under these agreements, Evotec has a commitment to pay milestones dependent on progress or make milestone and licence payments dependent on present and future net income or on third-party sub-licensing fees.

Evotec SE

The management report of Evotec SE and the Group management report for the financial year 2024 have been combined pursuant to section 315 paragraph 5 of the German Commercial Code in conjunction with section 298 paragraph 2 sentence 1 of the German Commercial Code. In addition to the Evotec Group reporting, Evotec SE's net assets, financial position and results of operations as well as its development are described below. The economic situation is presented in a condensed form. Evotec SE's complete statutory financial statements in accordance with the German Commercial Code and the consolidated financial statements are published in the Company Register.

The risks and opportunities are presented in the "Risk and opportunity management" chapter of this combined management report.

In accordance with Evotec SE's business model, revenues and operating profitability strongly depend on the business development of its most important subsidiary, Evotec International GmbH. New contracts and contract extensions are preferably concluded with Evotec International GmbH.

FINANCIAL PERFORMANCE INDICATORS

Evotec SE's business is controlled by the financial performance indicators of revenues, adjusted EBITDA, and liquidity (bank balances as well as trade securities).

— 2024 FINANCIAL PERFORMANCE INDICATORS COMPARED WITH FORECAST —

	Forecast Annual Report 2023	*Actual result*
Revenues	Double digit percentage reduction	*+18.2%*
Adjusted EBITDA	Expected adjusted EBITDA € (55.0) m to € (65.0) m	*€ 46.4 m*
Liquidity	Slightly below € 230 m	*€ 150.3 m*

As stated in the outlook section of the 2023 management report of Evotec SE, a double-digit percentage decline in revenues was expected for the 2024 financial year. Evotec SE closed the financial year 2024 with revenues of € 133.5 m (2023: € 112.9 m). This is above expectations and represents an increase of 18.2% compared to 2023. The increase in revenue is mainly driven by revenue from intercompany recharges of € 46.0 m (2023: € 28.9 m) which grew due to higher IT related and administration cost.

The adjusted EBITDA amounted to € 46.4 m (2023: € (30.0) m) and thus significantly exceeded expectations. The variance is mainly due to higher sales revenue and dividends received from affiliated companies, as well as higher currency gains and lower cost of materials.

At the end of the year, the liquidity was € 150.3 m. Compared to the previous year (€ 250.1 m) and the forecast (slightly below € 230 m), the difference is mainly due to the cash outflow from capital increases and investments, acquisition-related transaction costs, the repayment of loans, and funds provided to subsidiaries. The deviation from the forecast is partly due to different cost forecasts, particularly in connection with the reorganisation.

RESULTS OF OPERATIONS

— REVENUES —

In 2024, total revenues of Evotec SE amounted to € 133.5 m, an increase of € 20.6 m or 18.2% compared to the previous year (€ 112.9 m). Revenues mainly comprised services provided to affiliated companies.

Third-party revenues including milestones decreased from € 20.2 m in 2023 to € 9.4 m in 2024, which corresponds to a reduction of € (10.8) m. In 2024 the contract with CHDI Foundation had been transferred to subsidiary Evotec International GmbH. No revenues from milestones were generated in 2024 (2023: € 1.2 m). Intercompany revenues increased in line with the rising external revenues of Evotec International GmbH from € 92.7 m in 2023 to € 124.1 m in 2024 due to slightly more business interactions between Evotec SE and Evotec International GmbH and the increase of intercompany recharges from € 28.9 m in 2023 to € 46.0 m .

In 2024, the three largest customers (Evotec International GmbH, CHDI Foundation Inc., Bayer AG) contributed 90.7% to total revenues (2023: 94.5%).

— NET RESULT —

Evotec SE ended the financial year 2024 with a net income of € 1.1 m. The adjusted EBITDA for 2024 amounted to € 46.4 m (2023: € (30.0) m).

in € k	2024	2023
Net income/ loss	1,100	(97,923)
plus taxes on income	41	458
less interest income	(14,325)	(14,293)
plus interest expenses	10,281	7,118
plus depreciation of tangible assets	6,792	6,042
plus amortization of intangible assets	1,005	346
plus impairment of financial assets and securities classified as current assets	33,885	61,992
plus external cyber-related costs	8,674	6,300
less income from sale of shares	(35,067)	0
plus reorganisation costs	33,989	0
Adjusted EBITDA[1]	46,376	(29,960)

[1] *Regarding the definition please refer to the "Financial performance indicators" chapter of this combined management report*

In 2024, other operating income increased by € 65.5 m to € 99.9 m (2023: € 34.4 m) and mainly reflect income from the sale of financial assets of € 40.2 m as well as currency gains of € 32.2 m. Different from previous year intercompany recharges of € 14.6 are shown in other operating income (2023: € 18.5 m).

The cost of materials fell by € 2.9 m from € 17.1 m in 2023 to € 14.2 m in 2024.This was primarily due to the decline in third-party revenues.

Personnel expenses slightly increased by € 0.6 m from € 64.4 m in 2023 to € 65.0 m in 2024. The increase is mainly driven by an overall increase in the number of employees.

Other operating expenses increased by € 59.4 m from € 102.4 m to € 161.8 m in 2024. The increase was mainly due to expenses from currency conversions of € 32.5 m (2023: € 14.0 m) and reorganisation costs of € 34.0 m. Among other things, the lower expenses for IT-related consulting costs, licence costs, and consumables in the amount of € 14.7 m (2023: € 20.7 m), and legal and consulting costs of € 17.6 m (2023: € 21.4 m) had an opposite effect.

Income from investments increased to € 46.5 m in 2024. The dividend income from affiliated companies came from Evotec (France) SAS at 28.6 m, Evotec ID (Lyon) SAS at € 11.4 m, and Aptuit (Potters Bar) Ltd. at € 6.5 m.

Write downs of financial assets decreased by € 28.1 m from € 62.0 m to € 33.9 m due to impairments of nine equity investments at € 25.6 m, loans to investments at €5.2 m and loans to affiliates of € 3.0 m.

In the financial year 2024, income from other securities decreased by € 0.4 m to € 12.4 m (2023: € 12.8 m). This decrease was mainly due to lower interest income on loans granted to subsidiaries of € 12.4 m as well as the absence of interest income on short-term investments.

Interest expenses increased from € 7.1 m to € 10.3 m year-on-year, mainly due to interest expenses on loans granted by subsidiaries in the amount of € 2.3 m.

NET ASSETS AND FINANCIAL POSITION

— FINANCING AND FINANCIAL STATUS —

The total assets of Evotec SE amounted to € 1,290.3 m (2023: € 1,288.4 m) at the financial year end.

— LIQUIDITY AND FINANCING —

As of 31 December 2024, liquidity had decreased by € 99.9 m to € 150.3 m (2023: € 250.1 m). Changes in foreign exchange rates had a minor impact. The decrease was mainly due to capital increases at Evotec (US) Inc. of € 50.2 m and Just – Evotec Biologics EU SAS of € 40.0 m.

The net cash outflow from operating activities amounted to € (76.6) m (2023: net cash outflow of € 14.8 m). The cash inflow primarily resulted from prepayments of € 6.6 m and an increase of accrued liabilities of € 6.4 m. The cash outflows were mainly due to an increase in receivables of €24.4 m.

The net cash inflow from investing activities amounted to € 3.7 m (2023: net cash outflow € (138.4) m). The cash outflow was mainly driven by 90.2 m of capital contribution for equity investments and new equity investments. Capital expenditure rose in 2024 to € 8.2 m (2023: € (6.3) m). Evotec SE received a net cash inflow of € 69.4 m in 2024 for equity divestment performed during the year, as well as € 40.0 m of cash dividends from affiliated companies Evotec (France) SAS (€ 28.6 m) and Evotec ID (Lyon) SAS at € 11.4 m.

The net cash outflow from financing activities amounted to € (27.0) m (2023: net cash inflow of € 76.2 m). This primarily resulted from Evotec SE repaying existing external bank loans by € 128.5 m, while receiving net repayments of intercompany loans of € 101.1 m.

NET ASSETS

— CAPITAL STRUCTURE —

The total share capital increased by € 0.4 m to € 177.6 m. In 2024, 367,720 shares from share performance awards ("SPAs") from Evotec Group employees and members of the Management Board, as well as former Evotec Group employees and former members of the Management Board (2023: 233,083 shares) were converted into Evotec shares by using conditional capital. As of 31 December 2024, Evotec SE held 167,415 treasury shares (31 December 2023: 249,915).

In financial year 2024, total equity increased by € 1.5 m to € 839.4 m (2023: € 837.9 m), mainly due to the positive net result. As of 31 December 2024, Evotec SE reported a slightly increased equity ratio of 65.1% (2023: 65.0%).

— NET ASSETS AND LIABILITIES —

Property, plant and equipment decreased by € 4.1 m to € 28.0 m as at 31 December 2024 (2023: € 32.1 m). This is mainly due to a disproportionate increase of depreciation in the amount of € 6,8 m in line with the additional capitalizations.

The financial assets include shares in affiliated companies, loans to affiliated companies, investments and loans to investments. In 2024, the financial assets increased by € 76.9 m and amounted to € 939.9 m as of 31 December 2024 (2023: € 863.0 m). New loans to affiliated companies relate primarily to Just – Evotec Biologics EU SAS and classifications as fixed assets in the total amount of € 30.3 m . Disposals in the amount of € 14.2 m relate to the loan waiver for Evotec DS Germany GmbH, Halle (Westfalen). The effect of capital increases at affiliated companies and acquisitions amounted to € 116.5 m (2023: € 128.7 m). Of this, € 109.4 m was attributable to the expansion of existing investments in affiliated companies, mainly the subsidiaries Just – Evotec Biologics EU SAS and Evotec (US) Inc. In addition Evotec SE had to impair nine equity investments and loans issued in the total amount of € 33.9 m, as delays in the respective lead programmes led to the failure of further financing rounds and as a result in impairment. Ananke Therapeutics Inc., Boston, USA, was liquidated in the financial year 2024. The shares in Recursion, Salt Lake City, USA (formerly Exscientia PLC, Oxford, UK) and the shares in Evotec DS Germany GmbH, Halle (Westfalen) were sold in the financial year 2024 with an impact on the financial assets of € (30,1) m. Write-ups were made on two investments in the amount of € 0.5 m.

Compared with 31 December 2023, receivables and other assets increased by € 19.7 m to € 152.9 m (31 December 2023: € 133.2 m). This increase was mainly due to the bank collateral provided to secure loans and rental liabilities.

As a result of a lower volume in new and the sale of existing investments, securities decreased by € 159.0 m to € 69.5 m compared to the previous year (2023: € 228.5 m).

In 2024, other provisions increased by € 9.9 m from € 19.5 m to € 29.4 m. The increase resulted mainly from higher provisions for onerous contracts for derivates and in connection with the reorganisation.

In 2024, Evotec SE’s liabilities to banks decreased by € 128.6 m to € 280.0 m (2023: € 408.6 m). This change is mainly due to the repayment of the promissory note in the amount of € 108.5 m.

Trade accounts payable decreased by € 1.9 m to € 10.7 m (2023: € 12.6 m) in line with with the cost-saving programme.

GENERAL STATEMENT ON EXPECTED DEVELOPMENTS BY THE MANAGEMENT BOARD

In 2024, Evotec SE achieved an increase in revenues of 18.2%, which was above the forecast. External revenues fell short of those achieved in 2023 by € (10.8) m. Intercompany revenues increased from € 92.7 m in 2023 to € 124.1 m in 2024 due to slightly more business interactions between Evotec SE and Evotec International GmbH and the increase of intercompany recharges from € 28.9 m in 2023 to € 46.0 m.

Adjusted EBITDA amounted to € 46.4 m in 2024 (2023: € (30.0) m). The increase was driven by higher revenues and dividends received from affiliated companies, accompanied by higher foreign exchange gains and lower material expenses.

In 2024, Evotec successfully made the necessary structural adjustments in the face of a significantly weaker market environment, including the sale of Evotec DS in Halle, Germany. The positive revenue development, income from affiliated companies, and the gain from sale of shares in Recursion, Salt Lake City, USA (formerly Exscientia PLC, Oxford, UK) led to a significant year-on-year recovery in adjusted EBITDA.

OUTLOOK FOR EVOTEC SE

— EXPECTED OPERATING RESULTS —

For the financial year 2025, Evotec SE expects stable revenues in comparison to 2024. This assumption is based on the current order backlog within Evotec International GmbH, as well as foreseeable new orders and contract extensions. Despite the positive development of the Evotec Group, Evotec SE's adjusted EBITDA is expected to be in the range of € 5.0 m to € 15.0 m, as Evotec SE mainly bears the costs of strategy development, technology expansion, and financing of a parent company.

— EXPECTED LIQUIDITY —

Evotec SE's liquidity position mainly decreased in 2024 due to the repayment of the promissory note. In the financial year 2025, the liquidity of Evotec SE is expected to decrease just below € 100 m, due to further investments and a reduction of intercompany revenues. At the end of 2023, Evotec was able to secure financing from the EIB in the amount of € 150 m, from which Evotec will draw the outstanding balance of € 56.7 m by the end of 2025.

Please also refer to the statements in the Group outlook section, which also reflect the expectations concerning Evotec SE.

Reporting pursuant to section 289c and section 315c of the German Commercial Code

Evotec publishes as part of its Sustainability Report a Group non-financial report in accordance with section 289c and section 315c of the German Commercial Code This year Evotec reports voluntary and for the first time with reference to the European Sustainability Reporting Standards ("ESRS"). To get a detailed overview about Evotec's sustainability performance, please see Evotec's "Sustainability Report 2024".

The report provides a new level of ambition and transparency to a broad range of environmental, social and governance topics in business fields. It is available on the Evotec website under the following link: *https://www.evotec.com/en/investor-relations/financial-publications*

Risk & Opportunities Report

RISK AND OPPORTUNITY MANAGEMENT

— GROUP WIDE RISK MANAGEMENT —

Evotec operates in a complex and ever-changing global business environment. Many internal and external factors therefore affect the achievement of Evotec`s objectives. For this reason, the assessment of opportunities and risks is embedded in management´s decision-making.

Within the Evotec Group, risks are defined as future events, developments and changes that may negatively affect or jeopardise the achievement of its strategic objectives. Nevertheless, deliberately taking and managing risks is an essential part of the Group's strategy to safeguard any opportunity that may have a positive impact on its projected targets.

Evotec's risk management system aims to include all the controls that ensure a structured management of opportunities and risks throughout the Group. The Company sees the management of risks and opportunities as a continuous challenge. The full range of actual and potential developments within the Group and its operating environment must be identified, analysed and assessed. Suitable measures to mitigate risks are taken when needed to optimise the Group's risk situation whilst keeping potential opportunities open. Its risk management is supported by internationally recognised standards (Integrated Framework of the Committee of Sponsoring Organizations of the Treadway Commission - COSO) and by a group-wide internal control system ("ICS") and a compliance management system ("CMS").

Evotec has implemented an early risk detection system and a risk bearing capacity model in accordance with section 91 paragraph 2 of the German Stock Corporation Act ("AktG") to ensure the legally required monitoring of essential business risks by the management board and supervisory board. Beyond this, Evotec has implemented an internal control system as required by Section 91 paragraph 3 of the German Stock Corporation Act ("AktG") in conjunction with Section 289 paragraph 4 and Section 315 paragraph 4 of the German Commercial Code ("Handelsgesetzbuch - HGB"). Since 2022, Evotec has also been required to comply with the requirements of the US Sarbanes-Oxley Act 2002 (Section 404) regarding internal controls over accounting and financial reporting.

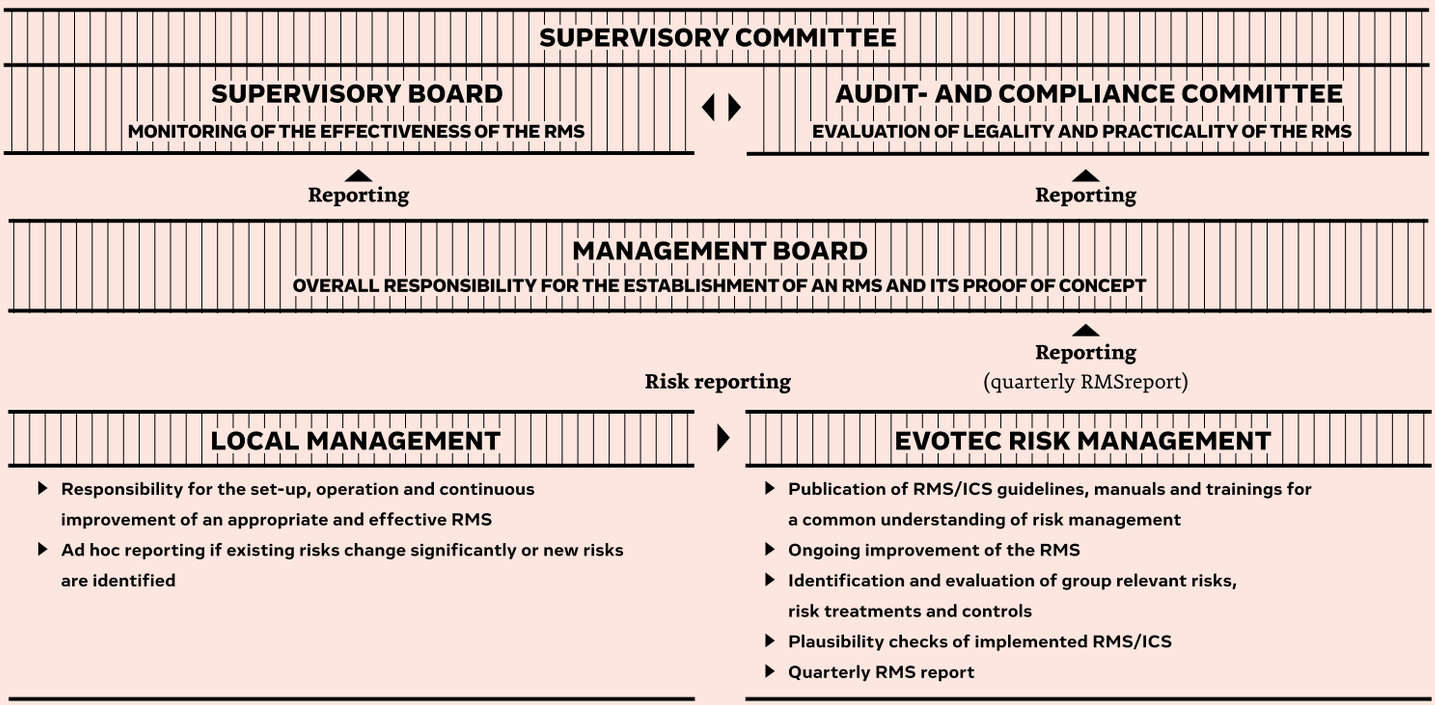
— BASIC ELEMENTS OF THE RISK MANAGEMENT SYSTEM AND THE INTERNAL CONTROL SYSTEM —

The Company's risk management system in accordance with Section 91 paragraph 3 of the German Stock Corporation Act ("AktG") is attuned to the early detection, assessment, and management of major risks, in particular those that may threaten its existence. Thanks to extensive, continuous analysis and monitoring of individual risks, Evotec can weigh operational and economic parameters and initiate specific measures to mitigate or entirely prevent the potential negative impact of risks.

Evotec's Management Board assumes the responsibility for the risk management system and the underlying cornerstones of risk policy and strategy. The group-wide coordination, implementation and development of the risk management system is handled by the Global Risk & Control department, which routinely reports directly to the Chief Financial Officer ("CFO"). Full risk reports are also presented at least twice a year to the Management Board and Audit and Compliance Committee.

The Global Risk & Control department sets the main guidelines and closely communicates with all corporate units and all risk-relevant operational and enabling functions both at the group level and in the subsidiaries. It helps to identify and assess risks, providing advice for and monitoring the shaping and implementation of suitable countermeasures. In this context, contacts for risk reporting and risk management in all business units are continuously identified and nominated.

RISK MANAGEMENT STRUCTURE AND DUTIES



Risk detection

The process and responsibility of continuous detection of risks happens both at the group level, through continuous monitoring of business activities, the overall economic environment, the competitive environment etc., and at the entity levels, through the designated risk owners and risk specialists in key positions. In cooperation with the Global Risk & Control department, the detected risks are analysed in regards to their effects and classified into predefined risk categories and possible risk aggregates. Corporate Risk & Control department has the overall responsibility to maintain and update the risk portfolio in the risk management tool based on the information received and developed.

Risk assessment

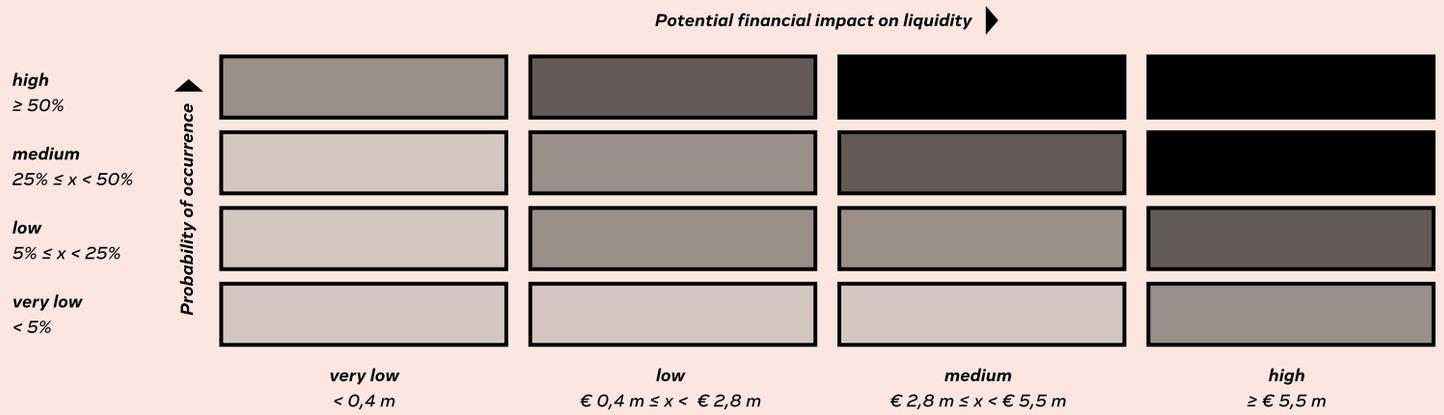
Risks are assessed based on two criteria: probability of occurrence and potential damage. As a basic standard, all risks are evaluated on a gross (i.e., before the consideration of response measures) and a net (i.e., remaining risks under consideration of effective risk response measures) risk basis. The risk assessment is based on the potential impact on cash, taking into account materiality thresholds. The materiality for reportable risks is reviewed annually and recalculated based on Evotec's business development and risk-bearing capacity and adjusted if necessary. Evotec's risk approach generally assumes that risks can have a direct or indirect impact on Evotec's financial performance. A cash-based risk assessment of all risk types and their consequential risks (strategic risks, compliance risks, reputational risks, etc.) is a fundamental expectation.

Notwithstanding this, Evotec also includes non-financial risks in its risk management that have no direct or indirect impact on liquidity, but may nevertheless have a negative impact on the achievement of the Company's objectives.

The classification of risks and the risk matrix generated for the internal quarterly risk report are based on the following four-level risk classes.

In due consideration of corporate strategy and development, the Company reviews the levels of probability of occurrence and financial impact once a year to see if any changes need to be made. The risk criteria for the potential impact on liquidity are calculated under consideration of the business development (financial criteria), tolerance materiality and risk appetite. In comparison to prior year the criteria level did not change.

These reporting criteria apply exclusively to the Group. As the subsidiaries vary in size, the regional entities are in charge of adjusting critical damage levels in their local risk management systems to fit local financial capacities.



Risk management

Regardless of the risk categorisation, all active risks must be managed with appropriate measures (= measure to reduce, prevent or transfer risks). Acceptance of risk without initiating any measures is permitted only in individual cases and generally not for high risks. The appropriateness, implementation grade and execution of implemented and planned measures is monitored by the Global Risk & Control department. The status of all mitigating activities and their efficiency is documented in Evotec`s risk management tool and reviewed by the Group's Risk & Control department at least twice a year.

Risk reporting

Based on the risks identified, evaluated and reported through bottom-up and top-down procedures, the Global Risk & Control department submits risk reports to the Management Board, the Supervisory Board's Audit and Compliance Committee and to the Supervisory Board itself. In addition to presenting the risk assessment of new and existing top risks, Evotec´s risk reporting also includes a presentation of risk development and the degree of effectiveness and development of countermeasures. Year-end reporting also includes a comprehensive presentation of all risks, including all countermeasures that have been implemented, are being implemented and are planned.

Risk monitoring

The Supervisory Board oversees the monitoring of the appropriateness and effectiveness of the risk management system. The Management Board and the Supervisory Board review the processes of the risk management system once every year. Moreover, Evotec gives high priority to responsible and value-based corporate governance. The Management Board considers the risk management system to be appropriate and effective for the reporting year.

Internal control system

With our listing on the U.S. stock exchange "Nasdaq" in 2021, we have expanded our documentation of existing accounting-related internal controls to include the regulations of the Sarbanes-Oxley Act of 2002, Section 404 (SOX 404). Section 404 of the Sarbanes-Oxley Act ("SOX") requires all publicly traded companies to establish internal controls and procedures over accounting and financial reporting and to document, test, and maintain those controls and procedures to ensure their effectiveness. The results for the evaluation of the internal control system in accordance with the regulations of SOX 404 are published annually in the 20-F document that must be submitted to the United States Securities and Exchange Commission ("SEC"). Under Section 404, Evotec is required to include in their 20-f document with their annual filing:

- A statement of management's responsibility for establishing and maintaining adequate internal control over financial reporting
- A statement identifying the framework used by management to evaluate the effectiveness of internal control
- Management's assessment of the effectiveness of internal control as of the end of Evotec's fiscal year end
- A statement that Evotec's external auditor has issued an attestation report on management's assessment

Evotec's internal control system is based on the globally recognized "COSO 2013 Internal Control - Integrated Framework" defined by the COSO organisation (Committee of Sponsoring Organizations of the Treadway Commission). The aim of the Company's internal control system is to minimize the occurrence of procedural risks to an acceptance level. This also includes ensuring proper and effective accounting and financial reporting in accordance with national and international accounting standards and regulations. The accounting based internal control system is intended that a timely, uniform and correct accounting entry of all business transactions based on applicable accounting standards is guaranteed.

All internal controls are defined and rolled out for all companies in scope with support of the Global Risk & Control department in close coordination with the departments involved. The internal control system, including the accounting based internal control system, of Evotec comprises both process-integrated and process-independent protective measures. The process-integrated measures are organisational, automatic systems and controls that are built into structures and processes and ensure a certain level of protection. Furthermore, internal guidelines and procedural instructions exist that regulate the implementation of process activities and controls and must always be complied with by the employees involved. The control mechanisms described apply both to the accounting processes on local and group level, which includes consolidation as well. In addition to process

integrated measures, process-independent protective measures are conducted by the independent Global Internal audit function. This ensures the legally obligatory monitoring of the effectiveness of the internal control system by the Supervisory Board in accordance with § 107 paragraph 3 of the German Stock Corporation Act ("AktG"). Due to the additional obligations of SOX 404 the Internal Audit is responsible to perform a yearly independent audit of the internal control system over financial reporting. The results for the evaluation of the internal control system in accordance with the regulations of SOX 404 are published annually in the 20-F document that must be submitted to the United States Securities and Exchange Commission (“SEC”). The Internal Audit function reports on a regular basis to the CFO and at least on a quarterly basis to the Audit and Compliance Committee on the results of the audits of the accounting-related internal control system. Regardless, internal controls can only provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements in accordance with applicable legal requirements for external purposes. During the reporting year, management identified certain weaknesses in our internal control over financial reporting. As a result, management has concluded that our internal controls over financial reporting are partially inadequate and not effective in the overall assessment.

OVERVIEW OF CURRENT RISK SITUATION

Evotec is exposed to various risks arising from its activities and from the sector. Each of these risks could have a significant negative impact on its general business, its financial situation and its results.

Evotec has classified the most important risks in the following categories: strategic risks, financial risks, legal/compliance risks, ownership and patent risks, HR risks, information technology risks, and operational risks.

In the following, material risks from Evotec´s risk assessment are reported. Established risk control measures are taken into account so that the following risk overview is based on a net risk perspective for the probability of occurrence and the financial impact. As part of our comprehensive risk and opportunity management, we also identify current and potential risks and opportunities arising from environmental, social and governance ("ESG") aspects. In the following, Evotec describes the individual risk categories and indicate their risk classification. The order does not imply any valuation of the risks.

Evotec points out that an inevitable uncertainty in the risk assessment is implicit as risk assessments are subject to considerable estimations and require assumptions that not always can be verified through previous internal experiences or external sources.

The table below is an overview of these risks.

Changes in key financial figures, which serve as the basis for the quantitative risk assessment of some risks (e.g. turnover), can lead to an increase or decrease in the overall risk assessment. An increase or decrease in the risk position compared to the previous year may therefore be due to a change in the risk assessment and/or a mathematical valuation adjustment.

CORPORATE RISK OVERVIEW (AGGREGATED)

	Potential financial impact	*Probability of occurence*	*Change compared with previous year*
1. Strategic risks			
Risks from strategic review	Medium	Medium	
Macroeconomic risks	High	Low	
Competitors and disruptive market participants	High	Low	
Partnership risks in drug development and manufacturing	High	Low	
Technological risks	Medium	Medium	
Commercial risks from out-licensing and licenced products	Medium	Medium	
2. Financial risks			
Liquidity risk	Medium	Very Low	↑
Currency risks	High	Low	
3. Legal/compliance risks			
Litigation	High	Very Low	
Regulatory risks	High	Medium	↑
Quality risks in R&D	High	High	↑
General governance and compliance risks (fraud, corporate governance)	High	Medium	
Changes in tax laws and interpretations by tax authorities	Medium	Medium	
Loss of R&D tax credits	High	Low	↑
4. Ownership and patent risks			
Patents and proprietary technologies	Medium	Medium	
Licences granted for partnered assets	Medium	Medium	
5. HR risks			
Loss of highly qualified staff (key employees)	High	Medium	
Risk related to talent acquisition and employee retention	Medium	Low	
6. Information technology risks			
Loss of data	High	Low	
Data integrity and protection	High	Medium	↑
GDPR and other similar jurisdictions	High	Low	
Cyber risks	High	Medium	
7. Operational risks			
Environmental, health and occupational safety risks	Medium	Low	
Supply chain risks	High	Low	
Process risks	High	Medium	
Major disasters on sites	High	Low	↑

Based on the principles of risk factor assessment described above, the Management Board believes that no risks have been identified currently that jeopardise the continued existence of Evotec, either alone or in a foreseeable aggregation.

1. Strategic risks

Evotec is currently undergoing a **strategic review**, targeted for completion early Q2 2025. The goal is to define a new vision for the company and establish a clear position for the future.

During this transitional period, there is a risk of uncertainty both within and outside the organisation. This uncertainty could lead to potential delays in work, late decision-making, and unclear priorities.

Embarking on a strategic review presents significant opportunities but also entails inherent risks. Failure to execute the strategy effectively could result in a misalignment with the company's established strengths, such as R&D expertise, scientific excellence and technology leadership potentially diminishing our competitive advantage. Additionally, rapid shifts in the biotech landscape or advancements by competitors during the transformation period could render the new strategy less effective.

Further to the strategic review, Evotec will embark on a transformation journey, gaining back our strong and profitable position in the market. While this is clearly needed and expected, the execution will also bear some risks.

Poor planning, insufficient resources, or ineffective project management could lead to delays, cost overruns, or incomplete implementation. The transformation may also require substantial investment. If anticipated returns are not achieved, it could strain financial resources and impact long-term sustainability. Furthermore, unsuccessful execution or visible missteps could harm the company's reputation among investors, partners, and the broader industry.

To mitigate these risks, Evotec is committed to maintaining due diligence and acting responsibly to provide timely clarity on the new strategy, organisational structure, and transformation agenda.

Evotec faces potential risks arising from new or changing conditions, developments, and events that could significantly impact the company's business model and, consequently, its ability to achieve its strategic objectives. Evotec's strategy aims to cover the entire value chain of early research and pre- clinical development to improve patients' lives by addressing a broad range of disease areas in collaboration with partners, using a modality-agnostic approach. Failure to successfully execute this strategy could negatively affect the company's future business performance and market capitalization. The risk of failure to achieve strategic targets depends thereby on internal and external factors.

Evotec operates in a global environment, making it susceptible to **macroeconomic risks** that could significantly impact operations, financial performance, and strategic objectives. The ongoing Ukraine-Russia conflict and tensions in the Middle East pose significant risks to global economic stability. These conflicts can disrupt supply chains, increase costs for raw materials, and create uncertainty in key markets. For example, heightened geopolitical instability may lead to interruptions in the availability of critical resources or hinder global transportation networks, delaying delivery timelines and escalating operational expenses. The Ukraine-Russia conflict has already resulted in volatility in energy markets, with Europe being particularly impacted by higher energy prices due to its reliance on natural gas imports. Similarly, instability in the Middle East has the potential to disrupt global oil supplies. Rising energy costs directly affect our operations, especially our higher energy-intensive manufacturing facilities. Changes in trade policies and agreements, particularly following significant political events such as the election of Donald Trump as U.S. president, could introduce new tariffs, trade barriers, or restrictions could impact our business. Uncertainty around trade relationships may result in higher import/export costs for essential materials. The ripple effects of geopolitical conflicts, coupled with broader economic uncertainty, contribute to inflationary pressures that increase the cost of raw materials, labour, and services. Both geopolitical conflicts and evolving trade agreements exacerbate vulnerabilities in global supply chains. Delays or disruptions in sourcing key components, such as reagents, lab equipment, or specialized materials, could significantly impede research timelines or product development efforts. To address these risks, Evotec is diversifying its supply chains, explores energy efficiency initiatives, and implements robust risk management strategies.

The biotechnology and pharmaceutical industries have experienced rapid growth in recent years but remain intensely competitive. Evotec faces the risk that **competitors or disruptive market participants** may replicate its business model or introduce innovative offerings that could render its services less competitive or even obsolete.

The Company's mission is to discover best- and first-in-class medicines for a broad range of difficult-to-treat diseases in collaboration with its partners. To achieve this, Evotec has developed a comprehensive suite of fully integrated, next-generation technology platforms designed to transform drug discovery and development. These platforms enable significant improvements in drug quality, accelerate the discovery process, and reduce the high attrition costs often associated with traditional methodologies.

To remain competitive, Evotec must continuously innovate and provide cutting-edge solutions to its partners. Failure to do so could materially and adversely affect its business. Additionally, industry pressures such as intensified cost-containment measures, particularly on prescription drugs, impact Evotec's partners and may indirectly affect the Company. A contraction in the pharmaceutical and biotechnology industries due to pricing pressures could also materially impact Evotec's operations.

The company consistently invests in the development of cutting-edge technology platforms, services, and products to enhance its competitiveness and differentiation. Risks to keep pace with **technological developments**, such as the integration of AI technologies, could result in missed opportunities for automation, predictive analytics, and improved decision-making. For example, a lack of AI-driven systems for compound selection during drug screening could lead to inefficiencies and delays relative to competitors. Shortcomings in these areas could significantly disrupt operations, impair cash flows, and negatively impact Evotec's overall business strategy and performance.

Competition poses further risks. Superior offerings from competitors could harm Evotec's market positioning, revenues, financial conditions, and overall strategy. In 2024, 38% of the Company's revenue came from three customers, and 109 customer alliances each generated over € 1 m. Losing key customers to competitors could significantly impact the Company, especially as competition intensifies from cost-conscious CROs in Asia and Eastern Europe, which offer compelling alternatives for price-sensitive customers. The expansion of pharmaceutical companies into biotech services further increases outsourcing options, while emerging AI-driven biotech's present growing competitive threats. These AI-focused companies are competing for deals and partnerships with major pharmaceutical firms and may enhance their wet lab capabilities, increasing competition in drug discovery.

Evotec's drug discovery and development efforts also face challenges from market players with greater resources or superior manufacturing capabilities. The success of its R&D efforts depends on the competitiveness of its pipeline products against existing or future therapies. If Evotec's products fail to stand out, this could increase uncertainty around future cash flows, adversely impacting its financial position and business strategy. To navigate these risks, Evotec relies on reasonable cost management, continued development of innovative technologies, revenue diversification, and result-driven alliances. The Company's diversified business model, built on years of developing multifunctional technologies and platforms, is critical to maintaining its leading role in drug discovery within the pharmaceutical and biotechnology sectors.

Evotec faces risks to successfully maintain strategic **partnerships in drug development and manufacturing** due to failure whereas some of the factors of success are beyond its control. For instance, if our customers change their strategic focus, unexpected or unfavourable study results arise, or customers are dissatisfied with our performance under existing agreements, contracts — including those foundational to our strategic relationships with key clients — could be terminated or scaled back with little or no notice. The termination of a major contract or simultaneous delays, cancellations, or conclusions of several agreements could significantly impact our strategic objectives and adversely affect our operating results.
Additionally, the company could be significantly affected by a decline in research spending by existing or potential customers or a reduction in outsourcing within the biopharma industry. While current market assessments suggest continued recovery, any disruptions could hinder Evotec's ability to meet growth expectations.

Evotec aims to serve as a source of innovative drug candidates for potential partners. The company is advancing multiple active drug discovery and early development projects that it intends to licence to partners for clinical development and commercialization. However, Evotec's strategic growth goals could be jeopardized by the fact that some of its projects remain unpartnered. If Evotec fails to secure suitable partners or agree on acceptable terms, the company may be unable to generate returns from these projects.

Moreover, changes in the commercial priorities of Evotec's partners could lead to strategic re-prioritizations or the discontinuation of certain projects or partnerships. In such cases, Evotec would assume the risks associated with further development and re-partnering efforts. A failure to secure new partners could result in additional costs and the loss of potential revenue streams, undermining Evotec's ability to achieve its strategic objectives.
Pharmaceutical and biotech companies are increasingly outsourcing drug development and manufacturing to CDMOs to reduce costs, access specialized expertise, and accelerate time-to-market. With Just – Evotec Biologics, Evotec strategically focuses on providing development and manufacturing services for antibodies, next-generation biologics, and biosimilars. Our innovative, integrated end-to-end continuous manufacturing platform is highly intensified, enabling significantly higher productivity within a smaller footprint compared to traditional batch manufacturing.
Maturing into a late stage/commercial CDMO will allow us to leverage larger-scale operations to lower production costs, benefiting our clients. Additionally, our ability to scale production flexibly based on client needs during product launch, growth, or sunset phases positions us for long-term partnerships with significant financial potential for Evotec.
However, risks remain. Inspection and approval of US sites by the FDA is dependent upon our client base and their progression through drug development inclusive of late-stage clinical trials. Internally, failing to meet client timelines, insufficient resources like raw material delays, technical batch failures, or the loss of key personnel could hinder progress in our business, potentially increasing costs. Externally, clients may adjust portfolios or terminate partnerships for financial or market reasons, posing immediate financial risks. These challenges could impact Evotec's strategic objectives, reputation, and long-term financial targets. We try to counteract this risk in particular by establishing and following high quality standards, close communication with our customers and a strong prioritization of resources on Just – Evotec Biologics.

The **commercial risk from out-licensing and in-licenced products** is a risk in Evotec's view as Evotec depends in part on out-licensing arrangements for late-stage development, marketing and commercialization of its pipeline assets. Dependence on out-licensing arrangements subjects Evotec's to several risks, including the risk that it has limited control over the amount and timing of resources that the Company's licencees devote to pipeline assets, that its licencees may experience financial difficulties or that its licencees may fail to secure adequate commercial supplies of pipeline assets upon marketing approval, if at all. Moreover, Evotec faces the risks that its future revenues depend on the efforts of its licencees and that business combinations or significant changes in a licencee's business strategy may adversely affect the licencee's willingness or ability to complete the development, marketing and/or commercialization of the relevant pipeline assets. Finally, a licencee could move forward with a competing product candidate developed either independently or in partnership with others, including Evotec's competitors.

If Evotec or any of its licencees' breach or terminate their agreements with Evotec or if any of its licencees otherwise fail to conduct their development and commercialization activities in a timely manner or there is a dispute about their obligations, Evotec may need to seek other licencees, or the Company may have to develop its own internal sales and marketing capability for its pipeline assets. Evotec's dependence on its

licencees' experience and the rights of its licencees will limit Evotec's flexibility in considering alternative out-licensing arrangements for its pipeline assets. Any failure to successfully develop these arrangements or failure by Evotec's licencees to successfully develop or commercialize any of Evotec's pipeline assets in a competitive and timely manner will have a material adverse effect on the commercialization of the Company's pipeline assets.
To mitigate this risk to the extent possible, detailed project reporting is established within Evotec and stipulated in any collaboration agreement.

2. Financial risks

Revenue fluctuations, expenditures, external events, and changes in the business environment might negatively impact Evotec's short-to-medium term profitability and **liquidity**. Evotec participates in scientific projects with milestone character in order to benefit financially from high success or specific results. However, these are usually linked to the successful achievement of an important scientific result or regulatory event, so that the outcome is uncertain due to the nature of scientific research and development. Therefore, despite our best efforts, there is a risk that these milestones will not be reached or will be reached later than planned, which may have a negative effect on the planned liquidity and margin. Evotec may also be exposed to liquidity risks from long-term fixed-price contracts if the planned cash inflows in connection with these contracts are lower than expected and if cost increases (e.g. inflation) were not sufficiently factored in and negotiated when the contracts were concluded.

As of 31 December 2024, Evotec had € 396.8 m in cash, cash equivalents and investments. However, Evotec's operating plan may change as a result of many factors currently unknown to the Company, and Evotec may need to seek additional funds sooner than planned, through public or private equity or debt financings, government or other third-party funding, sales of assets, other partnerships and licensing arrangements, or a combination of these approaches. Even if Evotec believes to have sufficient funds for its current or future operating plans, the Company may seek additional capital if market conditions are favourable or if Evotec has specific strategic considerations. Evotec's spending will vary based on new and ongoing development and corporate activities. All options of refinancing are reviewed on a regular basis, including potential capital increases and the use of debt instruments. At the end of 2022, Evotec was able to secure € 150 m in additional financing from the EIB. By the end of 2024, Evotec drew € 93.3 m of this loan to finance its research. To actively address any related risk and safeguard its cash position, Evotec has defined minimum liquidity levels and regularly undertakes scenario planning. In full compliance with the Company's investment policy, the general risk of losing a significant amount of cash in cash investments is mitigated by spreading investments in high-quality credit instruments across several banks and by monitoring these banks and investments on an ongoing basis. The selected instruments are used exclusively to secure the underlying transactions, but not for trading or speculation. Overall, Evotec believes to have sufficient liquidity to meet liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to its reputation. Evotec's business and reported profitability are affected by fluctuations in foreign exchange rates mainly between the US dollar, Pound Sterling and the Euro.

In July 2024, the Company secured a € 250 m senior secured revolving credit facility (RCF) to strengthen its liquidity position, supporting investments, working capital needs, and future growth. The RCF was intended as a backup credit line rather than a critical financing instrument. In Q3 2024, the Company significantly revised its financial performance guidance for the year, which created unexpected pressure on its debt covenants, including the net debt leverage covenant associated with the newly signed RCF. To mitigate the risk of a covenant breach, the Company reached an agreement with the RCF lenders to implement a precautionary draw stop in exchange for a covenant waiver. Draw stop and waiver remain in place until the Company and its lenders renegotiate the RCF terms, reflecting the updated credit situation, in the second half of 2025. The liquidity risk resulting from the draw stop is limited, as the Company maintains sufficient operational liquidity to cover its funding needs for the year 2025.

Evotec manages the **currency risks** via close market monitoring, forward rate agreements, natural hedges and other selective hedging instruments. Hedging transactions are entered into for future transactions that can be reliably anticipated based on Evotec order book. Despite active currency management, exchange rate risk cannot be fully eliminated due to unpredictable volatility. As a result, Evotec's business may be affected by fluctuations in foreign exchange rates, which may have a significant impact on its results of operations and cash flows from period to period. Currency exchange movements also impact Evotec's reported liquidity in respect of translating liquid assets held in US dollars (approximately 26% of Evotec's liquid assets) or pound sterling into Euros. In the course of 2024 the Company has slightly reduced its currency exposure. On 31 December 2024, 62% of the Liquidity is held in EUR.

Interest rate risks may arise from inevitable negative development of market interest rates. The increase in interest rates affects the interest charges on Evotec´s variable interest-bearing loans and leads to additional interest expenses. At the end of 2024, 5% of Evotec's loans have variable interest conditions. Therefore, the interest rate risks on loans can be considered immaterial.

The Company regularly maintains cash balances at third-party financial institutions in excess of applicable insurance limits and are therefore reliant on banks and other financial institutions to safeguard and allow ready access to the assets. If banks or financial institutions enter receivership or become insolvent in the future in response to financial conditions affecting the banking system and financial markets, Evotec´s ability to access its existing cash, cash equivalents and investments may be threatened.

Default risks can arise as a result of a customer defaulting on payment. Our customers are generally financially stable pharmaceutical companies, research institutions and larger biotechnology companies, meaning that the risk can be classified as rather low.

3. Legal/compliance risks

Evotec strives to address legal risks as early as possible and respond pro-actively. Permanent measures are meant to entirely prevent any compliance violations.

Despite Evotec's pro-active measures, the Company is exposed to risks from **litigation** and cannot completely rule out infringements of legislation or regulations. As a result, Evotec is exposed to the potential risk that legal action, court rulings or out-of-court settlements may have adverse financial consequences. For major and/or complex transactions, Evotec pro-actively seeks external advice to mitigate the related risks.

The Company is bound by numerous contracts with a high degree of standardisation, in particular customer contracts under which Evotec is providing services. Some of the contracts, in particular collaboration agreements with other partners, are more complex and have a lower degree of standardisation. Contractual clauses which, after final negotiation with the partner, are rather unfavourable for Evotec may entail contractual risks like legal liability risks and financial risks. Risks may also arise if the parties interpret a contractual clause differently than Evotec intended. Evotec addresses this risk by continuously involving highly specialized in-house commercial legal counsels in the negotiations as well as the specialized departments, such as Business Development, Finance and Accounting, Operations, Quality, Insurance, IT and the IP Department or external legal advisers when needed. Thanks to this cumulative expertise of established review and contract drafting processes, Evotec has not recorded any judicial or material out-of-court settlements with customers in the past 10 years, so Evotec considers the risk to be low.

It is possible that the Company will be responsible for potential **product liability stemming** from product research, development or manufacturing and may face an even greater risk if any drug candidate that Evotec develops is commercialized. If Evotec cannot successfully defend itself against claims that drug products it develops with its partners caused injuries, the Company could incur substantial liabilities. Regardless of the merit or eventual outcome of such claims, any liability claims may result in e.g., decreased demand for any drug product that Evotec may develop with its partner, loss of revenues, significant time and costs to defend the related litigation, initiation of investigations by regulators and injury to Evotec reputation and significant negative media attention. Evotec is covered by liability insurance, but notwithstanding such coverage, the Company’s financial position or results could be negatively affected by product liability claims. On occasion, large judgments have been awarded in class action lawsuits based on drugs or medical treatments that had unanticipated adverse effects.

Evotec and its pharmaceutical and biotechnology customers and partners are subject to extensive regulations by the FDA and similar regulatory authorities in other countries for development, manufacturing and commercializing products for therapeutic or diagnostic use. Such regulations include but are not limited to, restrictions on testing on animals and humans, manufacturing, safety, efficacy, labelling, sale, advertising promotion and distribution of Evotec's or its partners’ products. In addition, new laws and regulations to which Evotec and its customers and partners are subject may change in the future affecting the viability of market entry for new products developed by the Company or the ability to continue certain projects for our customers and partners that may consequently be terminated at an early stage.

These **regulatory risks** and risks arising from **changing or stricter regulations** are addressed by continuously monitoring global and local legislations to ensure that looming changes are detected in time. For this purpose, Evotec also employs external partners such as consultants, auditors, and legal advisers under contract. Provided such connections exist, Evotec also engages in early dialogue with the authorities, e.g., regulatory authorities, to create transparency and ensure that its research and development activities conform to relevant legal and ethical requirements.

Regulations related to sustainability and environmental, social and governance ("ESG") topics have become increasingly important for companies in the recent years and are subject to rapid and ongoing development. Due to the growing report requirements with the EU Taxonomy, the Supply Chain Act) and currently applicable Corporate Social Responsibility Directive Implementation Act ("CSR-RUG" - German: CSR-Richtlinie-Umsetzungsgesetz) the scope of reporting is increasingly large. Moreover, the Corporate Sustainability Reporting Directive ("CSRD") was expected to be adopted for companies meeting certain criteria related to size and revenues, such is Evotec, to replace the CSR-RUG in Germany as of financial year 2024 onwards. Surprisingly it has not been passed by the German Parliament in 2024. The legal insecurities resulting from this also cause challenges in reporting and reporting compliance. The CSRD will increase the relevance of the information but is also associated with increased additional work due to more complex auditing requirements. This requires enhancing cooperation between internal functions and with that preparation and further provision of capacities within the company.

The introduction of the CSRD and thus the ESRS was not yet transposed into German law in 2024. This is expected to take place in 2025, meaning that the CSR-RUG currently in force will be replaced from the 2025 financial year. Evotec decided to report for the financial year 2024 voluntarily against CSRD, while making use of the possibility of CSR-RUG to use frameworks for reporting. The information now departs from a compilation of sustainability data to the fact that information requires more strategy and an impact and materiality analysis as a base. The analysis of the impacts now forms the ground of the materiality and thus the material topics that must be reported for companies. This may lead to increased regulatory, social or other scrutiny on our part.

We have performed the impact assessment and materiality analysis in preparation for the introduction of the ESRS. Evotec analysed its business activities, business relationships, products and services to determine whether it has a positive and/or negative impacts on the environment and people and other relevant stakeholders. In that process the severity, likelihood and irremediably of effects Evotec has or could have on the environment and people, including effects on their human rights are analysed (inside-out perspective). Furthermore, the sustainability-related financial risks and opportunities, including those deriving from dependencies on natural, human and social resources, on

the course of business, the results or the situation of the company (outside-in perspective) are analysed.

Moreover, the EU Taxonomy poses a challenge with the requirements through requiring companies to check their eligibility and alignment with the environmental objectives and disclosing financial KPIs.

National and international regulations expect Evotec to identify, prevent, mitigate and ideally eliminate the extent of potential negative impacts or violations throughout its business activities and value chain. If the Company is not able to adequately meet the statutory reporting obligations and appropriately recognize and respond to the expectations of governments, society and investors with regard to sustainability aspects, Evotec could potentially have to pay significant fines and suffer damage to its reputation. In particular, companies are increasingly being evaluated using their performance on sustainability issues by investors, customers, suppliers and financial institutions.

In addition to Evotec own disclosure obligations, compliance with sustainability aspects is assessed by a large number of rating agencies as well as customers. Moreover, sustainability compliance is an increasingly legal obligation for institutional and professional investors, who's investment decision may be impacted negatively by an inadequate ESG rating. If negative assessments by either of all of the relevant parties were to occur, they could have material adverse effects on the Company's business, financial condition, cash flows and results of operations, and the market value of its common stock could decline.

Any failure in this regard could also have a material adverse effect on Evotec´s reputation and the achievement of our strategic objectives. Evotec counters the risk by implementing a large number of countermeasures, such as growing cooperation and joint preparation between the Finance and ESG departments, expansion of capacities, introduction of new tools for reporting work, impact and materiality analysis, introduction of a tool for complaints for human rights violations and introduction of a supplier management program.

The German Supply Chain Due Diligence Act was passed by the German Parliament in 2021 and is mandatory for Evotec from 2024 onwards. This law obliges the Company to respect human rights and the environment and requires Evotec to implement legally defined due diligence obligations. One of the key elements of these due diligence obligations is the establishment of a risk management system. Such a risk management system is intended to identify, prevent or minimize risks of human rights violations and environmental damage. The due diligence obligations apply both to Evotec´s own business activities and to the actions of our contractual partners and suppliers.

If Evotec fails to comply with the German Supply Chain Due Diligence Act or if supervisory authorities are of the opinion that the Company has not complied with its due diligence obligations in accordance with this law, this may lead to official enforcement measures or other administrative penalties and fines. This may interrupt, or delay Evotec´s development activities and could have a material adverse effect on its business, financial condition, reputation and results of operations.

Evotec acts very prudently and responsibly to prove that clinical product candidates are safe and effective for human use and compliant with regulatory agencies requirements. Evotec's business processes are designed to meet the highest scientific quality, and the progression of drug programmes and drug candidates in development partnerships is part of Evotec's non-financial performance indicators. The success of Evotec's business therefore hinges upon the fulfilment of both the Company's own and legal quality standards.

Parts of our operations are subject to current Good Manufacturing Practice ("cGMP"), Good Laboratory Practice ("cGLP") and Good Clinical Practice ("cGCP") requirements. Regulatory authorities and Evotec's customers may conduct scheduled or unscheduled (for cause) inspections of Evotec's facilities to monitor its Quality System and verify that it complies with regulatory requirements and with the terms of Evotec's quality agreements with its customers. Audit findings that can impact on patient's safety, are classified as "critical" and may lead to a loss of certification with regulatory agencies or a loss of approved supplier status with our customers and a subsequent loss in revenues and in reputation. Evotec's manufacturing facilities also require certification and validation activities to demonstrate that they operate as designed. In addition, our manufacturing and testing facilities are subject to regulatory inspections by the national competent authorities in EU member states (including the Italian medicines agency AIFA and Minister of Health in Italy), the Medicines and Healthcare products Regulatory Agency ("MHRA") in the United Kingdom, the FDA, and other comparable regulatory authorities of other countries. If we are unable to reliably conduct the preclinical and clinical study and manufacture products in accordance with the regulatory requirements, we may not obtain or maintain the necessary authorizations. Further, our facilities may fail to pass regulatory inspections, which would cause significant delays and additional costs required to remediate any deficiencies identified by the regulatory authorities. In addition, any failure of quality in the product could cause significant delays and additional costs required to remediate any deficiencies. Any failure in quality which can cause damage to the patient may be subject to civil and criminal penalties. Any of these challenges could delay completion of clinical trials, require bridging clinical trials or the repetition of one or more clinical trials, increase clinical trial costs, delay regulatory approval, impair commercialization efforts, increase Evotec's cost of goods, and have an adverse effect on Evotec's business, financial condition, results of operations and growth prospects.

With reference to all activities performed in research or non-GxP development phases, a lack of quality can bring to generation of unreliable data, with consequent loss of time to repeat the experiments, increase of cost, loss of revenues and loss of reputation.

To minimise potential **quality risks in manufacturing and R&D activities**, Evotec has established a quality management system monitored by the Quality Assurance organisation. The Quality Assurance (QA) submits regular reports to the Company's management, and it defines quality requirements. In addition, QA is in charge of compliance monitoring, reviewing and reporting as well as the implementation of quality improvement measures.

In terms of **governance and compliance risks**, Evotec is exposed to a variety of potential challenges, including bribery and corruption, antitrust violations, internal and external fraud, data protection breaches, unlawful public disclosure of insider information, non-compliance with the Supply Chain Due Diligence Act (SCDDA), product liability, conflicts of interest, and emerging regulations such as the AI Act. The risks vary in their level of significance and potential impact on the company and have the potential to harm the company's reputation and result in financial penalties. To counter these risks, Evotec assesses and monitors these risks and has guidelines and reporting mechanisms in place. Risk mitigation measures are in place and are reviewed and adapted where needed, aiming to reduce risks in response to an evolving regulatory landscapes.

Evotec's employees are obliged to adhere to the Company's Code of Ethics and Business Conduct, which is applicable across the entire group. Compliance with internal company policies is paramount to the Company's success and ensures a safe work environment for its employees and early detection of potential risks. It is essential for Evotec to ensure that the Company in general and its employees individually conduct business in a legal, ethical and responsible manner. Employees are obliged to report any incidents they suspect of having breached the ethical guidelines laid out in the Company's Code of Conduct to their supervisor or to the Company's Compliance Officer. Evotec has also established appropriate guidelines and processes with regard to insider regulations. Accordingly, investigations regarding certain transactions in Company shares by its former CEO were directed exclusively against the person concerned and not against the Company. Evotec's corporate Legal & Compliance department is in charge of compliance monitoring. Its routine activities include reporting to the Management Board and the Supervisory Board, and the development and implementation of certain compliance guidelines and trainings.

The fact that Evotec operates in many different jurisdictions exposes Evotec to various tax risks. Key factors contributing to this risk include legislative changes, where amendments to tax laws and regulations in countries where we operate can impact our tax obligations. These changes may include adjustments to corporate tax rates, introduction of new taxes, or modifications to existing tax incentives. Interpretation by authorities is another factor, as tax authorities may interpret laws and regulations differently, leading to disputes and potential adjustments to our tax filings, resulting in additional tax payments and legal costs. Audit risks are also significant, as increased scrutiny and audits by tax authorities can uncover discrepancies or differing interpretations, leading to reassessments and additional tax liabilities. Transfer pricing adjustments can affect the allocation of income and expenses among subsidiaries, impacting our overall tax burden. Additionally, inconsistent application of double tax treaties can lead to double taxation, where the same income is taxed in multiple jurisdictions.

Evotec relies significantly on **R&D tax credits** to support its innovation and development activities (as of December 31, 2024, we received € 46.9 m in R&D tax credits for that year). These credits can be subject to change based on government policies and economic conditions in the countries where we operate. The potential reduction or elimination of R&D tax credits could result in increased tax liabilities and reduced cash flow, adversely affecting Evotec's financial performance and ability to invest in future R&D projects. Factors contributing to this risk include: Changes in legislation (amendments to tax laws or regulations that reduce or eliminate R&D tax incentives), Economic Downturns (governments may alter tax policies in response to economic challenges, impacting the availability of R&D credits), Compliance and Audit Risks (increased scrutiny and audits by tax authorities could lead to disallowance of claimed credits), Global Operations (variations in tax policies across different jurisdictions where we operate can create uncertainty and complexity in claiming R&D credits).

To mitigate these risks, we continuously track changes in tax laws and regulations to anticipate and adapt to new requirements. We maintain open communication with tax authorities to clarify interpretations and resolve disputes promptly. We work with external tax advisors to ensure compliance and optimize our tax position. We apply robust internal controls and compliance processes to ensure accurate and timely tax filings. Despite these efforts, the complexity and variability of global tax regulations mean that some risks are unavoidable and may negatively impact our financial results.

4. Ownership and patent risks

If Evotec's business activities conflict with patents or other intellectual property rights of third parties, activities may be suspended or there may be a legal dispute. Also, if Evotec believes that its patents or other intellectual property rights have been infringed upon by a third party, the Company might file lawsuits. These actions could have an influence on Evotec's financial position or results.

The risks associated with intellectual property include the two main general risks **patents** and **proprietary technologies** as well as **licences granted for partnered assets**.

Different risk scenarios could arise which Evotec subdivides in the following risk areas. The Company's success depends in part on Evotec's ability to develop, use and protect its proprietary methodologies, software, compositions, processes, procedures, systems, technologies and other intellectual property. To protect its intellectual property position, Evotec primarily relies upon trade secrets, confidentiality agreements and policies, invention assignments and other contractual arrangements, trademark registrations and copyrights. Although Evotec's patent portfolio is not material to certain aspects of its business as a whole, Evotec has filed patent applications in the United States, Europe and abroad related to the Company's pipeline assets, processes or other technologies (including methods of manufacture). Evotec's collaboration partners also file patent applications on their development assets on which Evotec may earn milestones and royalties. Evotec may not be able to apply for patents on certain aspects of its current or future pipeline assets, processes or other technologies and their uses in a timely fashion or at a reasonable cost. Even issued patents may later be found invalid or unenforceable or may be modified or revoked in proceedings before various patent offices or in courts in the United States, Europe or other jurisdictions. The degree of future **protection for Evotec's**

intellectual property and other proprietary rights is uncertain. Only limited protection may be available and may not adequately protect Evotec's rights or permit Evotec to gain or keep any competitive advantage. Additionally, Evotec's intellectual property may not provide the Company with sufficient rights to exclude others from copying Evotec's processes and technologies or commercializing pipeline assets. If Evotec does not adequately obtain, maintain, protect, defend and/or enforce its intellectual property and proprietary technology, competitors may be able to use Evotec's proprietary technologies and erode or negate any competitive advantage Evotec may have, which could have a material adverse effect on Evotec's financial condition and results of operations.

The patent application process is subject to numerous risks and uncertainties, and there can be no assurance that Evotec or any of Evotec's current or future licensors or partners will be successful in prosecuting, obtaining, protecting, maintaining, enforcing and/or defending patents and patent applications necessary or useful to protect Evotec's proprietary technologies (including pipeline assets and methods of manufacture) and their uses. Furthermore, the **patent prosecution process** is also expensive and time-consuming, and Evotec may not be able to file, prosecute, maintain, protect, defend, enforce or licence all necessary or desirable patents or patent applications, as applicable, at a reasonable cost or in a timely manner or in all potentially relevant jurisdictions.

The patent position of pharmaceutical and biotechnology companies generally is highly uncertain, involves complex legal and factual questions, and has been the subject of much litigation in recent years. Moreover, there are periodic changes in patent law, as well as discussions in the Congress of the United States and in international jurisdictions about modifying various aspects of patent law and such **changes in patent laws** or in interpretations of patent laws may diminish the value of Evotec's intellectual property. There is no uniform, worldwide policy regarding the subject matter and scope of claims granted or allowable in pharmaceutical or biotechnology patents. As a result, the issuance, scope, validity, enforceability, and commercial value of Evotec's patent rights are highly uncertain.

Evotec's ability to enforce its owned (solely or jointly), and in-licenced patent and other intellectual property rights depends on Evotec's **ability to detect infringement, misappropriation and other violation** of such patents and other intellectual property. It may be difficult to detect infringers, misappropriators and other violators who do not advertise the components or methods that are used in connection with their products and services. Moreover, it may be difficult or impossible to obtain evidence of infringement, misappropriation or other violation in a competitor's or potential competitor's product or service, and in some cases Evotec may not be able to introduce obtained evidence into a proceeding or otherwise utilize it to successfully demonstrate infringement. Evotec may not prevail in any lawsuits that Evotec initiates, and the damages or other remedies awarded if Evotec was to prevail may not be commercially meaningful. If any of Evotec's owned (solely or jointly) or in-licenced patents covering Evotec's pipeline assets, processes or other technologies are narrowed, invalidated or found unenforceable, or if a court found that valid, enforceable patents held by third parties covered one or more of Evotec's pipeline assets, processes or other technologies, the Company's competitive position could be harmed or Evotec could be required to incur significant expenses to protect, enforce or defend Evotec's rights.

Evotec currently has rights to certain intellectual property, through its owned (solely or jointly) and in-licenced patents and other intellectual property rights, relating to identification and development of its pipeline assets, processes or other technologies. Evotec's pipeline assets, processes or other technologies could require the use of intellectual property and other proprietary rights held by third parties and their success could depend in part on Evotec's ability to acquire, in-licence or use such intellectual property and proprietary rights. In addition, Evotec's pipeline assets may require specific formulations to work effectively and efficiently, and these intellectual property and other proprietary rights may be held by others. Evotec may be **unable to secure such licences or otherwise acquire or in-licence from third parties** any compositions, methods of use, processes or other third-party intellectual property rights that Evotec identifies as necessary or considers attractive, on reasonable terms, or at all, for pipeline assets, processes and other technologies that Evotec may develop. The licensing and acquisition of third-party intellectual property rights is a competitive area, and a number of more established companies are also pursuing strategies to licence or acquire third-party intellectual property rights that Evotec, or Evotec's partners, may consider attractive or necessary. These established companies may have a competitive advantage over Evotec due to their size, cash resources, and greater clinical development and commercialization capabilities. Any of the foregoing could have a material adverse effect on Evotec's competitive position, business, financial conditions, results of operations and prospects.

Evotec's owned (solely or jointly) and licenced patents and patent applications may be subject to validity, enforceability, and priority disputes. The issuance of a patent is not conclusive as to its inventorship, scope, validity, or enforceability. Some of Evotec's patents or patent applications (including licenced patents and patent applications) may be challenged at a future point in time in opposition, derivation, re-examination, inter partes review, post-grant review or interference or other similar proceedings. Any successful **third-party challenge to Evotec's or Evotec's licensors' patents** in this or any other proceeding could result in the unenforceability or invalidity of such patents, which may lead to increased competition to Evotec's business, which could have a material adverse effect on Evotec's business, financial condition, results of operations and prospects.

Evotec may **not be aware of all third-party intellectual property rights** potentially relating to its assets. Publications of discoveries in the scientific literature often lag behind the actual discoveries, and patent applications in the United States and other jurisdictions are typically not published until approximately 18 months after filing or, in some cases, not until such patent applications issue as patents. Evotec might not have been the first to make the inventions covered by each of Evotec's pending patent applications and Evotec might not have been the first to file patent applications for these inventions. To determine the priority of these inventions, Evotec may have to participate in interference proceedings, derivation proceedings or other post-grant proceedings declared by the United States Patent and Trademark Office ("USPTO"),

or other similar proceedings in non-US jurisdictions (e.g., within the jurisdiction of the "Deutsches Patent und Markenamt" DPMA or European Patent Office EPO), that could result in substantial cost to Evotec and the loss of valuable patent protection. The outcome of such proceedings is uncertain. No assurance can be given that other patent applications will not have priority over Evotec's patent applications. In addition, changes to the patent laws of the United States allow for various post-grant opposition proceedings that have not been extensively tested, and their outcome is therefore uncertain. Furthermore, if third parties bring these proceedings against Evotec's patents, regardless of the merit of such proceedings and regardless of whether Evotec is successful, Evotec could experience significant costs and Evotec's management may be distracted. Any of the foregoing events could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Evotec's commercial success depends in part on its ability and the ability of future partners to develop, manufacture, market and sell Evotec's assets and use Evotec's assets and technologies without infringing, misappropriating or otherwise violating the intellectual property rights of third parties. There is a substantial amount of litigation involving patents and other intellectual property rights in the biotechnology industry, as well as administrative proceedings for challenging patents, including interference, derivation, inter partes review, post-grant review, and re-examination proceedings before the USPTO, or oppositions and other comparable proceedings in foreign jurisdictions. Evotec may be exposed to, or threatened with, **future litigation by third parties** having patent or other intellectual property rights alleging that Evotec's assets, manufacturing methods, software and/or technologies infringe, misappropriate, or otherwise violate their intellectual property rights.

Patents have a limited lifespan. Most international jurisdictions provide a 20-year nominal patent term, though many require payment of regular, often annual, annuities to maintain pendency of an application or viability of an issued patent. In some jurisdictions, one or more options for extension of a patent term may be available, but even with such extensions, the lifespan of a patent, and the protection it affords, is limited. Even if patents covering Evotec's or its partners' assets, processes and other technologies and their uses are obtained, once the patent term has expired, Evotec may be subject to competition from third parties that can then use the inventions included in such patents to create competing products and technologies. Any of the foregoing could have a material adverse effect on Evotec's competitive position, business, financial conditions, results of operations and prospects.

5. HR risks

In 2024, Evotec faced significant organisational changes and challenges, including the departure of a long-standing Chief Executive Officer ("CEO"), the appointment of an interim CEO, and challenging financial results. These developments necessitated a restructuring program to address capacity issues, which affected approximately 7% of the workforce globally. By the second half of the year, a new CEO and Chief People Officer ("CPO") were appointed, and a strategic review, led by a newly appointed Executive Vice President ("EVP"), Head of Transformation and Strategy, was launched in October.

These challenges significantly impacted HR initiatives, including the temporary suspension of leadership programs (EVOlead) and other talent development activities. The company has prioritized its strategy reset, which will drive a revised operating model, organisational structure, culture, and leadership approach.

Evotec recognizes the heightened risk of attrition, particularly the potential **loss of critical talent**, which could jeopardize the execution of its new strategy. To mitigate this risk, the company is establishing dedicated teams for Talent Management and Organisational Development, Global Workforce Solutions and Digitalization, and Total Rewards. Additionally, efforts are underway to strengthen global employee relations and worker council management.

Key mitigation actions include:
- Defining and implementing new leadership competencies aligned with the company's revised strategy.
- Partnering with external vendors to assess leadership potential and identify critical business roles and talent.
- Enhancing transparency and engagement through regular updates on the company's evolving vision, mission, and purpose, leveraging townhalls and digital platforms to foster connection and alignment.
- Continuing employee feedback mechanisms via Employee surveys and maintaining learning and development initiatives through EVOacademy and EVOtalks.
- Establishing a roadmap for Talent Management initiatives and processes to better align workforce capabilities with strategic objectives, support career development, upskilling, and succession planning.

As Evotec embarks on its next chapter, the company remains committed to fostering an environment where employees feel supported, empowered, and aligned with its mission to drive innovation in modern medicine.

One of the primary challenges Evotec faces is **sourcing and hiring** the right talent across our diverse global locations. This challenge is intensified by competitive labour markets, limited availability of specialized skills, and the evolving demands of the biotech and pharmaceutical industries as Evotec continues to grow and adapt. In addition to sourcing new talent, Evotec must also address the ongoing challenge of replacing employees who leave, retire, or transition out of the organisation. Finding suitable replacements, particularly for leadership roles and positions requiring advanced scientific expertise, often requires extended timelines and careful consideration to ensure the right experience, expertise, and cultural fit.

The scarcity of qualified candidates, combined with competition from other industry players and the changing dynamics of remote and hybrid work, can affect Evotec's ability to attract talent for critical roles. In 2024, Evotec continued to monitor closely the challenges related to finding new employees and replacements across our global locations. While employee turnover remains a factor in talent management, our ongoing focus is on sourcing and hiring the right talent for key positions. This is particularly important for specialized scientific and leadership roles, where skills shortages and competitive labour markets can lead to prolonged vacancy periods. Through our Global Talent Acquisition

function, we closely track these dynamics to stay responsive to the evolving candidate market. By continuously refining our sourcing strategies—such as proactive talent pipelining, global talent scouting, and enhancing our employer brand—we are able to meet recruitment demands and effectively support the company's growth objectives.

6. Information technology risks

Evotec collects and maintains information in digital form that is necessary to conduct Evotec's business, particularly for purposes of Evotec's PanOmics, PanHunter, J.DESIGN and iPSC"-based drug discovery platforms, and Evotec is highly dependent on its information technology systems. In the ordinary course of Evotec's business, the Company collects, stores, and transmits large amounts of confidential information, including intellectual property, proprietary business information, human samples and personal information. Evotec has also outsourced elements of its information technology infrastructure, and as a result several third- party vendors may or could have access to confidential information.

To protect against **cyber-attacks and cybercrime**, Evotec uses host-based safeguards such as Endpoint Detection and Response ("EDR") programs, as well as network-based safeguards such as firewalls set up at relevant interconnection points. In addition, systems are updated as often as possible to install new versions or patches that provide better secured access and higher protection against malware and viruses for all possible systems. Systems that can no longer be updated for technical reasons (e.g., lack of technical support) are isolated from the main network or replaced where feasible. In addition, the relevant employees (e.g., in the finance and IT departments) are trained and regularly informed about the risks and possible impending attacks. Besides these preventative measures, Evotec also maintains an around-the-clock capability to monitor security-relevant events so that security incidents can be detected and addressed without undue delays.

Evotec's information technology systems, including its internal computer systems, and data may continue to be vulnerable. As previously disclosed, the Company was the victim of a ransomware incident in 2023, which may continue to impact its operations. The incident has caused delays in the Company's operations in previous years and may continue to cause delays or loss of revenue and additional costs, which may adversely affect the Company's results of operations, cash flows and financial condition. However, Evotec has significantly enhanced its IT security measures since the incident and continues to invest in further strengthening its security framework to mitigate risks and improve resilience.

As a result of the ransomware incident and any future **cyber security incidents**, information stored on our networks may be manipulated, publicly disclosed, and permanently lost. Any such breach or other loss of information could result in legal claims or proceedings and liability under laws that protect the privacy of personal information, as well as regulatory penalties. Evotec cannot guarantee that third parties will not be able to access or otherwise breach its systems without authorization in the future. Such unauthorized access or breach could adversely affect the Company´s business, results of operations and financial condition. While Evotec is committed to prevent cyber security incidents, there can be no complete assurance that there will not be future cyber security incidents or vulnerabilities.

Furthermore, because the techniques used to obtain unauthorized access to, or to sabotage, systems change frequently and often are not recognized until launched against a target, Evotec may be unable to anticipate these techniques completely or implement adequate preventative measures in the future as well. Evotec may also experience security breaches that remain undetected for an extended period. If any such material system failure, accident or security breach were to occur and cause interruptions in Evotec's operations also in the future, it could result in a material disruption of Evotec's development programs and the Company's business operations, whether due to a loss of Evotec's trade secrets or other proprietary information or other similar disruptions. Any such breach, loss or compromise of clinical trial participant personal data, including in connection with PanHunter, may also subject Evotec to civil fines and penalties. To the extent that any disruption or security breach were to result in a loss of, or damage to, data or applications, or inappropriate disclosure of confidential or proprietary information, Evotec could incur internal costs or liability, Evotec's competitive position could be harmed and the further development and commercialization of Evotec's partners' product candidates could be delayed.

To minimize the **risk of losing data**, Evotec invests in the development of a new and more secure infrastructure based on international best practices in Cyber & IT security. In addition to technical measures, structural and procedural changes are made in Information Security, IT and IT Security to continuously review and improve security. Awareness campaigns are conducted to inform employees about current threats. These measures reduce the effect of hazards such as natural disasters, power failures, system upgrade failures, theft and data corruption as much as reasonably possible. As a result of the ransomware attack on 6 April 2023, all security measures and precautions are being extensively reviewed and enhanced with outside consultants and security experts as part of the recovery from the external attack. Nevertheless, there is no assurance that there will not be cyber security incidents or vulnerabilities that will have a material adverse effect on us in the future.

Compliance with corporate guidelines relating to **data integrity and protection**, which also regulate the assignment of access rights, is mandatory. The Company performs regular IT risk assessments to identify and rectify weaknesses. A Security Committee reviews and discusses threats and risks on a regular basis and decides on the implementation and handling of mitigation measures. High risks are communicated to the Management Board and the Supervisory Board.

The risks named above are given the highest priority regardless of the fact that potential damage can vary greatly depending on scale, duration and cause.

Considering the significantly expanded regulations under **General Data Protection Regulation ("GDPR") and other similar jurisdictions**, Evotec is permanently reviewing the handling of relevant

internal and external data and its respective flow, storage and access. If Evotec fails to comply with the GDPR and the applicable national data protection laws of the European Union member states, or if regulators assert Evotec has failed to comply with these laws, it may lead to regulatory enforcement actions or other administrative penalties. This may be onerous and may interrupt or delay Evotec's development activities, and adversely affect the Company's business, financial condition and results of operations.

Evotec must comply with GDPR and UK GDPR, but the future of UK data protection laws and their alignment with EU standards remains uncertain beyond June 2025, potentially increasing costs and overall risk exposure.

New or enhanced privacy and data security laws in jurisdictions outside the EU, including the US, could increase Evotec's compliance costs and risks. The EU-US Data Privacy Framework ("DPF"), effective July 2023, establishes safeguards ensuring data protection equivalent to EU standards for companies that join the DPF. While certification under the DPF may lead to additional costs, the penalty risk due to the adequacy decision is considered low, though future challenges to the framework remain a possibility.

Privacy and data security laws, including the GDPR, are rapidly evolving, with significant uncertainty surrounding their enforcement and interpretation. The adoption of the EU AI Act in 2024 introduces new obligations for organisations using AI systems, such as risk classification and safeguards, potentially impacting data protection compliance. Ensuring adherence to these laws and regulations may impose significant costs and risks, potentially disrupting Evotec's business, financial results, and prospects.

Evotec has defined routines and installed internal and external contact persons in the event of certain potential types of data breach.

7. Operational risks

The nature of our operating activities exposes Evotec to a wide range of **health, safety and environmental risks**. Our Environment, Health and Security ("EHS") teams and management systems help identify these risks and drive performance improvements by setting and advising of industry standards, compliance requirements and through minimising complexity. We continuously enhance governance and competence in EHS across our organisation along with opportunities to focus on proactive risk management along, aligned with the global trends, ongoing compliance developments and client expectations in this space.

Evotec's business depends on a reliable supply of various materials for its laboratories and production. Due to Evotec's business model, short-term order inquiries are unavoidable, so that delivery bottlenecks can lead to delays in projects and production and thus have a negative impact on Evotec's capacity planning and earnings situation. Price increases for laboratory and production materials, but also for electricity and gas, represent a financial risk. Evotec faces this risk by working closely with its suppliers and using different sources of supply. Due to regulatory requirements, however, Evotec is not always able to switch to other sources of supply, so that it cannot fully mitigate the risk. Evotec tries to limit the risk by reviewing and monitoring Evotec's supplier relationships, a continuous exchange with the operational areas for the early identification of needs and constant market analyses for alternatives to our single source supplier. In the context of the Russia/ Ukraine conflict and the new rekindled Israel-Hamas conflict with impacts like disrupting the transit via the Strait of Hormuz, Evotec is facing a **procurement risk** due to short-to-medium-term increasing energy prices since about one third of the gas and oil is transported via that route and would have to be re-routed with impact on increased transportation time, costs and availability of materials and goods. Nevertheless, the risk has decreased compared to 2023, mainly due to the inclusion of additional costs in the budget and a trend towards an easing of the situation on individual procurement markets, particularly the energy market. Despite a positive trend on the energy price market, it remains heavily influenced by political decisions and unpredictable geopolitical developments. Interruptions such as production stop at Evotec´s sites because of having no materials are therefore currently not predictable.

For the operation of Evotec´s complex global business, the Company has opted for a best-of-breed approach, i.e. it uses the best system solution for different business processes and connect the various systems using middleware. In this way, Evotec achieves comprehensive coverage of the various business processes and a high degree of accuracy of it. In the past, acquisitions and in-house developments have resulted in a heterogeneous system landscape that does not always support this approach. A heterogeneous process landscape carries the risk that many (financial) processes can involve a high degree of labor-intensive, manual work, which increases the **process risk** of errors in our day-to-day business. To mitigate this risk, we strive for sustainable automation and digitalization of business processes.. The implementation and operation of new processes and IT projects are associated with certain risks. Failure to integrate properly with other systems Evotec uses, possible loss of data or information, cost overruns and delays could have a negative impact on the Company´s business activities and the effectiveness of its internal controls.

In the event of breakdowns in operations and disruptive **major disaster** that results in stoppages of the Group's activities on one or multiple sites, or in damages and/or interruptions to the operations of key suppliers, Evotec may be forced to suspend or incur significant delays in parts or all of its activities. In each case, there is a potential risk that the Company's financial position and operating results may be substantially affected. In addition, the timely and proper execution of Research and Development activities may be impacted by damages to Evotec's research facilities or breakdown of production equipment. In case of major unforeseeable disasters such as extreme weather events or earthquakes (especially in risk areas like Seattle, US), Evotec may suffer loss of business due to inability to execute contracts and fulfil client deliverables. Evotec has created business continuity plans as well as disaster recovery plans and has insurances for these rare events.

OPPORTUNITIES REPORT

In addition to possible risks, Evotec also identifies and evaluates opportunities arising from its business activities. Some of the Company's significant opportunities are described below.

Biotechnology has emerged as one of the key technologies of the 21st century. According to international studies, demand for the development and production of innovative drugs is set to increase again in the short term, offering biopharmaceutical companies considerable opportunities. The crucial role played by the biotechnology industry in developing vaccines against COVID-19 highlights the sector's importance in addressing global health challenges. Aside from the COVID-19 pandemic, the biopharmaceutical industry possesses immense growth potential, given the significant number of diseases currently deemed untreatable. Furthermore, the demographic shift towards an ageing population, the increasing prevalence of chronic disease, and significant unmet needs in numerous diseases underscores the need for innovative therapeutic interventions.

The expanding need for innovative medicines as well as continued growth of the biopharmaceutical market creates significant opportunities for Evotec across the drug discovery and development continuum.

Challenges observed in the past decade resulted in developments of new approaches to discover, develop and manufacture new drugs, which pose significant opportunities for companies with differentiated offerings such is Evotec. These challenges are patent cliffs, shifting economic conditions, heightened competition, and cost pressures, all of which have adversely affected its innovative output and productivity. Recent research underscores the crucial role of external innovation as a key driver for positively influencing productivity within this industry. Market research indicates that the expected share of discovery outsourcing will continue to grow significantly, which represents a significant opportunity for Evotec to acquire new customers or expand existing partnerships in the future. This approach not only grants access to cutting-edge technologies but also contributes to improved operational efficiency. Outsourcing allows companies to convert fixed costs into variable costs, facilitating greater flexibility. Additionally, it enables risk-sharing and provides access to specialised expertise across various spend categories. Findings suggest that biopharma assets sourced via open innovation approaches are three times more likely to be successful than those sourced via traditional approaches.

Evotec is in a position to leverage these market opportunities and therefore pursues a business model that protects its existing business while also generating future business opportunities. Evotec is a provider of high-quality drug discovery, development, and manufacturing services. Evotec's excellent reputation in the market, developed over the years, represents a great opportunity for retaining existing customers and generating new business. Evotec has significant opportunities to unlock new business potential and drive further growth. Through continuous investments in expanding and enhancing its technological capabilities, the company can actively leverage new market opportunities while maintaining a consistently high quality of its products and services. Evotec's well-established platforms and technologies have already led to increasing revenue streams and provide a solid foundation and opportunity for further growth. The company's high level of customer satisfaction enables it to strengthen existing partnerships while simultaneously establishing new business relationships. In particular, Evotec's long-standing collaborations with internationally renowned clients underscore its quality and innovation capabilities, serving as a strong reference for potential new partners. Furthermore, Evotec is well-positioned to capitalize on current industry trends, including AI- and multi-omics-driven drug discovery, the rising demand for biotherapeutics, and the growing need for IND-enabling services. With its comprehensive platforms and services, Evotec is fully equipped to seize these opportunities and further expand its market position. With these promising prospects, Evotec has the opportunity to advance its strategic and financial goals and establish itself as a leading player in the global drug discovery industry.

The biotechnology sector is undergoing a transformative shift with the integration of AI and the rapid advancement of cutting-edge platforms and technologies. Companies at the forefront of this convergence are uniquely positioned to accelerate drug development, reduce costs, and deliver innovative therapeutics. By establishing a leadership role in this domain, a biotech company can secure a competitive edge, attract strategic partnerships, and create long-term value.We believe we have positioned ourselves as a technology-driven company by combining top-tier expertise, AI-powered data-driven approaches, and state-of-the-art technologies. Exemplary platforms like PanOmics, our high-throughput proteomics platform, and our iPSC platform, uniquely integrated with other core technologies, have established our reputation for excellence and innovation. Looking ahead, we see two key opportunities to benefit from technological transformation. First, advancements in AI and ML enable us to enhance our existing technologies, driving greater cost-effectiveness and efficiency. Second, as high-quality experimental data becomes increasingly critical for developing robust AI/ML models, the demand for such data will grow. This creates significant opportunities to expand collaborations and forge new partnerships, further strengthening our position in the industry. Beyond these opportunities, we recognize the broader impact of AI-driven drug discovery on the entire pharmaceutical ecosystem. The integration of predictive modelling, automation, and advanced analytics allows us to optimize target identification, streamline lead optimization, and reduce preclinical development timelines. These efficiencies not only enhance our internal R&D processes but also position us as an invaluable partner for companies seeking to leverage our expertise.

The recent restructuring of IT projects presents a significant opportunity to adopt the alignment between the IT environment and the company's overarching strategic goals. By streamlining and prioritizing IT initiatives, the organisation can achieve greater operational efficiency and flexibility. Additionally, the implementation of enhanced monitoring tools and processes ensures improved oversight, enabling early detection of potential attacks and fostering system reliability. Moreover, the ongoing efforts in data domain harmonization open up transformative opportunities by enabling ML and AI to leverage diverse and integrated data assets across the organisation. This harmonization not only enhances data accessibility and quality but also accelerates insights and decision-making. By unifying and integrating these data assets, the

company is positioned to unlock innovative solutions, driving breakthroughs in research, development, and operational excellence. This transformation strengthens the existing IT landscape while paving the way for the adoption of cutting-edge technologies and methodologies, creating a solid foundation for future growth and scalability.

The new J.POD facility in France opens several opportunities for Evotec. Not only will the manufacturing capacities in Europe be attractive for European clients, but also for non-European clients with the intent to establish supply from Europe. This strategic positioning strengthens Evotec's role as a key player in the global biomanufacturing landscape, ensuring accessibility, efficiency, and scalability in drug production. As J.POD Toulouse is replicated from J.POD Redmond, it further serves as a potential back-up solution for clients, reinforcing trust and reliability for both existing and future partners. The ability to offer redundancy in manufacturing significantly enhances supply chain resilience, mitigating risks associated with disruptions and ensuring uninterrupted production. This feature is particularly appealing to pharmaceutical companies that require robust contingency plans to meet regulatory and market demands.

The innovation and the absence of such biomanufacturing capacities in Europe were also identified as strategic by the French authorities, who actively supported the set-up of J.POD Toulouse. This endorsement underlines the significance of the facility not only for Evotec but also for the broader European biotech ecosystem. The French government's support underscores its commitment to fostering innovation, securing local supply chains, and enhancing Europe's self-sufficiency in biologics manufacturing.

The innovative design of Evotec's process for intensified and continuous manufacturing creates significant opportunities for the future. The modular, flexible, and scalable nature of J.POD facilities enables rapid adaptation to shifting market needs and technological advancements. By leveraging state-of-the-art bioprocessing techniques, Evotec enhances production efficiency, reduces operational complexity, and shortens time-to-market for novel therapeutics. This advanced manufacturing approach allows high throughputs and requires significantly lower investment compared to classical processes, thus drastically reducing manufacturing costs. By optimizing resource utilization and minimizing waste, Evotec can produce biologics at a lower cost while maintaining high quality and compliance with global regulatory standards. This cost-effectiveness translates into greater accessibility to innovative drugs, broadening market reach and benefiting patients worldwide.

Beyond traditional biologics, this opportunity paves the way for Evotec to enter new markets, including the rapidly expanding biosimilars sector. The biosimilars market, projected to experience significant growth in the coming years, presents a lucrative opportunity for Evotec to provide cost-effective alternatives to existing biologics while maintaining high-quality standards. The scalability and efficiency of J.POD Toulouse enable Evotec to meet the growing demand for biosimilars, supporting healthcare systems worldwide in their efforts to enhance patient access to critical therapies. Additionally, the J.POD facility in Toulouse strengthens Evotec's ability to collaborate with academic institutions, research organisations, and biotech startups across Europe. By fostering innovation through strategic partnerships, Evotec can drive the development of next-generation therapeutics and novel bioprocessing technologies, further solidifying its leadership in the industry. In summary, the launch of J.POD Toulouse represents a transformative milestone for Evotec, unlocking numerous opportunities in biologics manufacturing, supply chain resilience, cost reduction, market expansion, and innovation. With strong governmental support, cutting-edge technology, and a commitment to operational excellence, Evotec is well-positioned to shape the future of biomanufacturing in Europe and beyond.

A major pillar of Evotec's strategic plan is the creation of an extensive co-owned pipeline of product candidates typically without taking the financial risk of clinical development. The Company's many development partnerships with pharmaceutical companies represent significant strategic opportunities. Evotec participates in the potential success of several clinical assets currently. These clinical development programs are financed by the Company's partners and therefore do not involve any financial risks for Evotec (apart from the risks inherent in the companies themselves in which Evotec holds an interest). However, they do harbour significant value creating potential. Evotec also continuously invests in academic or internal R&D projects. These projects are positioned as starting points for future strategic partnerships with significant potential for long-term commercial value creation.

Evotec obtains commercial rights in a pipeline of partnered programmes as well as unpartnered projects. Assuming industry standard attrition rates, the probability increases that one or more product opportunities will reach the market and generate significant royalty streams which will contribute to the economic success of Evotec. As Evotec's mid-term financial planning does not yet assume any contribution from our partners' product commercialization and subsequent commercial milestone and royalty payments, any successful product commercialization would provide significant upside to Evotec's business planning and profitability.

At Evotec, our corporate culture represents an opportunity for continued success and sustainable growth. Built on the foundational values of collaboration, innovation, and entrepreneurship, our culture guides us in transforming the future of medicine and is central to driving breakthrough solutions. As we move forward, we see diversity and inclusion not just as ethical imperatives, but as key opportunities for unleashing creativity and fostering innovation. By ensuring every voice is heard and every individual feels valued, we aim to create an environment where fresh ideas thrive, and diverse perspectives shape our success.

The ongoing evolution of our culture presents an opportunity to integrate sustainability into our daily operations and corporate strategy. We understand the importance of aligning with environmental, social, and governance (ESG) principles, which not only build a more sustainable future but also strengthen our competitive edge in a rapidly changing world. At the heart of our culture is our people-first ethos, which empowers employees to thrive. By offering opportunities for personal and professional development, flexible work arrangements, and a focus on well-being, we ensure that our teams are not just engaged but also equipped to contribute to our shared success. As we embrace change,

agility and resilience continue to be central to how we operate. These qualities not only help us navigate challenges but also open the door to new opportunities. With every learning experience and every adaptation, we position ourselves for greater impact and success.

Aligning with emerging ESG and sustainability regulations and laws related to emissions and sustainability ensures the company remains compliant and future-proof in a rapidly evolving regulatory landscape. Overall, integrating strong ESG practices drives Evotec's long-term growth, innovation potential, and market positioning. Adopting best practices for working conditions, investing in energy efficiency, and proactively mitigating emissions can enhance our reputation, attract top talent, reduce operational costs, and position it as a leader in sustainability and climate action. Additionally, taking proactive steps to mitigate emissions not only supports environmental goals and holds us on track for our Science based target path, but also presents a clear opportunity to reduce operational costs. Additionally, a dedicated investment in energy efficiency presents substantial opportunities to improve operational effectiveness. By adopting energy-efficient technologies and practices, we can significantly reduce costs associated with energy consumption, leading to better overall financial performance.

Human resources are highly valuable assets for companies in the pharmaceutical and biotechnology industries. The rapid pace of innovation and evolution in the field warrants the need for skilled professionals. The Company believes that its success in alliances and partnerships is attributable to its key personnel. Retention of employees who have outstanding expertise and skills in the long term may have a positive impact on the Company's business and its strategic and financial targets, generating new business. Implementing best practice working conditions presents a significant opportunity for Evotec to enhance the reputation and attract top talent. In today's competitive job markets, employees are increasingly prioritizing workplaces that emphasize well-being, diversity, equity and inclusion and fairness. Companies that invest in creating positive and supportive working environments are more likely to retain skilled individuals, reduce turnover, and foster greater employee satisfaction. A reputation for excellence in working conditions can differentiate us from other companies. Furthermore,the companies strong focus on innovation for medicines that matter, increased emphasis on diversity, and positive work culture make it an attractive workplace for highly qualified talent.

Report on Strategy and future Perspectives

The information set forth in this section contains forward-looking statements concerning future events. Words such as "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "might," "plan," "potential," "should," "target," "would" and variations of such words and similar expressions are intended to identify forward-looking statements. These forward-looking statements are based on the information available to, and the expectations and assumptions deemed reasonable by Evotec at the time these statements were made. No assurance can be given that such expectations will prove to have been correct. These statements involve known and unknown risks and are based upon a number of assumptions and estimates, which are inherently subject to significant uncertainties and contingencies, many of which are beyond the control of Evotec. Evotec expressly disclaims any obligations or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in Evotec's expectations with respect thereto or any change in events, conditions or circumstances on which any statement is based.

OUTLOOK

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BUSINESS DIRECTION AND STRATEGY

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Evotec's management focuses on sustainable profitable growth and value creation by expanding the Company's position as a leader in external innovation to co-create pipelines together with its partners. By collaborating with partners and applying state-of-the-art platforms and suitable therapeutic modalities, Evotec aspires to develop first- and best in class life-changing medicines that have disease modifying properties and ideally the potential to deliver functional cures. The key to success will be a significantly faster drug discovery process, with unprecedented precision, at lower risk of failure and cost. Cutting-edge technology, next-generation biology, and AI converge to reach this goal.

Continuous progress in developing platforms that leverage AI-driven molecular design, predictive analytics, and automated, highly industrialized lab systems is combined with using molecular patient data, patient-derived disease models, and Omics-driven drug discovery to reach our goal that the right drugs reach the right patients – sooner, safer, and smarter.

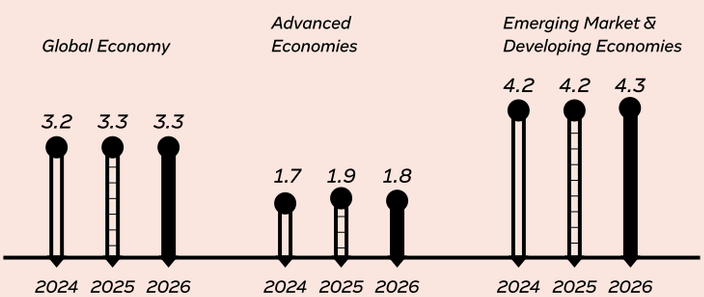
— MACROECONOMIC CONDITIONS OUTLOOK —

Global economic development remains stable in 2025 and 2026 despite significant challenges

The December 2024 economic outlook of the Organization for Economic Co-operation and Development ("OECD") as well as the January 2025 World Economic Outlook Update of the International Monetary Fund ("IMF") forecast a global GDP growth of 3.3% in 2025, up from 3.2% in 2024, and 3.3% in 2026. In line with the OECD, global inflation is expected to weaken further, from 5.4% in 2024 to 3.8% in 2025 and 3.0% in 2026, supported by the still restrictive monetary policy in most countries. In almost half of the advanced economies and in almost 60% of the emerging market economies, overall inflation has already returned to the central banks' targets. Significant challenges remain. Geopolitical tensions pose short-term risks, public debt ratios are high and medium-term growth prospects are weak. Uncertainty persists: An intensification of the ongoing conflicts in the Middle East could disrupt energy markets and affect confidence and growth. Rising trade tensions could impact trade growth. Adverse surprises related to growth prospects, or the path of disinflation could trigger disruptive corrections in financial markets. Growth could also surprise on the upside: Improvements in consumer confidence, for example if purchasing power recovers quicker than anticipated, could boost spending. Lower interest rates than in previous years might support the overall funding environment. An early resolution to major geopolitical conflicts could also improve sentiment, and lower energy prices.

GROWTH PROJECTIONS

World Economic outlook update January 2025 (in %)



Evotec's revenue split is geared towards a larger contribution from partners based in the US. (58%; 2023: 60%), while Europe accounts for little less than 20% of revenues (32%; 2023: 36%) and a very small share is generated in the rest of the world (predominantly Japan). Hence, the Company limits the macro-economic analysis by region to the two main areas the U.S. and Europe.

US – Robust growth

Following America's central bank Federal Reserve, the US economy grew by 2.5% in 2024, which is a modest slowing from the 3.2% growth in 2023. In its latest forecast from March 2025, OECD expects real gross domestic product ("GDP") to grow by 2.2% in 2025 and 1.6% in 2026. With immigration expected to step down from recent peaks, labour demand cooling somewhat, and less scope for households to further draw down savings, consumption growth should soften, though remain solid. Meanwhile, business investment is projected to expand moderately. In their economic outlook from March 2025, the central bank states that uncertainty around the economic outlook has increased as Donald Trump's attempt to overhaul the global economy with sweeping tariffs sparks concern over inflation and growth. The Fed is targeting a 2% inflation rate. While price growth has fallen dramatically from its peak at 9.1% – the highest level in a generation – three years ago, it has yet to fall below the central bank's target. Fed expects inflation to increase by an average rate of 2.7% this year, up from a previous estimate of 2.5%. Core inflation, which excludes often volatile food and energy costs amounted to 3.2% in December 2024. Fed expects an average core inflation of 2.8% for 2025 and of 2.2% for 2026.

Europe – Modest growth and decreasing inflation

For the Eurozone, OECD projects GDP growth to strengthen from 0.8% in 2024 to 1.3% in 2025 and 1.5% in 2026, on the back of recovering domestic demand. Private consumption will be supported by wage increases in buoyant labour markets and sustained growth of real disposable incomes. Private investment will benefit from more favourable credit conditions, and public investment will be supported by the Recovery and Resilient Facility funds. Wage growth is projected to ease gradually, as labour cost pressures moderate, helping core inflation approach 2% in the second half of 2025. According to the European Central Bank ("ECB") headline inflation averaged at 2.4 per cent in 2024 and is expected to reach 2.1 per cent in 2025 and 1.9 per cent in 2026. The projections continue to foresee a rapid decline in core inflation, from 2.9 per cent this year to 2.3 per cent in 2025 and 1.9 per cent in 2026 and 2027.

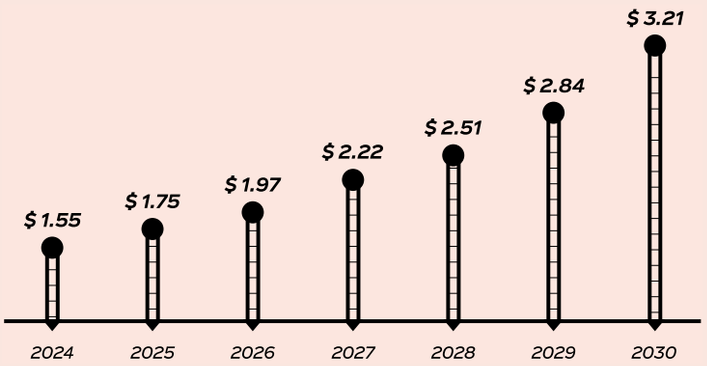
Germany: Stagnating growth and inflation

In its December report, the German Bundesbank stated that the German economy not only has to struggle with persistent economic headwinds, but also has to adapt to changing structural conditions. This affects industry in particular and is impacting its export business and investments. As a consequence, also the labour market is now reacting significantly to the prolonged weakness in economic activity, which is dampening private consumption. Against this backdrop, the German economy was stagnating in the winter half-year 2024 and will only slowly begin to recover in the course of 2025.Calendar-adjusted real GDP fell again slightly by 0.2% in 2024 and is expected to grow by 0.2% in 2025 and 0.8% in 2026. Despite the weak economy, the inflation rate will remain high in the coming year, falling only slightly from 2.5% in 2024 to 2.4% (measured by the Harmonised Index of Consumer Prices "HICP"). Main reasons for this development are the temporarily stronger rise in food prices and the slow decline in the price of services. In the following years, however, the inflation rate in Germany is expected to gradually return to 2%.

Developments in the pharmaceutical and biotechnology markets

According to Grand View Research, the global biotechnology industry is driven by strong government support in the form of initiatives to modernize the regulatory framework, improvements in approval processes & reimbursement policies, as well as standardization of clinical trials. The increasing prevalence of personalized medicine and the growing number of orphan drug formulations are opening new opportunities for biotechnology applications and are encouraging the influx of emerging and innovative biotechnology companies, further boosting market sales.

Precedence Research estimates the global biotechnology market to grow with a Compounded Annual Growth Rate („CAGR“) of 11.5% from $ 1.6 tn in 2024 to $ 3.2 tn by 2030.



Drug discovery outsourcing continues to grow

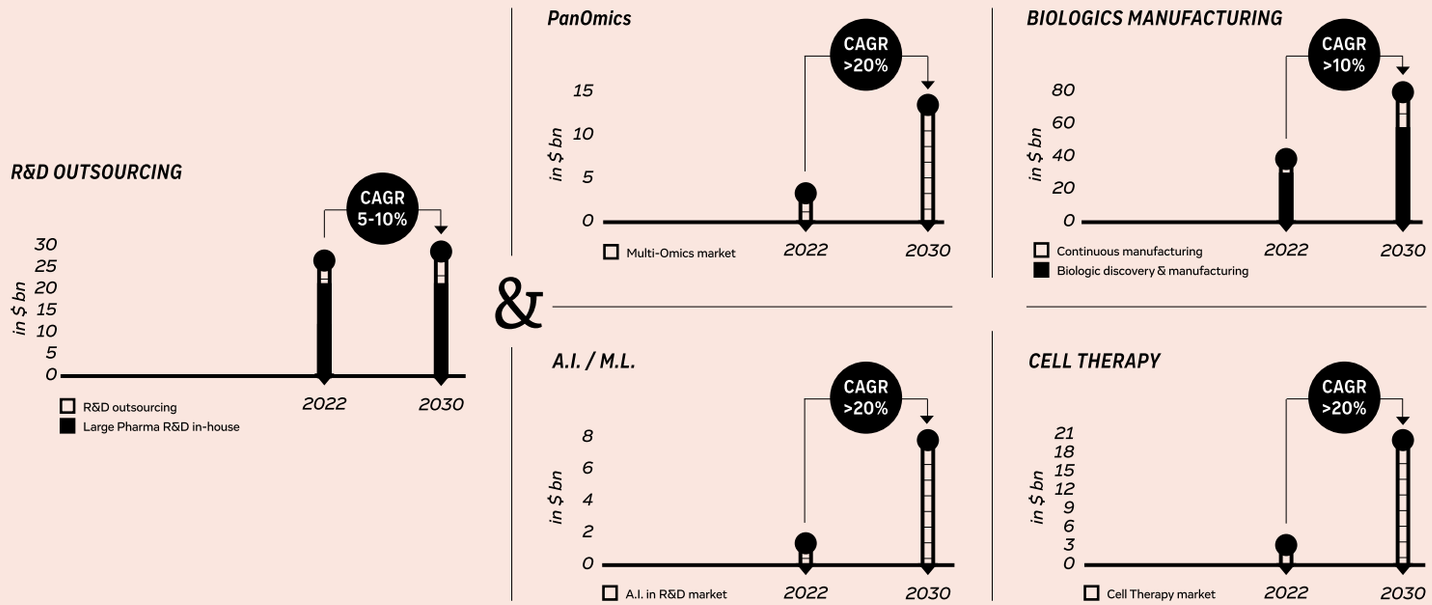
The global drug discovery outsourcing market size was valued at $ 6.6 bn in 2024 and is expected to grow at a CAGR of 7.6% to $ 10.2 bn until 2030.

The global drug discovery outsourcing market is primarily driven by the growing investments in the research and development of various new and innovative drugs. The surging growth and popularity of the global biopharmaceutical industry is a major factor which is estimated to boost the growth of the global drug discovery outsourcing market.

Outsourcing activities are continuing in both the pharma and biotech sectors. While outsourcing in the biotech sector continues, although it is already at a high level, outsourcing activities in the pharma sector are rising sharply.

Pharmaceutical companies are gradually outsourcing R&D activities to academic and private Contract Research Organisations (“CROs”) to reduce drug development timelines and costs. The pharmaceutical industry has seen radical changes in the past two decades, with a shift toward biologics, patent expiration, and unprecedented downsizing of the in-house research of big pharmaceutical companies. All this has accelerated the adoption of outsourcing activities.

Technology as accelerator - Growth dynamics in our industry



Sources: Grand View Research; Precedence Research; Mordor Intelligence; SNS Insider; Evaluate Pharma Analysis; Global Market Insights gminsights.com , Statista - AI drug discovery market worldwide

The industry collectively needs to improve research and development productivity. Improving research and development productivity imposes the need to increase the probability of success of each individual project at lower unit cost through the use of highest-quality platforms and industry-leading expertise.

Evotec provides the entire spectrum of drug discovery, development and manufacturing platforms needed to realise projects and thereby helps companies to advance their product development efficiently and successfully.

Evotec believes that these market dynamics will continue to provide positive impetus to strategic, integrated and long-term collaborations for the advancement of innovations and the accelerated development of novel targets with first-in-class and/or best-in-class potential.

— OPERATIONAL AND BUSINESS ENVIRONMENT —

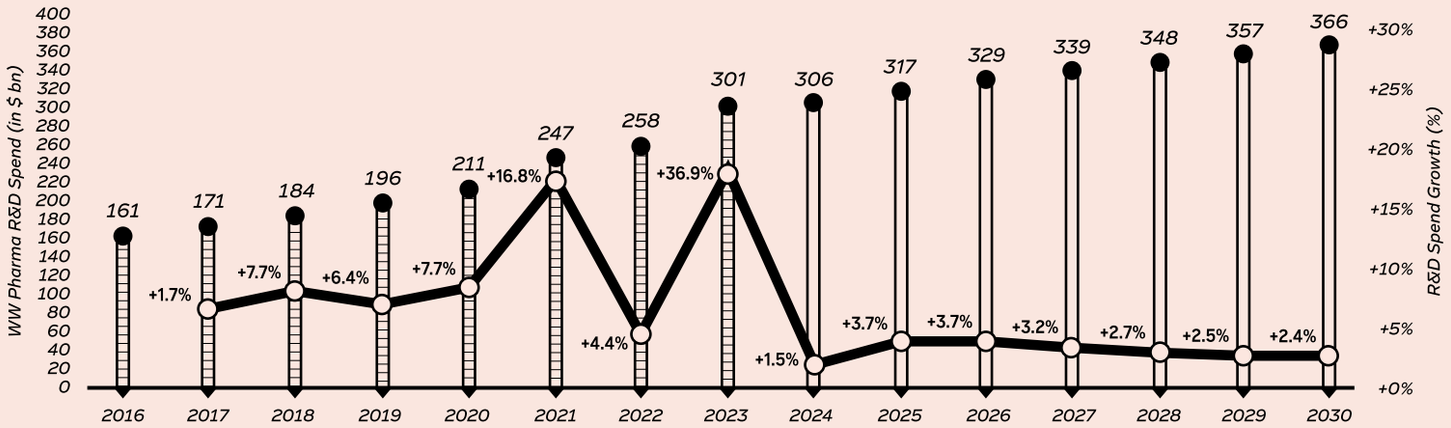
The market environment for biopharmaceutical industry remained challenging in 2024. At one end of the spectrum, small biotech companies have not seen a recovery of the overall funding environment, while many larger pharmaceutical companies conducted pipeline reviews and implemented restructuring measures. As a consequence, money spent for external R&D collaborations has not recovered. Spending was rather selective. While transactional agreements related to more standardised execution of experiments by third parties was affected in particular, there was still a certain interest in long-term collaborations with more strategic focus. However, while the scope of these collaborations has increased, phasing turned out to be more back-end loaded. As a consequence, conversion of order volumes into revenues has taken longer than in previous years.

Pharmaceutical industry: R&D expenses trending higher, revenues stagnating

For more than ten years, the global pharmaceutical industry has been struggling with declining efficiency in introducing new products. While expenses for research and development have risen significantly over the years, products already on the market are generating lower revenues than in earlier decades: According to Evaluate Pharma, from 2016 to 2030, expenses for R&D in the biotechnology and pharmaceutical industries are set to rise by 127% from $ 161 bn to $ 366 bn. Pharma R&D spend is forecast to grow significantly more slowly in the second half of the decade than it did in the first: CAGR of over 9% in 2016 to 2023 shrinks to below 3% between 2023 and 2030. Combined R&D spend of over $ 300 bn in 2024 (27% of sales) is predicted to fall to 21% of sales in 2030.

GLOBAL R&D EXPENSES OF PHARMA AND BIOTECH COMPANIES (2016-2030)

in $ bn



Market orientation of strategic research focus areas

Evotec has ongoing alliances and partnerships in many disease areas including autoimmune diseases, diabetes, fibrosis, gynaecological diseases, immunological and inflammatory diseases, infectious diseases, metabolic diseases, respiratory diseases and complications such as chronic kidney diseases and retinal diseases, neurological diseases and oncological diseases. These disease areas represent markets with huge unmet medical needs and significant revenue and value opportunities. The table below shows the expected sizes of markets addressed by Evotec's R&D activities.

MARKET POTENTIAL FOR INDIVIDUAL INDICATIONS

Indication	*Current market size*	*Market potential*
Autoimmune diseases	2024: $ 214.5 bn	2030: $ 336.2 bn
Diabetes	2024: $ 70.4 bn	2030: $ 103.7 bn
Gynaecological diseases (endometriosis)	2024: $ 1.8 bn	2030: $ 3.5 bn
Infectious diseases	2024: $ 123.9 bn	2030: $ 155.0 bn
Inflammatory diseases	2024: $ 105.6 bn	2030: $ 134.0 bn
Kidney diseases	2024: $ 106.6 bn	2028: $ 140.4 bn
Liver diseases	2024: $ 20.6 bn	2030: $ 28.6 bn
Metabolic diseases	2024: $ 77.2 bn	2030: $ 120.7 bn
Neuronal diseases	2024: $ 68.3 bn	2030: $ 83.0 bn
Cancer	2024: $ 225.0 bn	2030: $ 432.4 bn
Pain	2024: $ 85.0 bn	2030: $ 106.3 bn
Rare diseases	2024: $ 195.2 bn	2030: $ 374.4 bn
Respiratory diseases	2024: $ 91.3 bn	2032: $ 129.8 bn

FINANCIAL OUTLOOK FOR 2025

Revenues, research and development expenses and adjusted Group EBITDA are the most important and thus the key financial performance indicators for the management of the Evotec Group.

— EXPECTED OPERATING RESULTS —

Evotec expects to achieve Group revenues in the range of € 840 m - € 880 m and Adjusted Group EBITDA of € 30 m - € 50 m. Pipeline reviews of big pharma companies and a muted funding environment for small biotech companies with early-stage programs are likely to result in a soft start to the year. As cuts in pre-clinical and early stage programs seem to be close to peak and given that funding is selectively improving, we see signs for an improving environment in H2 2025.

In addition, we expect revenues to benefit from stronger demand for differentiated technologies to improve R&D efficiency, such as Evotec's platforms in the areas of PanOmics; iPSCs and Biologics manufacturing. Capacity and footprint adjustments, first efficiency gains in procurement and a stronger focus on profitable offerings should result in strong EBITDA growth. Higher wages, and materials costs as well as potential underutilisation in H1 2025 may have offsetting effects.

In € m		*Actual figures for 2024*	*Forecasts for 2025*	*Main assumptions*
Financial key performance indicators	**Group revenues**	797.0	840-880	– Growth in Just — Evotec Biologics – Cautious expectations of market recovery in Shared R&D
	Adjusted Group EBITDA	22.6	30-50	– Revenue growth – Full year impact of reorganisation measures – Increased cost base related to J.POD2 grand-opening
	R&D expenses	50.9	40-50	– Focus on first-in-class platforms and projects
Non-financial key performance indicators	**Number of customers**	849	>800	– Continued high levels of customer retention
	Number of customers contributing more than € 1 m to revenue	109	>110	– High levels of customer satisfaction and retention leading to extension and expansion of contracts
	Repeat business	94%	>90%	– High levels of customer satisfaction

EXPECTED LIQUIDITY AND STRATEGIC MEASURES

The Company's operational financing plan does not require any additional external financing to fund organic growth in the medium term. However, any strategic moves to further push growth and strengthen the Company's competitive position or increase critical mass via potential company or product acquisitions, or costs for transforming the company will need to be considered separately. Evotec intends to achieve organic profitable growth as a result of its corporate strategy. The Company continued to increase investments in the expansion and development of individual locations in 2024. In Toulouse, it has completed the construction of its second J.POD (J.POD Toulouse, France). Given that the largest investment project - the J:POD Toulouse, France - is set to start operations in 2025, investment needs are anticipated to be lower than in 2024.

DIVIDENDS

The payment of dividends depends on Evotec's financial situation and liquidity requirements, general market conditions, and statutory, tax and regulatory requirements. Evotec currently intends to retain any potential future profits and reinvest them in the Company's growth strategy to even better advance long-term growth and sustainability. In addition, Evotec SE will not be authorised to pay dividends before its annual profits exceed the losses carried forward. Evotec SE does not generate any distributable profits currently.

GENERAL STATEMENT ON EXPECTED DEVELOPMENTS BY THE MANAGEMENT BOARD

Evotec intends to further strengthen and expand its business as an innovative provider of drug discovery and development solutions based on a wide range of disruptive technologies. The Company is very well-positioned to generate value for pharmaceutical and biotechnology companies and for foundations, addressing the industry's structural stable growth in demand for innovation.

The Management Board is convinced that Evotec will benefit from the continuing need to generate returns on R&D investment in the pharmaceutical sector. Despite a still soft environment in some parts of the market and continued investments in R&D and ramp up costs for J.POD Toulouse, France, the Management Board expects Evotec to achieve a moderate revenue growth and an improved adjusted Group EBITDA in 2025 versus 2024. With its healthy liquidity position, Evotec will be able to further strengthen its strategic role in the drug discovery and development market and to create shareholder value.

Information pursuant to section 289a and section 315a of the German Commercial Code (HGB) and explanatory report

Evotec management primarily aims to generate shareholder value. For that reason, any proposed change of control or takeover offer that could uncover hidden reserves and value for the benefit of Evotec shareholders will be carefully analysed with regard to the expected synergies and future value creation. Pursuant to German Securities Acquisition and Takeover Act (Deutsches Wertpapiererwerbs- und Übernahmegesetz "WpÜG") a change of control is generally considered to have occurred if, as a result of any takeover, exchange or other transfer, a single shareholder or a group of shareholders acting in concert acquires more than 30% of the outstanding voting rights, or if, as a result of a merger or reverse merger, the shareholders of Evotec from the effective date of such a transaction own less than 30% of the voting rights in the merged entity. Evotec has no specific takeover defence measures in place.

COMPOSITION OF SHARE CAPITAL, VOTING RIGHTS AND AUTHORISATION TO ISSUE NEW SHARES

As of 31 December 2024, the share capital of Evotec SE amounted to € 177,553,456 and was divided into 177,553,456 non-par value shares. All shares are bearer shares and have equal voting rights. Evotec management is not aware of any restriction on the voting rights or the right to transfer. No binding lock-up agreements have been made by the Company with any shareholder, and neither stock loans nor pre-emptive stock purchase rights are known to the Company. Moreover, the Company does not control voting rights of any shares owned by employees.

No shareholder holds the right to have representatives on the Supervisory Board or is restricted or bound to specific votes at the Annual General Meeting. Existing stock option schemes do not allow for immediate vesting or additional issuance in the case of a takeover offer. The shareholders have authorised the Management Board to issue new shares or option or conversion rights as follows:

Authorised capital: Pursuant to section 5 paragraph 5 of the Articles of Association of the Company, the Management Board, with the approval of the Supervisory Board, is authorised to increase the Company's share capital by up to € 35,434,147.00 in one or more tranches until 9 June 2029 by issuing new shares against cash or non-cash consideration. Any shares to be issued on this basis will be subject to the statutory subscription rights of Evotec's shareholders. However, with the approval of the Supervisory Board, the Management Board may exclude the pre-emptive rights of its shareholders for some of the shares on one or several occasions under certain well-defined conditions.

Conditional capital: As of 31 December 2024, the remaining conditional capital of the Company amounted to € 47,563,303.00. Conditional capital in the amount of € 12,172,773.00 shall be used only to the extent that holders of stock options, share performance awards ("SPAs") or restricted share awards ("RSAs"), granted by Evotec on the basis of the shareholders' resolutions of 9 June 2015, 14 June 2017, 16 June 2020 and 22 June 2022, exercise their rights to subscribe for new Evotec shares. In 2024, conditional capital in the total amount of € 367,720.00 was used as holders of stock options and SPAs exercised their rights to subscribe for new shares in the Company. Additional conditional capital in the amount of € 35,390,530.00 exists to issue no-par-value bearer shares to owners or creditors of convertible bonds and/or warrant-linked bonds, participation rights and/or income bonds (or a combination of such instruments) that may be issued by Evotec on the basis of the authorisation passed at the Annual General Meeting on 20 June 2023. Any such contingent capital increase shall only be used to the extent that option or conversion rights are utilised, or the owners or creditors are obligated to carry out their duty of conversion, and to the extent that no treasury shares or new shares from an exploitation of authorised capital are utilised for servicing.

The Company has not issued any convertible bonds or option debentures in the last three years and none are currently outstanding.

SHAREHOLDINGS OF AT LEAST 10% OF VOTING RIGHTS

As of 31 December 2024, no shareholder holds at least 10% of voting rights.

CORPORATE GOVERNANCE STRUCTURE

Evotec's corporate governance structure is further detailed in the "Declaration of Corporate Management", which is available on the Company's website under *https://www.evotec.com/en/sustainability/governance*.

AUTHORISATION OF MANAGEMENT TO REPURCHASE STOCK

Evotec is currently not authorised by a resolution of the Annual General Meeting to acquire its own shares.

AMENDMENT TO THE COMPANY'S ARTICLES OF ASSOCIATION/APPOINTMENT OF THE MANAGEMENT BOARD

Any amendment to the Company's Articles of Association requires a shareholder resolution. According to sections 133 and 179 of the German Stock Corporation Act (AktG) and section 17 of the Articles of Association, the shareholder resolution amending the Company's Articles of Association requires an affirmative vote of at least three-quarters of the Company's share capital present at an Annual General Meeting. Appointment and dismissal of members of the Management Board are governed by sections 84 and 85 of the German Stock Corporation Act (AktG).

CHANGE-OF-CONTROL PROVISIONS

The Management Board merely has customary rights in the event of change of control where a shareholder of the Company or a third party acquires either alone or under the rules of § 30 WpÜG (German Securities Acquisition and Takeover Act (e.g. via 'acting in concert') a holding of more than 30% of the shares of the Company, and as a consequence thereof, the members of the Management Board's tasks and scope of responsibility are substantially altered. The contracts of the members of the Management Board contain a standard clause that allows the members of the Management Board to terminate their existing contracts with three months' notice within a period of twelve months following the occurrence of such an event. In the event of such an effective termination the member of the Management would be entitled to a settlement payment amounting to eighteen (18) month's salary calculated as the sum of the monthly base payments and 1/12 of the target bonus, but no more than the total compensation due for the remaining term of the service agreement. The Long Term Incentive ("LTI") Plans contain Change-of-Control regulations.

Declaration of corporate management

Evotec SE is guided by recognised standards of good and responsible corporate governance: The German Corporate Governance Code ("Deutscher Corporate Governance Kodex"), as amended from time to time, is the guideline for the exercise of management and control. The corporate governance standards applied are summarised in the corporate governance declaration in accordance with § 289f and § 315d HGB. It contains the Declaration of Conformity pursuant to § 161 of the German Stock Corporation Act ("Deutsches Aktiengesetz"), which was adopted by the Management Board and the Supervisory Board in December 2024 and updated in February and April 2025, as well as the Corporate Governance Report (Principle 22 of the Code 2022).

The corporate governance declaration ("Declaration of Corporate Management") is available for download on the Company's website in the "IR & ESG" section at *https://www.evotec.com/en/sustainability/governance*.

Remuneration Report

The Remuneration Report of Evotec is available on the Company's website in the Governance/Remuneration of Management Board and Supervisory Board section under the following link: *https://www.evotec.com/en/sustainability/governance*

Evotec SE
The Management Board
Hamburg, 14 April 2025

Consolidated financial statement (IFRS) 2024

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EVOTEC SE AND SUBSIDIARIES

CONSOLIDATED INCOME STATEMENT FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2024

in k€ except share and per share data	*footnote reference*	***Year ended 31 December 2024***	*Year ended 31 December 2023*
Revenue	4	796,967	781,426
Cost of Revenue		(682,086)	(606,375)
Gross profit		**114,881**	**175,051**
Operating income (expenses)			
Research and development	5	(50,857)	(68,529)
Selling, general and administrative	5	(188,201)	(169,610)
Other operating income	5	52,700	64,793
Other operating expenses	5	(16,116)	(44,202)
Impairments of intangible assets	9	–	(5,011)
Reorganisation costs	5	(54,930)	–
Total operating income (expenses)		**(257,403)**	**(222,558)**
Operating income (loss)		**(142,522)**	**(47,507)**
Non-operating income (expense)			
Gain (loss) on investment in financial instruments reevaluation	10	(38,513)	(9,143)
Share of profit (loss) and reevaluation of at-equity investments	11	(4,312)	(20,752)
Other financial income	10	2,435	9,263
Other financial expense	10	(11,699)	(11,739)
Other non-operating income (expense)	10	636	(714)
Net Income (loss) before taxes		**(193,977)**	**(80,593)**
Income taxes	6	(2,102)	(3,320)
Net income (loss)		**(196,078)**	**(83,913)**
Weighted average shares outstanding		**177,295,234**	**176,916,663**
Net income per share (basic)		**-1.11**	**-0.47**
Net income per share (diluted)		**-1.11**	**-0.47**

EVOTEC SE AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2024

in k€	*footnote reference*	***Year ended 31 December 2024***	*Year ended 31 December 2023*
Net income (loss)		**(196,078)**	**(83,913)**
Accumulated other comprehensive income			
Items which are not re-classified to the income statement			
Remeasurement of defined benefit obligation	12	**1,217**	(51)
Revaluation of equity investments	10	**(5,075)**	(1,080)
Taxes	6	**(316)**	13
Items which have to be re-classified to the income statement at a later date			
Foreign currency translation		**23,127**	(1,760)
Revaluation and disposal of other short-term investments		**2,148**	10,056
Taxes		**2,193**	(419)
Other comprehensive income (loss)		**23,294**	**6,759**
Total comprehensive income (loss)		**(172,785)**	**(77,153)**

EVOTEC SE AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31 DECEMBER 2024

in k€	*footnote reference*	***as of 31 December 2024***	*as of 31 December 2023*
Assets			
Current assets:			
Cash and cash equivalents	10	**306,387**	510,909
Investments	10	**90,413**	93,203
Trade and other receivables	7	**116,319**	98,396
Contract assets	4	**46,034**	25,000
Inventories	7	**31,122**	30,890
Current tax assets	6	**41,879**	80,659
Other current financial assets including derivatives	10	**4,290**	12,759
Prepaid expenses and other current assets	7	**45,519**	51,345
Total current assets		**681,964**	**903,162**
Non-current assets:			
Non-current investments and other non-current financial assets	10	**40,014**	139,023
Investments in associates and Joint ventures	11	**2,138**	3,071
Property, plant and equipment	8	**823,937**	806,563
Intangible assets and Goodwill	9	**309,295**	291,089
Deferred tax assets	6	**17,333**	14,330
Non-current tax assets	6	**34,357**	94,393
Other non-current assets		**3,464**	837
Total non-current assets		**1,230,538**	1,349,306
Total assets		**1,912,502**	**2,252,468**

in k€	footnote reference	as of 31 December 2024	as of 31 December 2023
Liabilities and Stockholders' Equity			
Current liabilities:			
Current financial liabilities	10, 14	**50,795**	149,096
Trade and other payables	7	**85,792**	134,319
Contract liabilities	4	**106,599**	97,587
Deferred income	7	**3,216**	10,268
Provisions	12, 13	**62,219**	45,165
Current income tax liabilities		**8,517**	5,565
Other current liabilities	7	**27,446**	22,572
Total current liabilities		**344,585**	**464,573**
Non-current liabilities:			
Non-current financial liabilities	10, 14	**392,743**	477,112
Deferred tax liabilities	6	**14,516**	18,137
Provisions	12, 13	**19,585**	16,063
Contract liabilities	4	**156,679**	155,287
Deferred income	7	**30,557**	–
Other non-current liabilities		**1,312**	1,387
Total non-current liabilities		**615,392**	**667,987**
Stockholders' equity:			
Share capital	12, 16	**177,553**	177,186
Additional paid in capital	12	**1,454,688**	1,449,654
Retained Earnings		**(672,370)**	(476,290)
Accumulated other comprehensive income		**(7,347)**	**(30,643)**
Total stockholders' equity		**952,525**	**1,119,908**
Total liabilities and stockholders' equity		**1,912,502**	**2,252,468**

EVOTEC SE AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD FROM 01 JANUARY TO 31 DECEMBER 2024

in k€	*footnote reference*	***2024***	*2023*
Cash flows from operating activities			
Net income (Loss)		**(196,078)**	**(83,913)**
Income tax expense	6	2,102	3,320
Depreciation and amortisation	8, 9	101,618	92,979
Impairment of tangible and intangible assets	9	12,195	5,011
Equity settled share based payment transaction	12	5,035	9,630
Financial income and expenses	10	9,264	2,475
Share of loss (profit) and reevaluation of at-equity investments	11	4,312	20,752
Gain (loss) on investment in financial instruments reevaluation	10	39,546	9,143
Other non cash items**		23,702	(114)
Loss on sale of investment of affiliated companies	5, 13	8,648	—
Changes in net working capital	7	(68,207)	(9,944)
Taxes paid, net of refunds***	6	76,083	(12,902)
Net cash from operating activities		**18,220**	**36,439**
Cash flows from investing activities			
Interest received		5,647	10,365
Purchase of property, plant and equipment	8	(117,468)	(213,321)
Proceeds from sale of property, plant and equipment	8	2,000	530
Purchase of intangible assets and capitalisation of development expenditures	9	(14,769)	(2,677)
Acquisition of subsidiaries net of cash acquired		—	2,088
Divestment of affiliated companies, net of cash disposed	5, 13	(11,503)	—
Purchase of investments in associated companies, other non-current investments and convertibles	10, 11	(15,083)	(23,644)
Proceeds from divestment / sale of investments in associated companies, other non-current investments and convertibles	10, 11	69,370	1,396
Purchase of current investments	10	(29,388)	(48,391)
Proceeds from sale of current investments	10	35,667	260,363
Proceeds from government grants		4,341	—
Net cash used in investing activities		**(71,187)**	**(13,291)**
Cash flows from financing activities			
Interest paid		(5,920)	(12,853)
Proceeds from loans	10	900	219,923
Transaction costs related to loans		(3,795)	—
Proceeds from the exercise of share options	12	368	219
Repayments of loans	10	(128,849)	(112,880)
Repayments of lease liabilities	10	(24,124)	(22,446)
Net cash from financing activities		**(161,421)**	**71,963**
Net increase (decrease) in cash equivalents		**(214,388)**	**95,110**
Cash and cash equivalents at 1 January		**510,909**	**415,155**
Effects of revaluation and of movements in exchange rates on cash held		9,866	644
Cash and cash equivalents at 31 December*		**306,387**	**510,909**

**incl. €12,931k (2023: €11,819k) of restricted cash*

*** Constitutes derivative revaluations, lease disposals, and allowances for doubtful accounts*

****incl. €62,233k (2023: €12,609k) of R&D tax credits received*

EVOTEC SE AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY FOR THE PERIOD FROM 01 JANUARY TO 31 DECEMBER 2024

		Share capital			Income and expense recognised in other comprehensive income			
in k€ except share data	footnote reference	Shares	Amount	Additional paid-in capital	Foreign currency translation	Revaluation reserve	Retained Earnings	Total stockholders' equity
Balance at 1 January 2023		**176,952,653**	**176,953**	**1,440,010**	**(16,289)**	**(21,113)**	**(392,377)**	**1,187,184**
Exercised stock options	12	**233,083**	**233**	—	—	—	—	**233**
Stock option plan	12	—	—	9,630	—	—	—	9,630
Transaction costs		—	—	14	—	—	—	14
Other comprehensive income		—	—	—	(1,760)	8,519	—	6,759
Net income (loss) for the period		—	—	—	—	—	(83,913)	(83,913)
Total comprehensive income (loss)		—	—	—	**(1,760)**	**8,519**	**(83,913)**	**(77,153)**
Balance at 31 December 2023		**177,185,736**	**177,186**	**1,449,654**	**(18,049)**	**(12,594)**	**(476,290)**	**1,119,908**
Exercised stock options	12	367,720	368	—	—	—	—	368
Stock option plan	12	—	—	5,034	—	—	—	5,034
Transaction costs		—	—	—	—	—	—	—
Other comprehensive income		—	—	—	23,127	167	—	23,294
Net income (loss) for the period		—	—	—	—	—	(196,078)	(196,078)
Total comprehensive income (loss)		—	—	—	**23,127**	**167**	**(196,078)**	**(172,785)**
Balance at 31 December 2024		**177,553,456**	**177,553**	**1,454,688**	**5,078**	**(12,427)**	**(672,370)**	**952,525**

Notes to the consolidated financial statements for the fiscal year 2024

(1) BUSINESS DESCRIPTION AND BASIS OF PRESENTATION

Evotec SE, including its affiliates and subsidiaries ("Evotec" or the "Company") is a drug discovery and development company, continuously driving innovative approaches to develop new pharmaceutical products through discovery alliances and development partnerships with leading pharma and biotechnology companies as well as academic institutions, patient advocacy groups and venture capital partners.

Evotec SE, located in Hamburg (Essener Bogen 7, 22419 Hamburg, Germany) is registered in the Commercial Registry of Hamburg with HRB 156381.

The Company was founded on 8 December 1993, and is listed on the Frankfurt Stock Exchange (XETRA) since 10 November 1999, Segment Prime Standard, under the ticker "EVT" as well as on NASDAQ, New York, USA under the trading symbol "EVO" since 8 November 2021.

The Management Board prepared the consolidated financial statements for the financial year 2024 on April 14, 2025, and will subsequently submit them to the Supervisory Board for review and approval at the meeting on April 14, 2025. With reference to Section §264 (3) of the German Commerical Code, the subsidiary Evotec International GmbH does not prepare a management report (Section §289 of the German Commercial Code).

(2) MATERIAL ACCOUNTING POLICIES

The material accounting policies applied in the preparation of these Consolidated Financial Statements are set out below or in the respective note. These policies have been consistently applied to all the years presented, unless otherwise stated.

— BASIS OF PREPARATION —

The consolidated financial statements cover the twelve-month periods ended December 31, 2024 and 2023.

In accordance with Regulation No. 1606/2002 of the European Parliament and Council of July 19, 2002 on the application of international accounting standards, Evotec has presented its consolidated financial statements in accordance with IFRS since 2005. The term "IFRS" refers collectively to international accounting and financial reporting standards (IASs and IFRSs) and to interpretations of the interpretations committees (SIC and IFRIC) with mandatory application as of 1 January 2024. The consolidated financial statements of Evotec as of 31 December 2024 have been prepared in compliance with IFRS as issued by the International Accounting Standards Board (IASB) and with IFRS as endorsed by the European Union as of 31 December 2024.

Evotec SE, as the ultimate parent company, prepares its consolidated financial statements in its functional currency, the Euro. All amounts in the notes are stated in thousands of Euros (k€) unless otherwise noted. The Euro is the reporting currency of the Group. Due to rounding, amounts may not add up precisely to the totals provided.

The consolidated financial statements have been prepared in accordance with the IFRS general principles of fair presentation, going concern, accrual basis of accounting, consistency of presentation, materiality, and aggregation. The presentation of the consolidated income statement is based on the internal functions of the Group.

Additional requirements of Section §315e (1) of the German Commercial Code (HGB) have been applied in accordance with the version endorsed at the end of the reporting period.

— SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES —

The preparation of the Consolidated Financial Statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies, the reported amounts of assets, liabilities, revenues and expenses, the accompanying disclosures, as well as the disclosure of contingent liabilities. These estimates inherently contain a degree of uncertainty. Actual results may differ from these estimates under different assumptions or conditions.

The Group evaluates these accounting judgements and estimates on an ongoing basis and bases the estimates on historical experience, current and expected future outcomes, third-party valuation and various other assumptions that the Group believes are reasonable under the circumstances. Existing circumstances and assumptions about future developments may change due to circumstances beyond the Group's control and are reflected in the assumptions if and when they occur.

The Group revises significant estimates as relevant and applicable if changes occur in circumstances or if new information or historical data is available and would require Evotec to do so.

The areas where the most significant judgements and estimates are made relate to the following areas:

Judgement:
- Revenue recognition, determination of performance obligations and allocation of consideration as well as determination of advancement for over time performance obligations;
- Determination of the lease term and more specifically the assessment whether a lease option to extend or cancel a lease in which the Group is a lessee is reasonably certain to be exercised or not;
- Likelihood of occurrence of provisions, uncertain tax positions and contingent liabilities;
- Impairment analyses in relation with goodwill and intangible assets are performed annually as well as the determination of whether the carrying value exceeds the recoverable amount whenever a triggering event occurs. These analyses are generally based on estimates of discounted future cash flows;
- Determination of the fair values of Level 3 financial assets where significant inputs of the fair value measurement are not based on observable market data;
- Determination of marketing approval from regulatory authorities as a requirement for internally developed intangible capitalization;
- Determination of the recoverability of deferred tax assets;
- Identification of contingent liabilities and onerous contracts

Estimates:
- Assessment of the recoverable amount of goodwill and intangible assets;
- Measurement of the recoverability of deferred tax assets;
- Determination of fair values of acquired identifiable intangible assets as part of a business combination;
- Determination of budgeted FTE rates in the assessment of percentage of completion in relation with revenue recognition

The Group considers the potential impact of climate related matters in estimates and assumptions, where appropriate, and monitors relevant changes and developments, including changes in legislation which may affect the fair value of financial assets and liabilities in the Consolidated Financial statements especially but not limited to deferred tax assets recoverability, useful life of tangibles and intangibles and provisions.

Even though climate-related matters increase the uncertainty in estimates and assumptions, as of 31 December 2024 the Group does not believe that the impact of climate related matters would be material to the Consolidated Financial Statements.

For further discussion of these significant judgements and estimates, reference is made to the respective Accounting Policies and Notes within these Consolidated Financial Statements that relate to the above topics.

— BASIS OF CONSOLIDATION —

The Consolidated Financial Statements comprise the financial statements of Evotec SE and all the subsidiaries that the Company controls, i.e. when it is exposed or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and in cases where the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including the contractual arrangement(s) with the other vote holders of the investee, rights arising from other contractual arrangements and the Group's voting rights and potential voting rights.

Subsidiaries

Subsidiaries are fully consolidated from the date that control commences until the date that control ceases.
Transactions between consolidated companies are eliminated, as well as intra group profits.

Associates

Associates are all entities over which the Group has significant influence but no control. Significant influence is presumed with a shareholding between 20% and 50% of the voting rights or when the Group has board representation through which it is able to exercise significant influence, such as, but not limited to participating in the financial and operating policy decisions of that entity but does not have the power to exercise control or joint control over those policies. Investments in associates are accounted for using the at-equity method and are initially recognized at cost. Unrealized gains and losses from transactions between the Group and its associates or joint ventures are recognized only to the extent of unrelated investors` interests in the associates.

Loss of control

Upon loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests, and other components of equity (if any) related to the subsidiary. Any surplus or deficit arising from the loss of control is recognized in the Consolidated Income Statement. If the Group retains any interest in the previous subsidiary, such interest is measured at fair value at the date the control is lost. Subsequently, it is accounted for as either an equity accounted investee or as a financial asset depending on the level of influence retained.

All intercompany receivables, liabilities and all intercompany revenue, income, expenses and all intra group profits or losses are eliminated in the consolidation.

The financial statements of all to be consolidated subsidiaries are prepared using the same reporting date as the consolidated financial statements (31 December).

— FOREIGN CURRENCIES —

Foreign currency transactions

The financial statements of all Evotec Group entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The Euro (EUR) is the functional currency of the Group and the presentation currency of the Consolidated Financial Statements.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or the valuation in cases where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Euro at the exchange rates prevailing at the reporting date. The income and expenses of foreign operations are translated to Euros at the monthly average foreign exchange rate. Foreign currency differences arising upon translation of foreign operations into Euro are recognized in Other Comprehensive Income and presented as part of currency translation reserves in Shareholders Equity. In the balance sheet these are recognized under retained earnings.

When a foreign operation is disposed of, leading to a loss of control, significant influence or joint control, the cumulative amount in the currency translation differences related to the foreign operation is reclassified to the Consolidated Income Statement as part of the gain or loss on disposal.

— ALTERNATIVE PERFORMANCE MEASURES —

The Group defines Adjusted EBITDA as net income (loss) adjusted for interest, taxes, depreciation, amortization of intangibles, impairments on goodwill and other intangible and tangible assets, total non-operating income and expense, change in contingent consideration (earn-out) and items that in magnitude, nature or occurrence would distort the presentation of the financial performance of Evotec. Adjusted EBITDA is a non-IFRS measure presented in increment to IFRS based measures of financial performance. Adjusted EBITDA is presented because it is a key metric used by the Management Board to assess financial performance. Management believes Adjusted EBITDA is an appropriate measure of operating performance because it eliminates the impact of income and expenses that do not relate directly to the performance of the underlying business.

Adjusted EBITDA is expected to reflect the ongoing performance of the recurring activities of the Group. These adjusting elements are excluded because of the underlying nature of these items and the impact they have on the analysis of the underlying business performance and trends. These elements are disclosed with the objective of being consistent with the information used in Internal Group Reporting to measure the performance of Group companies.

Adjusted EBITDA for financial year 2024 is derived from operating income as follows:

In k€	*Shared R&D*	*Just – Evotec Biologics*	*Evotec Group*
Operating Loss	**(126,170)**	**(16,353)**	**(142,522)**
plus depreciation of tangible assets	70,753	24,404	95,157
plus impairment of intangible assets	–	–	–
plus amortization of intangible assets	6,484	–	6,484
plus external cyber-related costs	7,608	1,067	8,674
less change in contingent consideration (earn-out)	(158)	–	(158)
plus reorganisation costs	54,179	751	54,930
Adjusted EBITDA	**12,695**	**9,868**	**22,564**

Adjusted EBITDA for financial year 2023 is derived from operating income as follows:

In k€	*Shared R&D*	*Just – Evotec Biologics*	*Evotec Group*
Operating loss	**(8,122)**	**(39,385)**	**(47,507)**
plus depreciation of tangible assets	64,349	21,685	86,034
plus impairment of intangible assets	(108)	5,119	5,011
plus amortization of intangible assets	6,946	–	6,946
plus external cyber-related costs	15,379	489	15,869
less change in contingent consideration (earn-out)	—	—	—
plus reorganisation costs	—	—	—
Adjusted EBITDA	**78,444**	**(12,092)**	**66,353**

APPLICATION OF STANDARDS; AMENDMENTS AND INTERPRETATIONS

The following amendments became effective as at 1 January 2024:

- Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback Transaction (1 January 2024)
- Amendments to IAS 1 - Classification of Liabilities as Current or Non-current (including the amendment to IAS 1 - Classification of Liabilities as Current or Non-current - Deferral of Effective Date issued in July 2020) (1 January 2024)
- Amendments to IAS 1 - Non-current Liabilities with Covenants (1 January 2024)
- Amendments to IAS 7 and IFRS 7 - Supplier Finance Arrangements (1 January 2024)

None of those amendments had a significant impact on the Group´s consolidated financial statements for the 12 months period ended 31 December 2024.

The following amendments will become effective after 1 January 2025, however, may be early adopted:

- Amendments to IAS 21 - Lack of Exchangeability (1 January 2025)
- Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments (1 January 2026)
- Amendments to IFRS 9 and IFRS 7 - Power Purchase Agreements (1 January 2026)
- IFRS 18 - Presentation and Disclosures in Financial Statements (1 January 2027)

Evotec has not early adopted any new standards, interpretations or amendments that have been issued but are not yet effective in these consolidated financial statements.

IFRS 18 is expected to change the presentation of the Income statement and to differentiate between earnings from operating activities, investment activities and financing activities. IFRS 18 will also add additional disclosures but will not change any accounting policies on recognition and measurement, hence it will not change reported net results. Apart from that, none of those amendments are expected to have a significant impact on the Group´s consolidated financial statements.

(3) SEGMENT INFORMATION

In 2024, the Management Board made the decision to update the reportable segments to better steer the business and to reflect the underlying trends, evolutions and activities of the various business area the Group is involved in. The Group believes that the two new reportable segments, Shared R&D and Just – Evotec Biologics, represent fairly and provide better information to external stakeholders on how resources are allocated and allow better management of the Group's overall performance. See below for description of the types of products and services from which each reportable segment derives its revenues. Products and services from both reportable segments are available to our partners on a fee-for-service and/or FTE-rates-based model as well as through arrangements that involve milestones and royalties. Due to the introduction of new reportable segments in 2024 and 2023 segment information has been restated accordingly.

Shared R&D primarily includes drug discovery and development services and solutions. It starts with sourcing novel treatment ideas derived from patient data and continues with target validation and lead optimisation. In the subsequent development phase selected candidates can seamlessly transition to Investigational New Drug "IND" application.

Just – Evotec Biologics provides services related to designing, discovering, developing, and manufacturing of modern bio-therapeutics. Further Just – Evotec Biologics provides services in the areas of antibody molecular optimization, first-in-human integrated biologics, product and process design, continuous bioprocessing platforms, and commercial biomanufacturing.

Management does not allocate assets and liabilities to segments. The assessment of the individual operating segments is based on revenues and operating income (loss). Inter segment revenues are valued with a price comparable to other third-party revenues. Corporate activities are allocated based on internally defined allocation keys, primarily based on revenue.

The segment information for the financial year 2024 is as follows:

in k€	*Shared R&D*	*Just – Evotec Biologics*	*Elimination between the segments*	*Evotec Group*
Revenues*	611,394	185,573	–	796,967
Intersegment revenues	160	1,049	(1,208)	–
Cost of revenue	(509,361)	(173,068)	344	(682,086)
Gross profit	**102,192**	**13,553**	**(865)**	**114,881**
Operating income and (expenses)				
Research and development cost	(51,146)	(576)	865	(50,857)
Selling, general and administrative cost	(158,915)	(29,286)	–	(188,201)
Impairment/ reversal of impairment of intangible assets	–	–	–	–
Other operating income	49,802	2,899	–	52,700
Other operating expenses	(13,924)	(2,192)	–	(16,116)
Reorganisation costs	(54,179)	(751)	–	(54,930)
Total operating income and (expenses)	**(228,362)**	**(29,906)**	**865**	**(257,403)**
Operating income (loss)	**(126,170)**	**(16,353)**	**–**	**(142,522)**

**Includes Revenue from contributions of €14,450k*

The Segment information for the financial year 2023 is as follows:

in k€	*Shared R&D*	*Just – Evotec Biologics*	*Elimination between the segments*	*Evotec Group*
Revenues*	672,977	108,449	–	781,426
Intersegment revenues	–	–	–	–
Cost of revenue	(492,674)	(113,701)	–	(606,375)
Gross profit	**180,303**	**(5,252)**	**–**	**175,051**
Operating income and (expenses)				
Research and development cost	(68,529)	–	–	(68,529)
Selling, general and administrative cost	(143,167)	(26,442)	–	(169,610)
Impairment/ reversal of impairment of intangible assets	108	(5,119)	–	(5,011)
Other operating income	62,524	2,269	–	64,793
Other operating expenses	(39,361)	(4,841)	–	(44,202)
Reorganisation costs	–	–	–	–
Total operating income and (expenses)	(188,425)	(34,133)	–	(222,558)
Operating income (loss)	**(8,122)**	**(39,385)**	**–**	**(47,507)**

**Includes Revenue from contributions of €10,551k*

— GEOGRAPHICAL BREAKDOWN —

The geographical breakdown of revenues from customers for the financial year 2024 is stated below:

in k€	Shared R&D	Just – Evotec Biologics	Evotec Group
Revenues by region			
USA	354,124	91,735	445,859
Germany	32,904	—	32,904
France	19,910	—	19,910
United Kingdom	92,437	80	92,517
Switzerland	18,048	90,995	109,043
Rest of the world	81,662	621	82,283
Total revenue from contracts with customers	**599,086**	**183,431**	**782,517**
Revenue from contributions	12,308	2,142	14,450
Total Revenue	**611,394**	**185,573**	**796,967**

The geographical breakdown of revenues from customers for the financial year 2023 is stated below:

in k€	Shared R&D	Just – Evotec Biologics	Evotec Group
Revenues by region			
USA	414,192	45,232	459,424
Germany	29,297	4,837	34,134
France	32,005	–	32,005
United Kingdom	86,368	–	86,368
Switzerland	7,500	57,424	64,924
Rest of the world	95,154	–	95,154
Total revenue from contracts with customers	**664,516**	**107,493**	**772,009**
Revenue from contributions	8,461	956	9,417
Total Revenue	**672,977**	**108,449**	**781,426**

Revenue is allocated to regions according to the location of the head office of the external customer.

Non-current assets categorized by the location of the companies as of 31 December 2024 and 31 December 2023 can be analysed as follows:

in k€	2024	2023
USA	257,861	221,195
United Kingdom	208,907	221,177
Italy	240,450	259,649
France	325,974	337,960
Germany	154,543	153,338
Austria	–	2,634
Total non-current assets	**1,187,735**	**1,195,954**

Non-current assets shown in this table comprise of fixed assets, intangible assets, goodwill, non-current tax receivables, other non-current assets as well as investments for which the equity-method is applied.

(4) REVENUE

— ACCOUNTING PRINCIPLES —

Revenue from contracts with customers

Revenue is recognized when the control over separable goods, services or research services is transferred to the customer, provided that a contract with enforceable rights and obligations exists and that collectability of consideration is probable. The Group assesses collectability based on a number of factors, including past transaction history with the customer and the customer's creditworthiness.

Multi-element contracts

The Group regularly enters into arrangements for the R&D and subsequent manufacture of product candidates. Such arrangements may require the Group to deliver various rights, services and/or goods, including intellectual property rights, licences, technology access fee, R&D services, and manufacturing services. The underlying terms of these arrangements generally provide for consideration to the Group in the form of non-refundable upfront fees, development and R&D or commercial performance milestone payments, royalty payments or profit sharing.

In arrangements involving more than one performance obligation, each required performance obligation is evaluated to determine whether it qualifies as a distinct performance obligation based on whether:

– the customer can benefit from the good or service either on its own or together with other resources that are readily available and
– the good or service is separately identifiable from other promises in the contract.

The consideration under the arrangement is then allocated to each separate distinct performance obligation based on its respective relative stand-alone selling price. The estimated selling price of each deliverable reflects the Group´s best estimate of what the selling price would be if the deliverable was regularly sold by the Group on a stand-alone basis or by using an adjusted market assessment approach if the selling price on a stand-alone basis is not available.

The consideration allocated to each distinct performance obligation is recognized as revenue when control of the related goods or services is transferred. For performance obligations satisfied over time, the Group usually uses an FTE input-based method to determine the percentage of completion. In rare instances, the Group enters into performance obligations of providing a service of standing ready to provide goods or services.

Consideration associated with at-risk substantive performance milestones is recognized as revenue when it is highly probable that a significant reversal of the cumulative revenue recognized will not occur.

Material payments for those services are generally made in advance by the customer and recorded as contract liabilities until the related performance obligations are satisfied.

Contract assets are recognized in case the Group´s progress of completion of its performance obligations exceeds the amount of the payments received.

Milestone payments
Milestone payments for research and development are contingent upon the occurrence of a future event and represent a variable consideration. The Group usually estimates at contract's inception that the most likely amount for milestone payments is zero. The most likely amount method of estimation is considered the most predictive for the outcome since the outcome is binary; e.g. achieving a specific success in clinical development (or not).

The Group includes milestone payments in the total transaction price only to the extent that it is highly probable that a significant reversal of revenue will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

Service Fees
Service fees for the assignment of personnel to research and development collaborations are recognized as revenues in the period the services were provided.

Technology access fees
Revenue from technology access fees is recognized over the related service period. Payments for technology access fees are generally paid in full or in parts in advance and recorded as contract liabilities until earned.

Licences of intellectual property
The Group distinguishes between the right to use IP and the right to access IP. Revenue for a right-to-use licence is recognized by the Group when the licencee can use and benefit from the IP after the licence term begins, e.g., the Group has no further obligations in the context of the out-licensing of a drug candidate or technology. In practice that means at the date of the sale or when the licencee gains effectively access.

Revenue from a right to access licence of the intellectual property is recognized when the Group undertakes activities during the licence term that significantly affect the IP, the customer is directly exposed to any positive or negative effects of these activities, and these activities do not result in the transfer of a good or service to the customer. Revenues from the right to access the IP are recognized on a straight-line basis over the licence term.

Royalties
The Group receives royalties generated from successful development. Those royalties are generally sales based with additional milestones payments depending on the underlying market or product. The revenue generated from royalties is recognized as the underlying sales occur when it is highly probable that the consideration will be received.

Financing component and time value of money
The Group does not enter into arrangements where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year or the cash consideration and the stand alone selling price differs significantly. Additionally, the Group does not consider any prepayments provided by the customer as financing components. Consequently, the Group does not adjust any of the transaction prices for the time value of money.

Contract assets
Contract assets correspond to amounts accrued or due by customers for work in progress depending on the stage of completion of the analysis/ work performed. The Group regularly assesses the state of its billing operations and the level of payer's reimbursements based on specific facts and circumstances and historical recoverability data in order to identify issues which may impact the collection.

Contract liabilities
A contract liability is the obligation of the Group to transfer goods or services to a customer for which the Group has received a consideration (or an amount of consideration is due). If a customer pays the consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group fulfils its contractual obligation. The Group´s contracts do not include financing components as all up-front consideration received are prepayments on service obligations.

Revenue from contributions

Revenue Recognition from Contributions

The Group receives private contributions for which the existence of an adequate exchange transaction for research projects serving the public good is refuted. A realization of revenue from contracts with customers is not possible. A private contribution exists for which a contribution revenue item is recognized.

The effect on profit or loss is immediate or occurs over the period in which the subsidized service is provided. A liability item must be recognized for a contribution that has already been received, but this is not a contractual obligation, but rather other liability. The reversal of the liability item is gross, i.e., as contribution revenue separately from the revenues.

— REVENUE —

The following schedule entails detailed information about the Group's revenues in the financial year 2024:

in k€	*Shared R&D*	*Just – Evotec Biologics*	*Evotec Group*
Revenues from contracts with customers			
Fee for service and FTE-based research payments	553,963	183,431	737,394
Recharges*	38,578	–	38,578
Compound access fees	544	–	544
Milestone fees	2,871	–	2,871
Licences	3,130	–	3,130
Total revenue from contracts with customers	**599,086**	**183,431**	**782,517**
Timing of revenue recognition			
At a point in time	83,157	44,123	127,280
Over a period of time	515,929	139,308	655,237
Total revenue from contracts with customers	**599,086**	**183,431**	**782,517**
Revenue from contributions	12,308	2,142	14,450
Total Revenue	**611,394**	**185,573**	**796,967**

** Comprises of material re-charges to the customer*

The following schedule entails detailed information about Evotec's revenues in the financial year 2023:

in k€	*Shared R&D*	*Just – Evotec Biologics*	*Evotec Group*
Revenues from contracts with customers			
Fee for service and FTE-based research payments	619,437	107,492	726,929
Recharges*	37,561	–	37,561
Compound access fees	2,059	–	2,059
Milestone fees	4,785	–	4,785
Licences	674	1	675
Total revenue from contracts with customers	**664,516**	**107,493**	**772,009**
Timing of revenue recognition			
At a point in time	42,345	46,242	88,587
Over a period of time	622,171	61,251	683,421
Total revenue from contracts with customers	**664,516**	**107,493**	**772,009**
Revenue from contributions	8,461	956	9,417
Total Revenue	**672,977**	**108,449**	**781,426**

** Comprises of material re-charges to the customer*

The transaction prices allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) are as follows:

in k€	31 December 2024	31 December 2023
In the course of the year	460,835	571,825
After one year	885,577	335,427

As of 2024, unsatisfied or partially unsatisfied performance obligations relating to contracts with a duration of one year or less, or that are billed base on time incurred, are not disclosed in the table above. As a result, 2024 figures are not directly comparable with 2023 reported numbers.

During the year 2024 no material revenue was recognised from performance obligations that were already completely fulfilled in prior reporting periods.

In 2024, two customers contributed more than 10% of consolidated revenue totalling € 256,691k. € 165,696k of which related to the Shared R&D segment and € 90,995k of which related to the Just – Evotec Biologics segment. In 2023 one customer contributed more than 10% of consolidated revenue totalling € 195,386k, related to the Shared R&D segment.

— CONTRACT ASSETS —

In the course of the reporting year, contract assets changed as follows:

in k€	2024	2023
Balance as of 1 January	**25,000**	**30,516**
Additions	201,016	180,305
Reclassifications to Trade Receivables due to Invoicing	(181,469)	(185,754)
Translation differences and other	1,487	(67)
Balance as of 31 December	**46,034**	**25,000**

As of 31 December 2024 and 2023, no risk provision was recorded given the creditworthiness of the customers with outstanding balances. The increase in the contract asset balance from 31 December 2023 to 31 December 2024 occurred in the normal course of business.

— CONTRACT LIABILITIES —

As of 31 December 2024 and 2023, current and non-current contract liabilities mainly originated from the upfront payments relating to the contracts with with the largest customer in the amount of € 215,108k (31 December 2023: € 202,238k) of which € 57,862k (31 December 2023: € 49,153k) are classified as current contract liabilities.

	Current		Non-current	
in k€	2024	2023	2024	2023
Balance as of 1 January	97,587	122,921	155,287	206,136
Additions	220,121	203,826	94,574	–
Reduction due to Recognition of Revenue	(303,748)	(279,691)	–	–
Divestment of affiliates	(1,069)	–	–	–
Reclassification from non-current to current	93,181	50,849	(93,182)	(50,849)
Translation differences and other	526	(318)	–	–
Balance as of 31 December	**106,599**	**97,587**	**156,679**	**155,287**

(5) OPERATING INCOME (LOSS)

— ACCOUNTING PRINCIPLES —

Operating income excludes in general items that are not directly related to the Group's operating activities, except cyber-related costs which are also included in the operating income. Activities in relation with the Group´s operating activities primarily relate to gains or losses on the disposal of material property, plant and equipment, gains or losses on the sale of Group companies, associates and joint ventures, indemnification provisions as well as disputes with minority shareholders.

Other Operating Income

The Group may receive tax credits from tax development programs in the context of qualifying R&D expenses in different jurisdictions. Such tax refunds regularly result in amounts which can be offset against taxable income, to provide a partial or full relief from tax or other payments to fiscal authorities. The Group determined that under its significant tax development programs, the feature of the credit is provided in a way which allows either offsetting against taxable income or instead, when insufficient taxable profits are available, direct reimbursement and payment in cash. In addition, the tax development programs are provided for specific activities, often limited to specific R&D expenses. As such, the Group accounts for such tax development programs as other operating income and does not account for such income as tax income or offsets tax credits from income tax expense.

In certain cases, the Group recharges costs to third parties. The income from those recharges is recognized in other operating income when it is a direct reimbursement of costs. There is no underlying direct exchange of services for this income and therefore a recognition as revenues is not suitable. The relating expenses are recognized in other operating expenses as well as in R&D expenses.

Research and development

Research activities expenses undertaken with the prospect of gaining new scientific or technical knowledge and understanding are recognized in profit or loss when incurred. Refer to Note 9 for further details regarding the capitalization policy of IP R&D and other related expenses.

Government Grants

Government grants are recognized when all the conditions associated to those grants have been substantially complied with, and all attached conditions have been complied with. When the grant relates to an expense item, it is recognized as a reduction of the related expense. When the grant relates to an asset, it is recognized as income evenly over the expected useful life of the related asset.

Reorganisation Costs

Reorganisation costs include personnel costs related to termination benefits, site closure and contract termination costs, impairment losses recognized in accordance with IFRS 5 as well as other costs. Termination benefits are recognized when
–it is probable that employees will be entitled to benefits and
–the amounts can be reasonably estimated.

Estimates of termination benefits are based on negotiations with social partners, common practices in the industry and the existence of statutory required minimum benefits. Site closure, contract termination and other costs are recognized when they are incurred. The impairment loss in accordance with IFRS 5 is based on the difference between the carrying amount of the disposal group, measured according to the applicable IFRSs until classification as held for sale, and the fair value less costs to sell. The specific restructuring measures and associated estimated costs are based on management's best judgment under the existing circumstances at the time the estimates are made. If future events require changes to these estimates, such adjustments will be reflected in the period of the revised estimate.

— PERSONNEL EXPENSES —

The personnel expenses of the Group in 2024 amounted to € 458,738k, of which € 340,362k relate to personnel expenses outside of Germany, in the United Kingdom, Italy, France, and the US (2023: € 377,587k and € 256,259k, respectively). Thereof expenses for the statutory retirement insurance amounted to € 25,146k of which € 21,094k relate to expenses outside Germany in the United Kingdom, Italy, France and the US (2023: € 17,041k and € 9,788k). In addition, an amount of € 62,136k (2023: € 58,276k) of the Group´s personnel expenses relate to social security expenses.

— COST OF MATERIALS —

Cost of materials in 2024 amounted to € 122,044k thereof € 97,254k was incurred outside of Germany in the UK, Italy, France, Austria, and the US (2023: € 118,918k and € 88,192k).

— RESEARCH AND DEVELOPMENT —

In 2024, research expenses mainly relate to internal R&D projects in the amount of € 45,647k (31 December 2023: € 56,511k) and overhead costs in the amount of € 5,210k (31 December 2023: € 10,699k). The decrease in research and development expenses compared to 2023 is mainly due to the strategic prioritization of key projects. Research and Development costs include amortization of intangible assets and depreciation of property, plant, and equipment of € 924k (31 December 2023: € 464k).

— SELLING, GENERAL AND ADMINISTRATIVE EXPENSES —

Included in selling, general and administrative expenses are expenses for sales and marketing in the amount of € 17,478k (2023: € 16,869k). Other administrative expenses amount to € 170,723k (2023: € 152,741k). The increase of other administrative expenses is related to higher expenses for information technologies and general administration. Included in selling, general and administrative expenses are amortisation of intangible assets and depreciation of property, plant and equipment of € 48,096k (2023: € 43,522k).

— OTHER OPERATING INCOME —

In 2024, other operating income included tax refunds for R&D activities (2024: € 46,863k, 2023: € 43,996k), mainly in France (2024: € 24,669k, 2023: € 24,812k) and the UK (2024: € 10,656k, 2023: € 11,010k). Furthermore, other operating income includes customer refunds for equipment in Just – Evotec Biologics in the amount of € 2,057k (2023: € 2,058k). The overall decrease in other operating income compared to 2023 is predominantly related to the termination of development of portfolios in Lyon for one customer (2024: € 0k, 2023: € 16,600k).

— OTHER OPERATING EXPENSE —

In 2024, other operating expense amounted to € 16,116k (31 December 2023: € 44,202k). Other operating expenses include external expenses related to the cyber-attack in the amount of € 8,674k (2023; € 15,869k).

— REORGANISATION COSTS —

Reorganisation costs amounted to € 54,930k (2023: € 0k) and mainly include employee termination benefits (€ 22,788k thereof € 18,002k related to COGS, € 4,102k to SG&A, and € 684k to R&D) such as severance payments and accelerated share-based compensation expenses, Real Estate footprint optimization (€ 4,620k) such as costs related to the premature termination of lease contracts and other direct costs (€ 12,205k) such as consulting fees. Further, reorganisation costs include an impairment loss in accordance with IFRS 5 related to the disposal of the former subsidiary Evotec DS in the amount of € 15,317k. For further information, see note 13 - Provisions.

(6) INCOME AND DEFERRED TAX

— ACCOUNTING PRINCIPLES —

Income taxes comprise current, non-current and deferred tax. Income tax is recognized in the Consolidated Income Statement except to the extent that it relates to items recognized directly within equity or in Other Comprehensive Income.

Current tax is the expected taxes payable on the taxable income for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The tax rates for domestic companies are between 31% and 32% and for foreign companies between 17% and 28%.

In cases where amounts recognized in the tax returns are likely not to be realized (uncertain tax positions), a tax liability is recorded. The amount is determined from the best possible estimate of expected tax payments (most likely amount of tax uncertainty). Tax claims from uncertain tax positions are only recognized if their realization is probable. Only in the case of an existing tax loss carryforward or an unused tax Credit there is no tax liability or tax claim recognized for these uncertain tax positions; instead, the deferred tax asset for the unused tax loss carryforwards and tax credits is adjusted accordingly This assessment relies on estimates and assumptions and may involve a series of judgements about future events.
New information may become available that causes the Group to change its judgement regarding adequacy of existing tax assets and liabilities. Such changes to tax assets and liabilities will impact the income tax expense in the period during which such a determination is made.

Deferred tax assets and liabilities are recognized, using the Balance Sheet method, for the expected tax consequences of temporary differences between the carrying amounts of assets and liabilities according to IFRS and the amounts used for taxation purposes. Deferred taxes are measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred taxes are recognized for all taxable temporary differences, except:

- temporary differences arising on the initial recognition of goodwill,
- temporary differences on the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss, and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences,
- temporary differences relating to investments in subsidiaries, associates, and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity or on different taxable entities, but the Group intends to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that there will be future taxable profits against which they can be utilized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income in the countries where the deferred tax assets originated and during the periods when the deferred tax assets become deductible. The Group considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment.

In 2024, deferred tax assets amounting to € 16,632k (31 December 2023: € 5,239k) were recognized across multiple subsidiaries that incurred losses during the current or prior financial year. Those losses were mainly incurred due to exceptional circumstances, i.e. the cyber-attack in 2023, ramp-up costs related to construction of the biomanufacturing facility in Toulouse and the restructuring costs in 2024. Based on positive future earnings projections, it is considered probable that sufficient taxable income will be available in the future to utilize the recognized deferred tax assets.

International Tax Reform - Pillar II Framework
The Group falls within the scope of application of the so-called Pillar II framework, that entered into force in the German legislation on 28 December 2023.

The Minimum Tax Act applies for the first time financial years beginning on or after 30 December 2023 ("MinStG"). Pillar II legislation has been enacted or substantially enacted in a number of other jurisdictions in which the Group operates, effective for the financial year beginning 1 January 2024. As the Group is in scope of the Pillar II legislation the Group may be liable to pay a top-up tax for each jurisdiction having an effective tax rate below 15%.

During the transitional period from 2024 to 2026, the top-up tax can, upon request, be deemed zero for a jurisdiction where the requirements of the country by country reporting safe harbor rules are met. The Group will exercise this option, which based on the 2024 fiscal year, will lead to the Company being exempt from minimum taxation in most of the jurisdictions in which it operates.

The application of the global minimum tax rules, as implemented into domestic legislation of the jurisdictions in which the Group operates, results in no material minimum tax being recognized in 2024.

The Group has applied the exception to recognizing and disclosing information about deferred taxes relating to Pillar II income taxes, as provided by the amendment to IAS 12 issued in May 2023 and endorsed in the EU in November 2023.

— INCOME TAX EXPENSE —

Income tax benefit and expense for the years 2024 and 2023 comprise the following:

in k€	2024	2023
Current taxes		
- Tax expense for the year	(7,761)	(5,251)
- Income (expense) relating to other periods	328	(2,666)
Total current income taxes	(7,433)	(7,917)
Deferred taxes		
- Tax loss carry forwards	34,786	1,606
- Temporary differences	(29,455)	2,991
Total deferred income taxes	**5,331**	**4,597**
Tax expense recognized in the income statement	**(2,102)**	**(3,320)**

— RECONCILIATION OF TAX RATE —

The difference between the actual income tax expense and the result of the net income (loss) and the applicable Group tax rate in the reporting year and the previous year is made up as follows:

in k€	2024	2023
Income (loss) before taxes	(193,977)	(80,593)
Expected German income tax rate	32.28 %	32.28 %
Expected income tax benefit (expense)	62,616	26,015
Non-deductible expenses	(33,773)	(8,274)
R&D tax credits	8,667	8,558
Tax free income	13,106	7,968
Permanent differences from GILTI	(778)	(156)
Tax effects from investments accounted for using the equity method	(683)	(8,373)
Deviation tax rates to expected tax rate	(992)	(1,343)
Change in tax rates	—	(251)
Change in recognition of deferred tax assets	(49,359)	(25,568)
Taxes related to prior years		
Current Taxes	328	(2,666)
Deferred Taxes	(1,736)	556
Other	502	213
Effective income tax income (expense)	**(2,102)**	**(3,320)**
Effective income tax rate	**(1.08)%**	**(4.12)%**

The Group tax rate includes corporate income tax plus solidarity surcharge of 15.825% and trade tax, which ranges from 16.450%.

The tax-free income in 2024 mainly results from the gain on the sale of the shares in Recursion Pharmaceuticals Inc and the non-deductible expenses mainly result from the devaluation of shares in corporations and the loss on the sale of the shares in Evotec Drug Substance GmbH.

— DEFERRED TAXES —

Deferred income tax assets and liabilities calculated with the anticipated tax rates of each entity as of 31 December 2024 and 2023 relate to the following:

	1. Jan 2024				31.Dec 2024		
in k€	Net balance	Recognised in profit or loss	Recognised in other comprehensive income	Foreign currency translation	Net	Deferred tax assets	Deferred tax liabilities
Property, plant and equipment	(11,533)	(18,057)	–	199	(29,391)	2,252	(31,643)
Intangible assets	(13,300)	15,910	–	–	2,610	3,563	(953)
Rights of use assets	(29,609)	5,495	–	–	(24,114)	–	(24,114)
Financial assets	(2,830)	(33,209)	419	–	(35,620)	978	(36,598)
Provisions and deferred income	8,121	(8,127)	(316)	–	(322)	4,856	(5,178)
Lease obligations	24,701	(852)	–	–	23,849	23,849	–
Other	6,312	9,704	1,774	(783)	17,007	17,201	(194)
Tax credits	461	(319)	–	–	142	142	–
Loss carryforward	13,870	34,786		–	48,656	48,656	–
Total	**(3,807)**	**5,331**	**1,877**	**(584)**	**2,817**	**101,497**	**(98,680)**
Offsetting of tax	–	–	–	–	–	(84,164)	84,164
Net	**(3,807)**	**5,331**	**1,877**	**(584)**	**2,817**	**17,333**	**(14,516)**

	1. Jan. 2023				31. Dec. 2023		
in k€	Net balance	Recognised in profit or loss	Recognised in other comprehensive income	Foreign currency translation	Net	Deferred tax assets	Deferred tax liabilities
Property, plant and equipment	(9,457)	(2,096)	–	20	(11,533)	1,807	(13,340)
Intangible assets	(19,646)	6,285	–	61	(13,300)	4,004	(17,304)
Rights of use assets	(28,839)	(770)	–	–	(29,609)	–	(29,609)
Financial assets	(1,446)	(965)	(419)	–	(2,830)	783	(3,613)
Provisions and deferred income	9,250	(1,142)	13	–	8,121	8,347	(226)
Lease obligations	25,278	(577)	–	–	24,701	24,701	–
Other	4,244	2,068	–	–	6,312	6,942	(630)
Tax credits	273	188	–	–	461	461	–
Loss carryforward	12,146	1,606	–	118	13,870	13,870	–
Total	**(8,197)**	**4,597**	**(406)**	**199**	**(3,807)**	**60,915**	**(64,722)**
Offsettingof tax	–	–	–	–	–	(46,585)	46,585
Net	**(8,197)**	**4,597**	**(406)**	**199**	**(3,807)**	**14,330**	**(18,137)**

** Was recognized directly in equity and not through other comprehensive income.*

— UNRECOGNISED DEFERRED TAX LIABILITIES —

Concerning undistributed foreign subsidiaries earnings, temporary differences in the amount of € 16,023k were not recognized according to IAS 12.39 (31 December 2023: € 15,842k) as the Group controls the timing of such reversal and it is not planned to distribute the foreign subsidiaries earnings.

— UNRECOGNISED DEFERRED TAX ASSETS —

The Groups's deferred tax assets are recorded to the extent it is probable that such tax benefits would be realized in future years. As of 31 December 2024, deferred tax assets on tax loss carryforwards were not fully recognized for three German entities as well as one Italian entity and not recognized for the entities located in the United States, Austria

and India. In the following schedule, tax loss carryforwards, interest carryforwards and tax credits for which no deferred tax assets were recorded are shown. Tax loss carryforwards on different types of income taxes were aggregated into one total amount.

in k€	2024	2023
Tax loss carryforwards (not expiring)	865,323	572,204
Time-limited tax losses	–	–
- expiring until 2029 (2023: 2028)	31,648	24,768
- expiring 2030 to 2034 (2023: 2029 -	32,019	32,179
- expiring after 2034 (2023: 2033)	27,303	38,243
Tax credits	1,337	1,181
Total	**957,630**	**668,575**

The table above does not include U.S. tax losses which are subject to s382 restrictions.

In addition to the unrecognised deferred tax assets from tax loss carryforwards a net asset position for temporary differences amounting to € 10,329k (31 December 2023: € 14,323k) was not recognised as of 31 December 2024, as there was no sufficient taxable income foreseen.

— NON-CURRENT AND CURRENT TAX ASSETS —

Non-current tax assets as of 31 December 2024 mainly relate to tax refunds from tax development programs in the context of qualifying R&D expenses in France (crédit d'impôt recherche) and Italy (31 December 2023: mainly related to France).

Current tax assets as of 31 December 2024 mainly comprise of tax refunds in relation with qualifying R&D projects in in the UK, Italy and Germany (31 December 2023: mainly related to UK).

(7) CURRENT ASSETS AND LIABILITIES

— ACCOUNTING PRINCIPLES —

Trade accounts receivable

Trade accounts receivable are initially recognized at transaction price in accordance with IFRS 15. For trade accounts receivable, the Group applies the simplified approach with expected lifetime credit losses recognized from initial recognition of the receivables in the income statement. The provision for doubtful debts is established using an expected credit loss model (ECL) using the simplified approach in accordance with IFRS 9. The carrying amount of trade accounts receivable is reduced through the use of an allowance account. Impaired trade accounts receivables are derecognized when they are assessed as uncollectible.

Inventories

In accordance with IAS 2, inventories are stated at the lower of cost or net realisable value. The cost of inventories comprises all costs of purchase, manufacturing, as well as other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories is predominantly determined by using the weighted average cost method. Depending on the nature of inventory, the Group also applies the first-in, first-out method in rare cases. The net realisable value represents the estimated sales price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Write-downs of inventories which are considered obsolete or slow moving are computed taking into account their expected future utilisation and their net realisable value.

The Group also considers other reasons that the cost of inventories may not be recoverable such as damage, obsolescence, expiration date or declines in selling price.

— TRADE ACCOUNTS RECEIVABLES —

Trade accounts receivables that were not individually impaired were classified as recoverable on the basis of credit management processes and individual assessments of customer risks. The valuation allowances include appropriate risk provisions. The Group has assessed the default risk of all trade accounts receivables. The resulting valuation allowance as of 31 December 2024 amounts to € 11,141k (31 December 2023: € 6,453k). This amount includes credit impaired trade accounts receivable in the amount of € 10,616k (2023: € 6,121k) and lifetime expected credit losses in the amount of € 526k (2023: € 331k). The expense related to individually assessed, credit impaired trade accounts receivables amounted to € 4,495k (2023: € 3,791k). The expense related to collectively assessed expected credit losses amounted to € 194k (2023: € (580)k).

The maturities of trade receivables as at 31 December 2024 and 31 December 2023 taking into account risk provisions, are as follows:

in k€	Dec 31 2024	Dec 31 2023
Not past due	87,986	57,742
Risk provision not past due	(161)	(367)
Weighted average loss rate	0.18 %	0.64 %
Past due 1-30 days	13,098	25,837
Risk provision 1-30 days	(43)	(170)
Weighted average loss rate	0.33 %	0.66 %
Past due 31-120 days	9,473	12,688
Risk provision 31-120 days	(32)	(280)
Weighted average loss rate	0.34 %	2.21 %
More than 120 days	16,903	8,582
Risk provision more than 120 days	(10,905)	(5,636)
Weighted average loss rate	64.51 %	65.67 %
Total trade accounts receivable	**116,319**	**98,396**

The related loss allowances on trade accounts receivable have changed as follows:

in k€	*Credit-impaired Trade accounts receivable (individually assessed)*	*Lifetime expected credit losses (collectively assessed)*	*Total*
Balance as of 1 January 2023	**2,312**	**911**	**3,223**
Change in provision for ECL	—	(580)	(580)
Additions/Reductions	5,219	—	5,219
Recoveries collected	(1,428)	—	(1,428)
Deductions from allowance	18	—	18
Balance as of 31 December 2023	**6,121**	**331**	**6,452**
Balance as of 1 January 2024	**6,121**	**331**	**6,452**
Change in provision for ECL	—	194	194
Additions/Reductions	7,969	—	7,969
Recoveries collected	(3,474)	—	(3,474)
Deductions from allowance	—	—	—
Balance as of 31 December 2024	**10,616**	**526**	**11,141**

— INVENTORIES —

Inventories consist of the following:

in k€	*31 December 2024*	*31 December 2023*
Raw materials	29,455	25,901
Work-in-progress	1,667	4,989
Total inventories	**31,122**	**30,890**

Raw materials mainly consist of consumables, cell culture media and disposables. The increase compared to the previous year is mainly due to the growth in business activities in Just – Evotec Biologics.

The decrease in work-in-progress is due to the completion of projects in Aptuit Oxford as well as the disposal of Evotec DS.

Allowances on inventories exist at the balance sheet date in the amount of € 2,043k (31 December 2023: € 2,573k).

In 2024, € 45,069k (2023: € 54,987k) of inventories were expensed.

— PREPAID EXPENSES AND OTHER CURRENT ASSETS —

Prepaid expenses as of 31 December 2024 mainly relate to prepayments for subscriptions to IT licences. The other current assets mainly comprise VAT-related receivables of € 14,149k (31 December 2023: € 17,844k).

in k€	*31 December 2024*	*31 December 2023*
Prepaid expenses	22,240	18,395
Other current assets	23,279	32,950
Total prepaid expenses and other	**45,519**	**51,345**

— TRADE PAYABLES —

As of 31 December 2024 the Group´s trade payables amount to € 85,792k (31 December 2023: € 134,319k) and consists of payables in relation with the normal course of business.

— OTHER CURRENT LIABILITIES —

As of 31 December 2024 other current liabilities included wage taxes in the amount of € 5,457k (31 December 2023: € 2,793k) and social security liabilities with an amount of € 8,003k (31 December 2023: € 4,429k).

— DEFERRED INCOME —

As of 31 December 2024, current and non-current deferred income amounted to € 33,773k (31 December 2023: € 10,268k). The increase is related to a forgivable loan in France (31 December 2024: € 21,125k, 31 December 2023: € 0k). Further, deferred income related to customer reimbursements for equipment in Just – Evotec Biologics, Inc. (31 December 2023: € 8,567k, 31 December 2023:€ 10,068k).

(8) PROPERTY, PLANT & EQUIPMENT

— ACCOUNTING PRINCIPLES —

Owned Assets

Property, plant and equipment, including leasehold improvements are recorded in the Statement of Financial Position at their acquisition price, net of accumulated depreciation and impairment losses.

The costs of property, plant and equipment comprise all directly attributable costs. After initial measurement, property, plant and equipment is carried at cost less accumulated depreciation and impairment, except for land which is carried at cost less impairment.

Depreciation is calculated using the straight-line method over the estimated useful life of the asset, which the Group reviews at each balance sheet date. Costs related to repair and maintenance activities are expensed in the period in which they are incurred unless leading to an extension of the original lifetime or capacity. Leasehold improvements are amortized using the straight-line method over the shorter of the lease term or the estimated useful life of the asset.

Subsequent costs are not recognized as assets unless it is probable that future economic benefits associated with those costs will flow to the Group and those costs can be measured reliably. Borrowing costs attributable to the financing of items of property, plant and equipment, and incurred during the construction period, are capitalized as part of the acquisition cost of the item. Government grants relating to property, plant and equipment are recognized as income evenly over the expected useful life of the related asset.

The straight-line depreciation is based on the following useful lives of the asset:

Buildings	15 to 41 years
Technical equipment and machinery	3 to 15 years
Office furniture and equipment	3 to 10 years

The costs included in property, plant and equipment related to assets under construction are not depreciated until the assets are placed into service by the Group. Upon sale or retirement, the costs and the related accumulated depreciation are removed from the respective accounts and any gain or loss is included in other operating income and expenses.

Leases

The Group leases various offices, laboratories equipment and cars. The Group determines whether an arrangement constitutes or contains a lease at inception, which is based on the substance of the arrangement. The arrangement constitutes or contains a lease if fulfilment is dependent on the use of a specific asset and the arrangement conveys a right to use the asset, even if that asset is not explicitly specified in the arrangement.

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. The right-of use asset is depreciated over the shorter of the asset's useful life or the lease term on a straight-line basis.
Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:
– fixed payments (including in-substance fixed payments) less any lease incentives receivable;
– variable lease payments that are based on an index or a rate;
– amounts expected to be payable by the lessee under residual value guarantees;
– the exercise price of a purchase option if the lessee is reasonably certain to exercise that option;
– payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the Group´s incremental borrowing rate at the lease commencement date is used, which is based on an assessment of interest rates, the Group would have to pay to borrow funds in the relevant country, including the consideration of factors such as the nature of the asset, its location, as well as the duration of the lease.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Right-of-use assets are measured at cost comprising the following:
– the amount of the initial measurement of lease liability;
– any lease payments made at or before the commencement date less any lease incentives received;
– any initial direct costs;
– restoration costs.

The right-of-use assets are subsequently accounted for using principles for property, plant and equipment.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the income statement. The Group defines short-term leases as leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment and small items of office furniture considered to be of low value (i.e., less than € 5,000).

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal.

— Property Plant and Equipment —

The development of property, plant and equipment as well as the development of the right-of-use assets in 2024 and 2023 are shown in the following tables.

	Buildings and leasehold improvements		*Plant, machinery and equipment*		*Furniture and fixtures*		*Assets under construction*	*Total*	
in k€	***Owned***	***Right-of-Use***	***Owned***	***Right-of-Use***	***Owned***	***Right-of-Use***	***Owned***	***Owned***	***Right-of-Use***
Cost	274,335	249,853	339,277	4,251	61,763	1,749	225,645	901,020	255,853
Accumulated depreciation and impairment	59,365	75,390	170,713	2,686	41,397	760	–	271,474	78,836
Balance as of 1 January 2024	**214,971**	**174,463**	**168,565**	**1,565**	**20,365**	**989**	**225,645**	**629,546**	**177,017**
Recognition of right-of-use asset	–	5,518	–	1,096	–	626	–	–	7,241
Capital expenditure/Additions	30,615	–	18,549	–	5,579	–	71,242	125,985	–
Disposals	883	21,967	190	–	80	36	623	1,777	22,003
Depreciation	20,032	20,379	41,017	709	12,555	443	–	73,604	21,530
Impairment	1,199	7,897	676	66	43	7	2,308	4,226	7,969
Reclassification	11,402	25	22,038	(688)	9,109	–	(44,152)	(1,603)	(663)
Translation differences and other	6,182	5,396	3,164	8	319	4	2,451	12,116	5,407
Total	**241,056**	**135,160**	**170,434**	**1,206**	**22,694**	**1,133**	**252,254**	**686,438**	**137,499**
Cost	323,066	222,624	408,025	4,304	89,484	1,833	252,254	1,072,830	228,761
Accumulated depreciation and impairment	82,011	87,464	237,591	3,098	66,790	700	–	386,392	91,262
Balance as of 31 December 2024	**241,056**	**135,160**	**170,434**	**1,206**	**22,694**	**1,133**	**252,254**	**686,438**	**137,499**

	Buildings and leasehold improvements		*Plant, machinery and equipment*		*Furniture and fixtures*		*Assets under construction*	*Total*	
in k€	***Owned***	***Right-of-Use***	***Owned***	***Right-of-Use***	***Owned***	***Right-of-Use***	***Owned***	***Owned***	***Right-of-Use***
Cost	240,328	222,734	285,246	4,689	50,113	1,318	116,381	692,069	228,741
Accumulated depreciation and impairment	42,680	55,779	136,405	3,902	31,110	733	–	210,195	60,414
Balance as of 1 January 2023	**197,648**	**166,955**	**148,842**	**787**	**19,003**	**585**	**116,381**	**481,874**	**168,327**
Recognition of right-of-use asset	–	32,663	–	533	–	706	–	–	33,902
Capital expenditure/Additions	17,906	–	42,863	–	12,087	–	145,733	218,589	–
Disposals	521	3,963	99	100	92	11	–	712	4,074
Depreciation	17,509	19,998	36,478	684	10,972	393	–	64,959	21,075
Impairment	–	–	–	–	–	–	–	–	–
Reclassification	20,018	(1,014)	14,384	1,029	408	100	(34,925)	(115)	115
Translation differences and other	(2,570)	(180)	(948)	–	(69)	2	(1,544)	(5,130)	(178)
Total	**214,971**	**174,463**	**168,565**	**1,565**	**20,365**	**989**	**225,645**	**629,546**	**177,017**
Cost	274,335	249,853	339,277	4,251	61,763	1,749	225,645	901,020	255,853
Accumulated depreciation and impairment	59,365	75,390	170,713	2,686	41,397	760	–	271,474	78,836
Balance as of 31 December 2023	**214,971**	**174,463**	**168,565**	**1,565**	**20,365**	**989**	**225,645**	**629,546**	**177,017**

The net increase in the net book value of owned property, plant, and equipment of € 56,892k (31 December 2023: € 147,672k) is mainly attributed to new buildings technical equipment, and construction in progress. This is due to the continued construction of the J.POD facility in Toulouse, France (increase of € 52,320k). With relation to the construction of the J.POD facility, the Group capitalized €2,624k (2023: €1,303k) of borrowing costs using a capitalization rate of 1.42% (2023: 1.73%).The decrease in the net book value of right-of-use assets (€ 39,518k) is due to the shortening or the cancellation of lease agreements in accordance with our Priority Reset plan.

(9) INTANGIBLE ASSETS AND GOODWILL

— ACCOUNTING PRINCIPLES —

Goodwill

The Group measures goodwill at the acquisition date as being the excess of:

– Aggregate of the fair value of the consideration transferred and any recognized amount for non-controlling interests and any previous interest held, and
– the net identifiable assets acquired and liabilities assumed.

If a preceding analysis of a purchase price allocation (PPA) results in the cost of acquisition being less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the Consolidated Income Statement (bargain purchase or negative goodwill).

Intangible Assets

Intangible assets with definite useful lives are recorded at cost and amortized using the straight-line method over the estimated useful lives of the assets.

Intangible assets other than goodwill with finite useful lives are tested for impairment whenever there is an indication that the asset may be impaired. If the recoverable amount of the asset is less than the carrying amount, an impairment loss is recognized. If the reason for a previously recognized impairment loss no longer exists, the impairment loss is reversed and the carrying amount of the asset is increased to its amortized cost.

Amortization of other intangible assets is recognized in the income statement within the relevant classification of expense by function.

Impairment losses are recognized separately in the Group´s income statement. The useful lives are as follows:

Trademarks	2 to 10 years
Internally generated developed technologies	3 to 10 years
Acquired technologies	3 to 5 years
Patents & licences	5 to 15 years
Customer List	5 to 8 years

Internally generated Research and Development (IP R&D)

Internally generated development expenses are recognized as an intangible asset if and only if all the following criteria can be demonstrated:

– technical feasibility of completing the project
– the Group´s intention to complete the project
– the Group´s ability to use the project
– the probability that the project will generate future economic benefits
– the availability of adequate technical, financial and other resources to complete the project
– the ability to measure the development expenditure reliably

Due to the risks and uncertainties relating to regulatory approval and to the research and development process, the six criteria for capitalization are usually considered not to have been met until the product has obtained marketing approval from the regulatory authorities. Consequently, internally generated development expenses arising before marketing approval has been obtained, mainly the cost of clinical trials, are generally expensed as incurred within research and development expenses.

Internally generated Development expenditures (other than IP R&D)

Capitalised development expenditures are stated at cost less accumulated amortisation and impairment losses. Internally generated development expenses are recognized as an intangible asset if the criteria listed under “Internally generated Research and Development (IP R&D)” are met. They are amortized on a straight-line basis over the estimated useful lives of the intangible assets.

Separately acquired Research and Development (IP R&D)

Payments for separately acquired research and development are capitalized within other intangible assets provided that they meet the definition of an intangible asset:

– expected to provide future economic benefits for the Evotec,
– a resource that is controlled by Evotec and,
– identifiable (i.e., it is either separable or arises from contractual or legal rights).

The Group believes that the first condition for capitalization (the probability that the expected future economic benefits from the asset will flow to the entity) is considered to be satisfied for separately acquired research and development. Consequently, upfront and milestone payments to third parties related to pharmaceutical products for which marketing approval has not yet been obtained are recognized as intangible assets, and amortized on a straight-line basis over their useful lives beginning when marketing approval is obtained.

Payments under research and development arrangements relating to access to technology or to databases, and payments made to purchase generics dossiers, are also capitalized, and amortized over the useful life of the intangible asset. Subcontracting arrangements, payments for research and development services, and continuous payments under research and development collaborations which are unrelated to the outcome of that collaboration, are expensed over the service term.

Other intangible assets not acquired in a business combination
Licences other than those related to pharmaceutical products and research projects, in particular software licences, are capitalized at acquisition cost, including any directly attributable cost of preparing the software for its intended use. Software licences are amortized on a straight-line basis over their useful lives.

Internally generated costs incurred to develop or upgrade software are capitalized if the recognition criteria are satisfied, and amortized on a straight-line basis over the useful life of the software from the date on which the software is ready for use.

Other intangible assets acquired in a business combination
Other intangible assets acquired in a business combination (R&D, technologies and technologies platforms, licences and patents etc.) that are reliably measurable are identified separately from goodwill, measured at fair value, and capitalized within other intangible assets at the acquisition date and subsequently amortized over their useful lives.

Impairment

Goodwill
Goodwill is not amortized but is tested for impairment annually and whenever impairment indicators are identified. Internal or external sources of information are considered indicators that an asset or a Cash Generating Unit (CGU) or groups of CGUs may be impaired.

An impairment loss is recognized in the Consolidated Income Statement whenever and to the extent that the carrying amount of a cash generating unit exceeds the unit's recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

Intangible Assets
Intangible assets that are subject to amortization are reviewed for impairment whenever triggering events or changes in circumstances indicate that the carrying value may not be recoverable. Additionally, intangible assets with an indefinite useful life and intangible assets that are not yet available for use (such as R&D projects) are tested annually for impairment.

— GOODWILL —

As of 1 January 2024, Evotec changed its reporting structure leading to the reportable segments Shared R&D and Just – Evotec Biologics (see also note (3)). As the composition of CGUs to which goodwill has been allocated has changed, a reallocation of goodwill has been performed. The CGUs OAI/Evotec International Execute, OAI/Evotec International Innovate, Evotec (US) Execute and Aptuit Execute were combined into the new group of CGUs Shared R&D. The CGU Just Execute was renamed to Just – Evotec Biologics in line with the corresponding reportable segment.

Balances and movement of Goodwill in 2024 and 2023 are shown below:

	2024					
in k€	At January 1	Acquisition	Disposals	Impairment	Translation and other	At December 31
Shared R&D	244,022	–	–	–	5,208	249,230
Just — Evotec Biologics	31,613	–	–	–	2,011	33,624
Total	**275,635**	**–**	**–**	**–**	**7,220**	**282,854**

	2023					
in k€	At January 1	Acquisition	Disposals	Impairment	Translation and other	At December 31
OAI/Evotec International Execute	82,223	–	–	–	1,223	83,446
OAI/Evotec International Innovate	9,164	41	–	–	55	9,219
Evotec (US) Execute	4,457	–	–	–	(155)	4,302
Aptuit Execute	146,224	–	–	–	831	147,055
Just Execute	32,751	–	–	–	(1,138)	31,613
Total	**274,819**	**41**	**–**	**–**	**816**	**275,635**

The goodwill addition in financial year 2023 to Shared R&D was a result of the acquisition of the remaining 50% of NephThera GmbH.

The Group has tested the (groups of) cash-generating units for impairment on the annual designated test date in the fourth quarter 2024 based on the net book values as of September 30, 2024. The impairment tests are performed by determining the recoverable amount based on discounted cash flows.

In 2023, the impairment tests for all (groups of) cash-generating units were based on the value-in-use methodology. In 2024 the impairment tests for the (groups of) cash-generating units were performed based on

the fair-value less costs to sell methodology in order to better align with internal planning procedures reflecting transformation and expansion plans. The impairment tests in 2024 reflects a Level 3 approach according to the fair value hierarchy as defined in Footnote 15.

The estimated future cash flows for "Shared R&D" are based on the 2025 budget, followed by a 10-year strategic plan and then extrapolated using a sustainable growth rate. Due to the lower maturity of the underlying business, the estimated future cash flows for "Just – Evotec Biologics" are based on the 2025 budget, followed by a 20-year strategic plan and then extrapolated using a sustainable growth rate.

Due to the uncertainty inherent to the business and ongoing transformation efforts, the impairment tests for both (groups of) CGUs were performed by applying a scenario analysis with three different possible outcomes.

Management has identified the cash flow schedule, the terminal value growth rate, and the discount rate as key assumptions to which the recoverable amount is most sensitive.

Management has determined the values for the key assumptions as follows:

Cash flow
The cash flow plan is based on past experience and management's expectations for the future, taking into account specific expectations regarding revenue and cost allocation, growth rates, gross margins, EBITDA margins and investments.

Long term growth rate
The terminal value growth rate is based on the current estimates of long-term inflation in the regions relevant to the Group's operations.

Discount rate
The discount rates of the cash-generating units correspond to their weighted average cost of capital before tax, based on capital market data of a peer group.

The following tables show the relevant pre-tax discount rate as well as the growth rates used to determine the terminal value in the respective discounted cash flow models in 2023 and 2024.

	2024	
	Shared R&D	Just — Evotec Biologics
Denominated in	EUR / GBP	USD
Pre-tax discount rate	12.26%	13.53%
Sustainable growth rate	2%	2%

	2023				
	OAI/Evotec International Execute	OAI/Evotec International Innovate	Evotec (US) Execute	Aptuit Execute	Just Execute
Denominated in	GBP/EUR	GBP/EUR	USD	GBP/EUR	USD
Pre-tax discount rate	11.43 %	13.41 %	10.44 %	14.20 %	12.86 %
Sustainable growth rate	2 %	2 %	2 %	2 %	2 %

In addition to the scenario-based approach, a sensitivity analysis was performed for both (groups of) cash-generating units with regard to reasonable changes in the key assumptions used for 2024. The analysis was based on a 10% decrease in future cash flows, a 1 percentage point increase in the discount rate or a decrease by one percentage point in the terminal sustainable growth rate. Management concluded that in the event of these changes in key assumptions, no impairment would be recorded for any of the cash- generating units.

In 2023, Management concluded that a change in the key assumptions for "Just Executes" could lead to an impairment. The following table shows which reasonably possible changes in the key assumptions for Just Execute would have caused the recoverable amount to be equal to its carrying amount in 2023.

	2023					
	Recoverable amount exceeding carrying amount	Applied post-tax discount rate	Increase in post-tax discount rate	Applied sustainable growth rate	Decrease in sustainable growth rate	Reduction in cash flows
	in €m	in %-points	in %-points	in %-points	in %-points	in %-points
Just Execute	5.5	11.1	0.1	2.0	0.3	1.3

In 2024 and 2023, the Company did not recognize any impairment losses as a result of the annual impairment tests.

— INTANGIBLE ASSETS —

The development of intangible assets in 2024 and 2023 is shown in the following tables.

2024

in k€	Patents and Licences	Developed Technologies*	Customer relationships	Trademarks	Total
Acquisition and manufacturing cost					
Amount beginning of the year	11,166	105,334	68,762	6,539	191,800
Foreign currency translation	(1)	2,767	1,853	–	4,620
Additions	–	14,769	–	–	14,769
Disposals	(2)	–	–	–	(2)
Reclassification	234	2,032	–	–	2,266
Amount end of the year	**11,397**	**124,902**	**70,615**	**6,539**	**213,452**
Depreciation, amortisation and impairments					
Amount beginning of the year	10,304	100,490	59,819	5,735	176,348
Foreign currency translation	1	2,416	1,767	–	4,184
Additions	161	518	5,582	222	6,484
Impairment	–	–	–	–	–
Disposals	(2)	–	–	–	(2)
Reclassification	–	–	–	–	–
Amount end of the year	**10,464**	**103,424**	**67,168**	**5,957**	**187,013**
Net book value					
Amount beginning of the year	861	4,844	8,943	804	15,453
Amount end of the year	**934**	**21,478**	**3,447**	**582**	**26,440**

** includes internally and acquired Developed Technologies*

2023

in k€	Patents and Licences	Developed Technologies	Customer relationships	Trademarks	Total
Acquisition and manufacturing cost					
Amount at the beginning of the year	12,883	100,735	69,089	6,539	189,246
Foreign currency Translation	(46)	(732)	(327)	–	(1,105)
Additions	–	3,659	–	–	3,659
Disposals	–	–	–	–	–
Reclassification	(1,672)	1,672			
Amount end of the year	**11,166**	**105,334**	**68,762**	**6,539**	**191,800**
Depreciation, amortisation and impairments					
Amount at the beginning of the year	11,349	94,160	54,405	5,513	165,427
Foreign currency translation	10	(641)	(404)	–	(1,035)
Additions	84	822	5,818	222	6,946
Impairment	–	5,011	–	–	5,011
Disposals	–	–	–	–	–
Reclassification	(1,138)	1,138	–	–	–
Amount end of the year	**10,304**	**100,490**	**59,819**	**5,735**	**176,348**
Net Book value					
Amount beginning of the year	1,534	6,575	14,684	1,026	23,819
Amount end of the year	**861**	**4,844**	**8,943**	**804**	**15,453**

** includes internally and acquired Developed Technologies*

Intangible assets excluding goodwill increased by € 10,987k from € 15,453k at 31 December 2023 to € 26,440k at 31 December 2024. The increase is mainly due to additions within developed technologies amounting to € 14,769k relating to capitalised IT expenses.

As of 31 December 2024, the net book value of internally generated developed technologies amounted to € 19,832k (31 December 2023: € 4,574k). The amortization of Evotec's customer relationships of € 5,582k predominantly relates to Aptuit.

(10) FINANCIAL INSTRUMENTS

— ACCOUNTING PRINCIPLES —

Non-derivative financial assets
Non-derivative financial assets comprise cash and cash equivalents, receivables and other financial assets including derivatives.

Recognition and initial measurement:
Non-derivative financial assets are recognised when the Group becomes a party to the contractual provisions of the instrument.

Purchases and sales of non-derivative financial assets in the normal course of business are accounted for at the trade date.

Dividend and interest income are recognised when earned. Gains or losses, if any, are recorded in other financial income and other financial expense.

Non-derivative financial assets are derecognised when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset. At initial recognition, the Group measures non-derivative financial assets at their fair value, plus, in the case of a financial asset not measured at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in the Consolidated Income Statement.

Classification and subsequent measurement:
The Group classifies its non-derivative financial assets in the following measurement categories:

–those that are measured subsequently at fair value;
–those that are measured at amortised cost.

In assessing the classification, the Group considers the business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded in either the Consolidated Income Statement (FYTPL) or in Other Comprehensive Income (FYTOCI).

For debt investments, assets are reclassified between FVTOCI, FVTPL and amortised cost only when its business model for managing those assets changes.

Offsetting of financial instruments
Financials assets and liabilities are only offset, and the net amount presented in the consolidated statement of financial position when, and only when, the Group has the legal right to offset the amounts and either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Cash and cash equivalents
Cash and cash equivalents include cash balances, certain money market funds and short-term highly liquid investments with an original maturity of three months or less that are readily convertible into known amounts of cash.

Other financial assets
Other financial assets include convertible loans, derivatives and deposits.

Debt instruments
Debt instruments include those subsequently carried at amortised cost, those carried at FVTPL or those carried at FVTOCI.

Classification depends on the Group's business model for managing the asset and the cash flow characteristics of the asset.

Debt instruments that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost and are subject to impairment. Interest income from these financial assets is included in Finance income using the effective interest rate method.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

When the Group determines that an embedded derivative meets the requirement, it is separated from the host contract and accounted for as a derivative.

Debt instruments that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI and subject to impairment.

Movements in the carrying amounts are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses, which are recognised in the Consolidated Income Statement.

When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the Consolidated Income Statement. Interest income from these financial assets is included in financial income using the effective interest rate method. Debt instruments that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in the Consolidated Income Statement in the period in which it arises.

Other Equity investments where the Group does not possess control or significant influence
For those equity investments over which the Group has neither control nor significant influence and which are therefore measured in accordance with IFRS 9, classification will depend on whether the Group has made an irrevocable election at the time of initial recognition to

account for the equity investment at fair value through other comprehensive income (FVTOCI).

For those equity investments over which the Group has neither control, joint control nor significant influence and which are therefore measured in accordance with IFRS 9, both FVTOCI and FVTPL, the Group follows the following hierarchy determined by the unique nature of the investments. Observable market prices are the primary method when available. When these are not available but there has been an external financing round or a capital transaction with a new investor of the equity investment in which the Group did not participate, this would be taken into account. In the absence of such an event, the Group assesses qualitative factors, such as scientific progress, as well as an analysis of the cash position of the investment. In case of promising scientific development, the acquisition costs are considered to be the best estimate of the fair value. Should the investment be a possible going concern risk with no further positive qualitative factors, the Group uses Net Asset Value as a proxy for the fair value of the investment.

The investments in early-stage companies are mainly of a strategic nature and are made for the purpose of promoting new business models and, in particular, the development of products and/or technology platforms in pharmaceutical research.

Where the Group has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to the Consolidated Income Statement following the derecognition of the investment. Dividends (if any) from such investments continue to be recognized in the Consolidated Income Statement when the Group's right to receive payments is established.

Debt and other financial liabilities

Debt and other financial liabilities, excluding derivative financial liabilities and provisions, are initially measured at fair value and, in the case of debt and payables, net of directly attributable transaction costs. Debt and other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

Debt and other financial liabilities are derecognised when the obligation under the liability is discharged, cancelled or has expired.

Derivative financial instruments

All derivative financial instruments are accounted for at the trade date and classified as current or non-current assets or liabilities based on the maturity date or the early termination date.

The Group measures all derivative financial instruments at fair value that is derived from the market prices of the instruments, calculated on the basis of the present value of the estimated future cash flows based on observable interest yield curves, basis spread, credit spreads and foreign exchange rates, or derived from option pricing models, as appropriate.

Gains or losses arising from changes in fair value of derivative financial instruments are recognised in the Consolidated Income Statement. The Group does not apply hedge accounting in accordance with IFRS 9 nor IAS 39.

Impairment of financial assets

The Group recognizes an allowance for expected credit losses (ECLs) for trade receivables, debt investments carried at fair value through other comprehensive income (FVTOCI) and amortized costs. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive.

For all trade receivables and contract assets, the Group applies the IFRS 9 simplified approach to measuring ECLs.

To measure the ECLs on trade receivables and contract assets, the Group takes into account credit-risk concentration, collective debt risk based on average historical losses as well as days past due.

The Group also may factor in specific circumstances such as serious adverse economic conditions in a specific country or region, and other forward-looking information.

The Group may also apply individual credit losses on identified trade account receivables or contract assets depending on individual circumstances.

Other financial income and expense

Financial income comprises interest income on funds invested (including financial assets), dividend income, net gains on the disposal of financial assets, net fair value gains on financial assets at FVTPL, net gains on the remeasurement to fair value of any pre-existing interest in an acquiree, and net gains on foreign exchange impacts that are recognised in the Consolidated Income Statement.

Other financial income is recognised on an accrual basis in the Consolidated Income Statement, using the effective interest method. Dividend income is recognised in the Consolidated Income Statement on the date that the Group's right to receive payment is established, which in the case of quoted securities is normally the ex-dividend date.

Other financial expenses comprise interest expenses on borrowings, unwinding of the discount on provisions and contingent consideration, losses on disposal of financial assets, net fair value losses on financial assets at FVTPL, impairment losses recognised on financial assets (other than trade receivables), net interest expenses related to defined-benefit plans, interest on lease liabilities and net losses on foreign exchange impacts that are recognised in the Consolidated Income Statement.

Evotec´s interest expenses relate primarily to financial liabilities measured at amortized cost.

CASH AND CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS

The balances of cash and cash equivalents as of 31 December 2024 and 31 December 2023 are as follows:

in k€	2024	2023
Cash at banks and on hand	302,825	237,562
Short term deposits	–	35,000
Money market funds	3,562	238,346
Total	**306,387**	**510,909**

As of 31 December 2024 the Group´s balance of cash and cash equivalents and investments is € 396,800k (31 December 2023: € 604,112k), thereof cash and cash equivalents in the amount of € 306,387k (31 December 2023: € 510,909k) and short-term investments in the amount of € 90,413k (31 December 2023: € 93,203k). Fixed-term investments are measured at amortised cost and bonds are measured at fair value through OCI (note 15). Money market funds that are classified under cash and cash equivalents are measured at FVtOCI. While managing liquidity, the Group is investing in deposits with maturities beyond three months which are also included in investments. These deposits are measured at amortized costs.

As of 31 December 2024, € 12,931k of the cash balances with credit institutions are restricted (31 December 2023: € 11,819k). This amount includes grants for specific projects and rent deposits. As of 31 December 2024, € 20,483k of short-term investments are restricted (31 December 2023: € 0k). These restricted short-term investments are term deposits serving as security for several bank loans.

OTHER CURRENT FINANCIAL ASSETS

Other current financial assets (31 December 2024: € 4,290k; 31 December 2023: € 12,759k) mainly include convertible loans, derivatives and interest receivables. The decrease compared to the previous year is predominantly related to changes of the fair values of forward exchange contracts which amount to € 0k as of 31 December 2024 (31 December 2023: € 6,137k).

OTHER LONG-TERM INVESTMENTS

The development of investments measured at fair value in accordance with IFRS 9 is shown below:

in k€	2024	2023
Balance at January 1	135,593	131,042
Additions	7,532	10,199
Additions due to discontinued use of equity method	–	1,906
Reduction due to change to accounting according to the equity method	–	(2,369)
Disposals	(69,370)	–
Fair value adjustments recognized in profit or loss	(34,310)	(3,678)
Adjustments to fair value, recognised in OCI	(5,075)	(1,506)
Balance at December 31	**34,370**	**135,593**

The loss of € (5,075)k in adjustments to fair value, recognized in other comprehensive income is related to Evotec's investment in Sernova Corp.

Evotec periodically assesses the fair value of its investments and takes into account quantitative and qualitative information. Prior to the disposal of Evotec's share in Recursion Pharmaceuticals Inc. (formerly known as Exscientia) (2024: € 69,370k, 2023: € 0k) a fair value adjustment of (2024: € (12,047)k, 2023: € 11,280k) had been recognized in the income statement. Further fair value adjustments were recognized for Evotec's share in Blacksmith Medicines, Inc. (2024: € (9,917)k, 2023: € 0k) and Immunitas Therapeutics, Inc. (2024: € (5,499)k, 2023: € 0k).

— LOAN LIABILITIES —

Throughout the years 2024 and 2023, the Group met all covenants under the various loan agreements shown below. All loans are unsecured, with the exception of loans in the amount € 20,483k, secured against short-term.

				31 December			
				2024	2024	2023	2023
Country of lender	Currency	Nominal interest Rate	Maturity until	Fair Value	Carrying amount	Fair Value	Carrying amount
				k€	k€	k€	k€
Germany	EUR	fixed interest rate of 0.80 % to 2.00 %	2026-2029	159,691	186,345	202,727	243,583
Germany	EUR	variable interest rate of 1.1% + 6M Euribor	2026	14,095	14,490	64,088	64,500
Germany	EUR	1.60 %	2025-2027	54,195	58,608	67,631	75,000
Germany	EUR	1.20 %	2029	4,243	4,571	5,010	5,647
Germany	EUR	1.40 %	2031	14,442	15,912	15,814	18,458
Italy	EUR	1.30 %	2026	236	243	340	367
Italy	EUR	variable interest rate of 4.50 %	2027	315	314	421	434
France	EUR	fixed interest rate of 0.00 % to 0.55 %	2026-2029	6,029	7,075	23,216	27,876
				253,245	**287,556**	**379,247**	**435,865**

Current loan liabilities as of 31 December 2024 include interest liabilities of € 1,169k (31 December 2023: € 1,193k).

As of 31 December 2024, the Group maintained unutilised lines of credit totaling to € 75,086k (31 December 2023: € 141,086k). On 30 July 2024, Evotec signed a syndicated loan facility in the amount of € 250,000k with a consortium of major international financial institutions to support ongoing operations and strategic initiatives for future growth. Draw stop and covenant waiver remain in place until us and our lenders renegotiate the RCF terms, reflecting the updated credit situation, in the second half of 2025. See “(14) Financial Risk Management” for a maturity analysis of loan liabilities.

in k€	2024	2023
Amount beginning of the year	189,140	176,823
Foreign currency Translation	6,027	(958)
Additions	7,241	33,975
Divestment	(3,543)	–
Disposals	(27,604)	(4,086)
Accretion of interest	4,727	5,831
Payments	(24,124)	(22,446)
Amount end of the year	**151,863**	**189,140**

— LEASES —

The Group has lease contracts for various items of real estate, vehicles and other equipment used in its operations. The Group has multiple extension and termination options in a number of lease contracts. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The options considered reasonably certain are part of lease liabilities. However, the options not considered reasonably certain are not part of lease liability, which exposes the Group to potential future cash outflows. Future cash outflows for leases that have not yet begun are set out in the explanation “(18) Commitments and contingencies”. In addition, the Group is not committed to leases not yet commenced. The Group's lease contracts do not contain any financial covenants.

Set out below are the carrying amounts of the lease liabilities and the movements during the period:

The lease liabilities of the Company are due as follows:

In k€	2024	2023
Current portion of lease obligations	19,563	19,115
Long-term lease obligations	132,301	170,025
	151,863	**189,140**

Lease liabilities are classified within Current financial liabilities and Non-current financial liabilities on the Consolidated statement of financial position.The Group’s cash outflows for leases amounted to € 24,124k in 2024 (2023: € 22,446k). The following amounts are recognised in profit or loss:

in k€	2024	2023
Depreciation expense of right-of-use	21,530	21,075
Interest expense on lease liability	4,727	5,831
Expense relating to short-term leases	283	236
Expense for leases on an asset of low	57	62
Total amount recognised in profit or loss	**26,597**	**27,205**

— RECONCILIATION OF CASH FLOW FROM FINANCING ACTIVITIES —

The following tables show the reconciliation of cash flow from financing activities to changes in financial liabilities in 2024 and 2023.

in k€	*Loans*	*Lease Obligations*
Balance as of 1 Jan 2024	**437,058**	**189,140**
Proceeds from issuance of loans	900	–
Repayments	(128,849)	(24,124)
Interest Paid	(5,920)	–
Cash flow from financing activities	**(133,869)**	**(24,124)**
Disposal of finance lease obligation	–	(27,604)
Foreign currency translation	–	6,027
Divestment of affiliates	–	(3,543)
Reclassification	(21,700)	–
Interest expense	6,067	4,727
Change in accrued interest and other	–	–
Issue of finance lease obligation	–	7,241
Balance as of 31 Dec 2024	**287,556**	**151,864**

[1)] *Reclassed into non-current deferred income as Evotec has met terms to qualify for loan forgiveness.*

in k€	*Loans*	*Lease Obligations*
Balance as of 1 Jan 2023	**329,851**	**176,823**
Proceeds from issuance of loans	219,923	—
Repayments	(112,880)	(22,446)
Interest Paid	(12,853)	
Cash flow from financing activities	**94,189**	**(22,446)**
Disposal of finance lease obligation	—	(4,086)
Foreign currency translation	—	(958)
Divestment of affiliates	—	—
Reclassification	—	—
Interest expense	11,739	
Change in accrued interest and other	1,279	5,831
Issue of finance lease obligation	—	33,975
Balance as of 31 Dec 2023	**437,058**	**189,140**

— CURRENT FINANCIAL LIABILITIES —

As of 31 December 2024, current financial liabilities amounted to € 50,795k (2023: € 149,096k) and consist of current loan liabilities of € 27,114k (2023: € 129,971k), the current portion of lease obligations of € 19,563k (2023: € 19,115k) as well as other current financial liabilities of € 4,118k (2023: € 10k). Other current financial liabilities relate to negative fair values of forward exchange contracts.

(11) INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

— ACCOUNTING PRINCIPLES —

The Group, in the course of its business, may enter into arrangements where it will exercise joint control over entities resulting in classifying these operations as joint ventures or joint operations depending on the rights and obligations arising from the contractual arrangement.

Alternatively, it may enter into arrangements where it holds 20 to 50% of the voting rights and exercises significant influence resulting in these companies being classified as associate companies.

Investments in associates and joint ventures are accounted for using the equity method.

The Group's share of profit of joint ventures is classified within non-operating profit as these operations do not form an integral part of the Group's financial performance, reflecting its non-core business activities.

The Group's share of profit (loss) of associates is classified below Operating profit.

Goodwill arising from an acquisition is included in the carrying amount of the investments in joint ventures and associated companies. Equity accounting is discontinued when the carrying amount of the investment together with any long-term interest in a joint venture or in an associate reaches zero, unless the Group has either incurred or guaranteed additional obligations in respect of the joint venture or associate.

Impairment of Joint Ventures and Associates

The Group tests investments in joint ventures and associates for which it does not possess control, but has significant influence for impairment on a regular basis and when there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment.

Objective evidence of impairment includes but is not limited to the net asset value being below carrying amount, absence of scientific progress, significant financial difficulties of the joint venture, associate or information about significant changes with an adverse effect that have taken place in the economic environment in which it operates and indicates that the carrying amount may not be recovered.

— INVESTMENTS IN ASSOCIATES —

Individually immaterial shares in companies accounted for using the equity method are presented in aggregate, provided that at the balance sheet date the equity book value did not exceed € 1,000k or Evotec's share of earnings in the result (Share of profit in associate and Impairment combined) were less than € 1,000k in the company's profit or loss. At the balance sheet date, five investments were classified as significant and three investments were classified as insignificant. The additions to the significant investments in 2024 are entirely related to financing rounds (capital contributions).

The following table summarizes the development of the investments in associates during year 2024:

in k€	*Autobahn Labs LLC*	*Centauri Therapeutics Ltd.*	*EIR Biotherapies*	*Quantro Therapeutics GmbH*	*Topas Therapeutics GmbH*	*Insignificant investments*	*Total*
Balance at 1 January 2024	—	2,179	—	892	—	—	3,071
Investment	1,378	—	1,022	—	977	2	3,379
Share of profit/(loss) in associate	(1,378)	(916)	(149)	(892)	(977)	—	(4,312)
Impairment	—	—	—	—	—	—	—
Dividends earned, Divestment or Reclassification	—	—	—	—	—	—	—
Balance at 31 December 2024	**—**	**1,264**	**873**	**—**	**—**	**2**	**2,138**

The following table provides an overview of the development of the investments in 2023:

in k€	*Autobahn Labs LLC*	*Centauri Therapeutics Ltd.*	*Curexsys GmbH*	*Dark Blue Therapeutics Ltd.*	*Topas Therapeutics GmbH*	*Tucana Bioscienes Inc.*	*Insignificant investments*	*Total*
Balance at 1 January 2023	1,371	—	3,967	4,022	405	2,325	3,954	16,043
Investment	2,360	3,455	—	—	2,023	—	—	7,838
Share of profit/(loss) in associate	(3,730)	(309)	(968)	(4,022)	(2,428)	(775)	(650)	(12,881)
Impairment	—	(3,336)	(2,999)	—	—	(579)	(960)	(7,875)
Dividends earned, Divestment or Reclassification	—	2,369	—	—	—	(970)	(1,453)	(54)
Balance at 31 December 2023	**—**	**2,179**	**—**	**—**	**—**	**—**	**892**	**3,071**

Further financial information on the significant investments accounted for using the equity method is presented below:

2024

in k€	*Centauri Therapeutics Ltd*	*Dark Blue Therapeutics Ltd*	*EIR Biotherapies*	*Quantro Therapeutics GmbH*	*Topas Therapeutics GmbH*
Current assets	383	291	634	1,121	7,560
Non-current assets	299	9,047	1,752	549	972
Current liabilities	245	981	187	2,072	548
Non-current liabilities	—	—	2	4,325	—
Revenues from 1 Jan to 31 Dec	1	—	—	1,294	—
Net income/(loss) 1 Jan to 31 Dec	(4,483)	(3,115)	(167)	(3,974)	(9,418)

2023

in k€	*Autobahn Labs LLC*	*Centauri Therapeutics GmbH*	*Curexsys GmbH*	*Dark Blue Therapeutics Ltd.*	*Quantro Therapeutics GmbH*
Current assets	1,272	9,451	1,071	4,321	613
Non-current assets	727	—	421	248	5,072
Current liabilities	2,257	—	148	1,087	2,902
Non-current liabilities	—	—	—	9,098	483
Revenues from 1 Jan to 31 Dec	—	597	—	—	2,353
Net income/(loss) 1 Jan to 31 Dec	(10,667)	(3,448)	(2,176)	(9,210)	(890)

(12) EMPLOYMENT, POST-EMPLOYMENT BENEFITS AND SHARE COMPENSATION PLANS

— ACCOUNTING PRINCIPLES —

Short-term employee benefits

Short-term employment obligations are measured on an undiscounted basis and are expensed as the related service is provided. The Group recognizes a liability and an expense for bonuses and incentives based on a formula that takes into consideration the profit attributable to the Group´s shareholders after certain adjustments.

Defined contributions schemes

A defined-contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined-contribution pension plans are recognized as an employee benefit expense in the income statement in the periods during which services are rendered by employees. The Group's contribution rate is employee-specific and depends on the amount of an employee's contribution and the relevant legislation.

Defined benefits schemes and Jubilee provisions

A defined-benefit plan is a post-employment benefit plan other than a defined-contribution plan. Plans for which the Group has no legal or constructive obligation to pay further amounts, but to which it does pay non-fixed contributions, are also treated as a defined-benefit plan.

The net pension asset or liability recognized in the consolidated statement of financial position in respect of defined-benefit post-employment plans is the fair value of plan assets less the present value of the projected defined-benefit obligation at the balance sheet date.

The defined-benefit obligation is calculated annually by qualified actuaries using the projected unit credit method. Recognized assets are limited to the present value of any reductions in future contribution or any future refunds.

The net pension liability (asset) is presented as a long-term provision; no distinction is made for the short-term portion. Pension costs in respect of defined-benefit post-employment plans primarily represent the increase of the actuarial present value of the obligation for post-employment benefits based on employee service during the year and the interest on the net recognized asset or liability in respect of employee service in previous years. Remeasurements of the net defined-benefit asset or liability comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (excluding interest). The Group recognizes all remeasurements in other comprehensive income and reclassifies them later to the Group´s income statement.

The Group recognizes gains and losses on the settlement of a defined-benefit plan when the settlement occurs. The gain or loss on settlement is the difference between the present value of the defined-benefit obligation being settled, as determined on the date of settlement, and the settlement price, including any plan assets transferred and any payments made directly by the Group in connection with the settlement. Past service costs arising from the introduction of a change to the benefit payable under a plan or a significant reduction of the number of employees covered by a plan (curtailment) are recognized in full in the consolidated income statement.

The Group´s net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods, such as jubilee entitlements. That benefit is discounted to determine its present value. Remeasurements are recognized in the consolidated income statement in the period in which they arise.

Other long term employment benefits

Other long-term employment benefits include long-service leave or sabbatical leave, medical aid, jubilee or other long-service benefits, long-term disability benefits and, if they are not expected to be settled wholly within twelve months after the year end, profit sharing, variable and deferred compensation. The measurement of these obligations differs from defined benefit plans in that all remeasurements are recognized immediately in the statement of income.

Stock Options and Share Performance Awards

The Group operates various equity-settled share-based compensation plans for which the Company applies the regulations of IFRS 2. The fair value of the employee services received in exchange for the grant of the options or shares is recognized as an expense. The total amount to be expensed is determined by reference to the fair value of the equity instruments granted. The amounts are charged to the income statement over the relevant vesting periods and adjusted to reflect actual and expected levels of vesting. The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

All plans are settled in shares. The grant-date fair value of equity-settled share-based payment awards granted to employees is recognized as personnel expense, with a corresponding increase in equity, over the vesting period of the award.

The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest.

The expense or income in the consolidated income statement for a period represents the movement in cumulative expense recognized at the beginning and end of that period. Service and non-market performance conditions are not taken into account when determining the grant-date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group´s best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant-date fair value.

No expense is recognized for awards that do not ultimately vest because non-market performance and/or service conditions have not been met.

When an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss. The dilutive effect of outstanding options and shares is reflected as additional share dilution in the computation of diluted earnings per share.

DEFINED CONTRIBUTION SCHEMES

The Group operates a defined contribution plan in the United Kingdom and makes additional contributions to employees' own schemes. The pension charge for the year represents contributions payable by the Group to the fund (and to the employees' own pension schemes) and amounted to € 4,118k in 2024 (2023: € 3,926k).

The Group operates defined contribution (401(k)) plans in the US and made contribution of € 2,247k during 2024 (2023: € 1,784k).

DEFINED BENEFIT SCHEMES AND JUBILEE PROVISION

Germany

The Group has a defined benefit scheme for one former member of the Management Board of Evotec SE and for Evotec DS.

The provisions for both companies amounted to € 137k as of 31 December 2024 (2023: € 645k). The decrease is due to the disposal of Evotec DS.

France

The Group runs a jubilee scheme where a lump sum payment is provided to all employees upon retirement. The amount is dependent on different factors such as years of service with the company, compensation at retirement age (between age of 63 and 65) and collective agreements. This is a legal requirement.

The Group also runs a work anniversary awards agreement. The lump sum amount is defined by the collective agreement and based on the number of years of service with the Group.

The Group operates a defined benefit plan for employees in France. The mortality tables (issued by INSEE TD/TV 2017 - 2019 for 2023 and INSEE TD/TV 2018 - 2020 for 2024) were applied in the actuarial report that is used for measuring the French employee benefit obligations.

The movement in employee benefit obligations of the French entities is broken down as follows:

in k€	2024 Present value of obligation	2023 Present value of obligation
As of 1 January	**(14,872)**	**(14,499)**
Benefit payments from the employer	1,239	617
Current service cost	(1,463)	(1,266)
Past service costs	–	830
Effect of curtailment	1,762	–
Operating costs, net	**299**	**(436)**
Interest expense (income)	(374)	(428)
Amount recognized in the Income Statement	**(76)**	**(864)**
Remeasurements:		
(Gain)/loss from change in demographic assumptions	989	(12)
(Gain)/loss from change in financial assumptions	696	(105)
(Gain)/loss from experience	(219)	(8)
Thereof - Amounts recognized in the Income Statement	**244**	–
Thereof - Amounts recognized in Other Comprehensive Income	**1,222**	**(125)**
As of 31 December	**(12,241)**	**(14,872)**

The following table shows the significant assumptions which have been applied in the measurement of the employee benefit obligations:

	Discount Rate		Salary Increase	
%	2024	2023	2024	2023
France	3.30 %	3.25 %	2.50 %	3.00 %

If the below parameters would increase/decrease by 0.5%, the benefit obligations would change as follows:

	2024		2023	
	Increase	Decrease	Increase	Decrease
+0.5/-0.5%	k€	k€	k€	k€
Discount rate	(559)	605	648	(702)
Salary increase	546	(510)	(701)	652

The average duration of the pension plan is 9.7 years and the average duration of the long service awards is 11.2 years as of 31 December 2024 (2023 respectively 9.1 years and 12.5 years).The expected service costs for 2025 amount to € 1,308k.

Expenses for the statutory retirement obligations are explained in Note (5)

— SHARE COMPENSATION PLANS —

In order to continue to incentivise executives in the form of variable compensation components with long-term incentives, in June 2022, June 2020 and June 2017, the AGM approved the respective conditional capital required for the so-called Restricted Share Plan 2020 ("RSP 2020") as well as the so-called Share Performance Plan 2022 ("SPP 2022") and Share Performance Plan 2017 ("SPP 2017"). Under these plans, Restricted Share Awards ("RSA") for up to 1,200,000 shares (RSP 2020) and SPA for up to 6,000,000 shares (SPP 2022) and 6,000,000 shares (SPP 2017) of Evotec SE ordinary bearer shares without par value (no-par value shares) may be issued to members of the Management Board and other executives upon maturity. Each RSA grants one subscription right to Evotec SE shares, while each SPA grants up to two subscription rights to Evotec SE shares, each of which in turn entitles the holder to subscribe for one Evotec SE share.

SPAs from SPP 2022 and SPP 2017 will be automatically exercised within 10 trading days after the end of the four-year holding period, while RSAs from RSP 2020 can be exercised at the earliest after four years and up to five years after the respective issue date. The RSAs will also be automatically exercised at the end of the five-year period if no exercise has been made. The holder must contribute €1.00 per share at the time of exercise under all plans described above.

RSAs under RSP 2020 may only be exercised if and to the extent that the performance target is achieved within each of the four consecutive calendar years. This performance target relates to the Company's adjusted EBITDA. The performance target for each individual tranche of RSAs is set by the Supervisory Board annually at the time of issue. The Restricted Share Plan 2020 is subject to some restrictions with regard to issuance periods and allocation of awards to members of the Executive Board or selected executives. The RSP 2020 is no longer part of the new 2022 compensation system for the Executive Board and no more restricted share awards have been issued for the Executive Board since its effective date on 22 June 2022. The grant value of the Restricted Share Plan 2020 for the Executive Board has been reallocated to the short-term and long-term ("Share Performance Plan 2022") compensation components.

SPAs from SPP 2022 and SPP 2017 can only be exercised if and to the extent that two defined equally weighted performance targets ("Key Performance Indicators") are achieved within each of the four consecutive calendar years. These performance indicators consist of Evotec's share price (relevant here is the XETRA price) and the relative total shareholder return for the SPP 2017, which is derived by comparison with the return of the TecDax index. For the SPP 2022 the performance indicators consist of the relative total shareholder return and revenue growth weighted equally. Additionally, the achievement of the KPIs of the SPP 2022 is dependent on an ESG-performance target.

The performance targets for each individual tranche of the SPAs are set by the Supervisory Board annually at the time of issue. The Share Performance Plan 2022 and the Share Performance Plan 2017 are subject to certain restrictions with regard to issuance periods and allocation of awards to members of the Executive Board or selected executives.

On 14 February 2023, Evotec's Management Board approved the U.S. Restricted Share Unit Plan ("U.S. RSU Plan"). The U.S. RSU Plan became effective May 31, 2023. The U.S. RSU Plan provides for the grant of restricted share units, which payment may be granted in the form of shares, American depository shares, each representing one-half of one Evotec SE ordinary share (ADSs), or cash amounts as the Management Board determines to be consistent with best interests of the Company, Evotec and its shareholders and in accordance with the purpose of the U.S. RSU Plan. The Group accounts for the U.S RSU Plan as settled in shares. The number of restricted share units granted in the 12 months period ended 31 December 2024 totaled 591.829. The exercise of the share units under the RSU does not require the achievement of any Key Performance Indicators.Therefore, the fair value of these share units of 7.07 USD has been determined based on the share price on the grant date and an assumed fluctuation rate of 5%.

A summary of the status of the Share Performance Plans as of 31 December 2024 and 2023 and the changes during the year then ended is presented as follows:

	31 December			
	2024	**2024**	2023	2023
	Share Performance (Awards SPAs)	**Weighted average exercise price**	Share Performance (Awards SPAs)	Weighted average exercise price
	in thousands	in € per share	in thousands	in € per share
Granted SPAs/RSAs at the beginning of the year	2,004	1.00	1,505	1.00
SPAs/RSAs granted	536	1.00	886	1.00
Adjustment based upon KPI target achievement	134	1.00	28	1.00
Exercised SPAs/RSAs	(368)	1.00	(233)	1.00
Forfeited SPAs/RSAs	(392)	1.00	(182)	1.00
Expired SPAs/RSAs	(18)	1.00	–	1.00
SPAs/RSAs granted at the end of the year	1,897	1.00	2,004	1.00
Thereof exercisable	–	1.00	–	1.00

The SPAs in this table include RSPs and SSPs, prior year's numbers included RSUs that are presented separately in the table below. Prior year numbers were adjusted accordingly.

Evotec's average weighted share price at the exercise day of SPAs in financial year 2024 was € 15.49 (2023: € 19.38). In the financial year 2024, 117,292 Awards (2023: 227,555 awards) were given to the members of the Management Board. The SPAs and RSAs exercised in 2024 correspond to 367,720 shares (2023: 233,083 shares).

A summary of the status of the Restricted Share Unit Plans as of 31 December 2024, 2023 and the respective changes during the year is presented as follows:

	31 December			
	2024	**2024**	2023	2023
	Restricted Share Units (RSUs)	**Weighted average exercise price**	Restricted Share Units (RSUs)	Weighted average exercise price
	in thousands	in € per share	in thousands	in € per share
Granted RSUs at the beginning of the year	567	–	–	–
RSUs granted	592	–	603	–
Exercised RSUs	(161)	–	–	–
Forfeited RSUs	(249)	–	(36)	–
RSUs granted at the end of the year	749	–	567	–
Thereof exercisable	–	–	–	–

The Awards in this table only include RSUs

The fair values of the grant of SPAs and RSAs were estimated on the date of grant using a Monte-Carlo-Simulation model with the following assumptions:

	SPP 2022 granted March 2024	RSP 2020 granted October 2023	SPP 2022 granted March 2023	RSP 2020 granted October 2022	RSP 2020 granted May 2022
Risk-free interest rate in %	2.48	2.66	2.84	2.03	0.57
Volatility of the Evotec SE share in %	49.00	45.00	50.00	51.00	45.00
Volatility of the TecDAX index in %.	15.00	-	24.0	-	-
Fluctuation in %	0.0 - 5.0	5.0	5.0	5.0	0.0 - 5.0
Exercise price in €	1.00	1.00	1.00	1.00	1.00
Share price on the day of issue in €	13.11	16.79	16.67	19.47	25.26
TecDAX index price on the day of issue in points	3,422.6	-	3,202.3	-	-
Fair value in accordance with IFRS 2 on the date of issue per SPA of the Executive Board in €	9.79	-	12.4	-	22.87
Fair value in accordance with IFRS 2 on the date of issue per SPA of the executives in €	**11.17**	**15.91**	**17.07**	**18.57**	**24.29**

	SPP 2017 granted January 2022	RSP 2020 granted October 2021	RSP 2020 granted May 2021	SPP 2017 granted February 2021
Risk-free interest rate in %	-0.46	-0.43	-0.57	-0.78
Volatility of the Evotec SE share in %	37.00	35.00	40.00	42.00
Volatility of the TecDAX index in %.	17.00	–	–	29.00
Fluctuation in %	0.0 - 5.0	5.0	0.0 - 5.0	0.0 - 5.0
Exercise price in €	1.00	1.00	1.00	1.00
Share price on the day of issue in €	34.90	44.98	35.49	32.25
TecDAX index price on the day of issue in points	3,411.87	–	–	3,375.67
Fair value in accordance with IFRS 2 on the date of issue per SPA of the Executive Board in €	31.30	–	33.50	31.34
Fair value in accordance with IFRS 2 on the date of issue per SPA of the executives in €	33.66	43.96	34.47	36.65

For all SPAs, RSAs and RSUs, a total of € 4,899k was recognized as current service cost in operating expenses in the consolidated statement of income in 2024 (2023: € 9,630k). This amount includes an income of € 2,231k that is predominantly related to forfeited share performance awards and restricted share awards of former Management Board

members (2023: € 2,456k). The expenses related to accelerated vesting are included in the current service costs.

The performance measurement period for all issues started on 1 January of the respective year. An expected dividend yield of zero applies to all models. Depending on the nature of the respective plan, the expected duration is either four or five years. The expected volatilities are based on the historical volatilities of the year prior to the grant date.

(13) PROVISIONS

— ACCOUNTING PRINCIPLES —

Provisions are recognized if as a result of past events, the Group has:
– a present legal or constructive obligation,
– the amount can be estimated reliably, and,
– it is more likely than not that an outflow of resources will be required to settle the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Group from such a contract are lower than the unavoidable expenses of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected expenses of terminating the contract and the expected net expense of continuing with the contract. Before a provision is established, the Group recognizes any impairment expense on the assets associated with that contract.

Reorganisation provisions are recognized when the Group has a constructive obligation, which is when:
– there is a detailed formal plan that identifies the business or parts of the business concerned, the location and number of employees affected, the detailed estimate of the associated costs, and the timeline; and
– the employees affected have been notified of the plan's main features.

— PROVISION —

The current provisions consist of the following:

in k€	31 December 2024	31 December 2023
Other personnel expenses	31,317	41,490
Pensions	1,572	2,184
Other provision	9,858	1,491
Reorganization	**19,473**	—
Total current provisions	**62,219**	**45,165**

The non-current provisions consist of the following:

in k€	31 December 2024	31 December 2023
Pensions	10,223	11,985
Other personnel expenses	1,315	2,164
Other provisions	2,918	1,913
Reorganization	**5,128**	—
Total non-current provisions	**19,585**	**16,063**

The following table summarizes the development of total provisions recorded during 2024:

in k€	Jan 1, 2024	Additions	Business combination	Foreign currency exchange	Remeasurement through OCI	Consumption	Release	Dec 31, 2024
Other personnel expenses	43,654	21,823	(219)	477	—	31,284	1,820	32,632
Pensions	14,170	3,248	(12)	22	(1,217)	2,694	1,721	11,795
Other provisions	3,404	23,785	(757)	189	—	11,723	2,123	12,776
Reorganisation	—	68,459	(36)	69	—	32,291	11,599	24,601
Total	**61,228**	**117,315**	**(1,024)**	**757**	**(1,217)**	**77,992**	**17,264**	**81,804**

The following table summarizes the development of total provisions recorded during 2023:

in k€	1 January 2023	Additions	Business combination	Foreign currency exchange	Remeasurement through OCI	Consumption	Release	31 December 2023
Other personnel expenses	48,699	43,573	—	91	—	37,851	10,858	43,654
Pensions	14,261	1,215	—	8	—	735	579	14,170
Other provisions	7,877	1,303	—	(179)	—	1,011	4,588	3,404
Reorganisation	—	—	—	—	—	—	—	—
Total	**70,837**	**46,091**	**—**	**(80)**	**—**	**39,597**	**16,025**	**61,228**

The provision for personnel expenses mainly consists of bonus accruals (31 December 2024: € 9,662k; 31 December 2023: € 13,817k) and accrued vacation (31 December 2024: € 17,018k; 31 December 2023: € 18,454k). The provision for pensions mainly relates to pensions in France (see Note 12).

The other provisions mainly consist of accrued audit fees (31 December 2024: € 3,675k; 31 December 2023: € 1,964k), a provision related to the disposal of Evotec's Recursion (formerly Exscientia) shares (31 December 2024: € 5,125k; 31 December 2023: € 0k) as well as restoration provisions (31 December 2024: € 2,823k; 31 December 2023: € 1,598k).

— REORGANISATION —

On April 24, 2024 as part of the publication of the 2023 Annual Results, the Group announced that it was currently assessing its current footprint and activities. As of 31 December 2024, the Group has recognized a provision of € 24,601k to cover the expected and estimated costs associated with the remaining reorganisation efforts of its activities in the countries in which it operates. This resulted in the closure of the Site of Marcy (France), the discontinuation of the Gene Therapy operation in Orth (Austria), the rationalization of the Real Estate Footprint in Germany with the closure or vacation of facilities in Cologne, Göttingen and Hamburg, as well as the UK. 280 employees have been impacted by the reorganisation. Due to a true-up per December 31, 2024 , € 11,599k of the initially expected costs of € 68,459k have been reversed.

On 2 November 2024, the Group signed a SPA with Monacum partners to dispose of the Operation of Evotec DS in Halle (Germany). The Agreement closed on December 2, 2024.

As part of this Agreement, the Group sold the operations for € 1. The amount of cash over which control was lost amounts to € 4,000k. In Addition, current assets other than cash (€ 4,450k), non-current assets (€ 65k), current liabilities (€ 3,514k) and non-current liabilities (€ 3,545k) of the former subsidiary were disposed as part of the transaction.

(14) FINANCIAL RISK MANAGEMENT

— LIQUIDITY RISK —

Revenue fluctuations, external events and changes in the business environment might negatively impact the Group's short- to mid-term profitability and cash reserves. To actively address any related risk, the Group's management has defined minimum liquidity levels and prepared a scenario planning to safeguard its cash position. The Group believes that existing liquidity reserves are sufficient to cope with the cumulative impact of all identified risks. The Group currently has sufficient liquidity reserves, due to a public placement in the United States in 2021 and securing additional external debt financing in 2023, most significantly a EUR 150m unsecured loan facility from the European Investment Bank.Further, in July 2024, the Company secured a €250 m senior secured RCF to strengthen its liquidity position, supporting investments, working capital needs, and future growth. The RCF was intended as a backup credit line rather than a critical financing instrument. In the third quarter of 2024, we revised our financial performance guidance for the year, which created unexpected pressure on our debt covenants, including the net debt leverage covenant associated with the newly signed RCF. Draw stop and covenant waiver remain in place until us and our lenders renegotiate the RCF terms, reflecting the updated credit situation, in the second half of 2025. The liquidity risk resulting from the draw stop is limited, as we maintain sufficient operational liquidity to cover our funding needs for the year 2025. The option of increasing capital is always considered. This additional financing might be required if new business opportunities arise. The Group does not intend to engage in projects unless adequate funding is allocated or secured. Given the current business environment with economic and political uncertainties, the Group assesses the associated liquidity risks still to be low (previous year: low).

The general risk of losing a significant amount of cash in cash investments is continuously mitigated by spreading the investments across several different banks in high-credit quality instruments in full compliance with the Group's approved investment policy. The Group monitors its banks and investments on an ongoing basis. Therefore, the Group assesses the current default risks to be low, remaining unchanged in comparison to the previous year.

Currency exchange movements also impact the Group's reported liquidity primarily through the translation of liquid assets held in U.S. Dollars or Pound Sterling into Euros. A portion of the funds is held in currencies other than Euro to meet local operating needs. Political and economic uncertainties remain at a higher level causing volatility in the market.

The contractual maturities of the financial liabilities, including the estimated interest payments as of 31 December 2024 and 2023 are shown in the following tables:

	31 December 2024				
in k€	Carrying amount	Contractual Cash flow	Due in 1 year	Due in 2-5 years	Due in more than 5 years
Non-derivative financial liabilities					
Loans	(287,556)	(301,238)	(7,911)	(196,055)	(97,272)
Lease obligations	(151,863)	(175,081)	(24,548)	(90,484)	(60,048)
Contingent consideration	–	–	–	–	–
Trade accounts payable	(85,792)	(85,792)	(85,792)	–	–
Other financial liabilities	(5,430)	(5,430)	(4,118)	(1,312)	–
Total non-derivative financial liabilities	**(530,643)**	**(567,542)**	**(122,370)**	**(287,851)**	**(157,320)**
Derivative financial liabilities					
Foreign currency forwards	(4,139)	(4,139)	–	–	–
Total derivative financial liabilities	**(4,139)**	**(4,139)**	**–**	**–**	**–**

	31 December 2023				
in k€	Carrying amount	Contractual Cash flow	Due in 1 year	Due in 2-5 years	Due in more than 5 years
Non-derivative financial liabilities					
Loans	(437,058)	(448,999)	(133,666)	(159,790)	(155,542)
Lease obligations	(189,140)	(204,291)	(23,476)	(91,682)	(89,132)
Contingent consideration	(311)	(334)	(334)	–	–
Trade accounts payable	(134,319)	(134,319)	(134,319)	–	–
Other financial liabilities	(23,960)	(23,960)	(22,572)	(1,387)	–
Total non-derivative financial liabilities	**(784,787)**	**(811,902)**	**(314,368)**	**(252,860)**	**(244,674)**
Derivative financial liabilities					
Interest rate swaps/Foreign currency forwards	(193)	(193)	(60)	(133)	–
Total derivative financial liabilities	**(193)**	**(193)**	**(60)**	**(133)**	**–**

— CURRENCY RISK —

The Group is exposed to foreign exchange risk as the Group entities enter into revenues, purchases, and other transactions in a currency other than the functional currency of the respective Group entity. The functional currencies of the Group entities are mainly Euro, US Dollar and British Pound. In the course of their ordinary business activities, the Group companies are exposed in particular to exchange rate fluctuations between US Dollar, British Pound and Euro. The amount of exchange differences recognized in the consolidated income statement except for those arising on financial instruments measured at fair value through profit or loss in accordance with IFRS 9 is a net gain of € 12,956k in financial year 2024 (2023: net loss € (1,229)k).

The table below shows the average exchange rates as well as the exchange rates as of 31 December 2024 and 31 December 2023, in each case against the Euro:

	Annual average exchange rate		Closing rate 31 Dec	
in €	2024 1 Jan -31 Dec	2023 1 Jan -31 Dec	31 Dec. 2024	2023
USD	1.0824	1.0813	1.0389	1.1050
GBP	0.8466	0.8698	0.8292	0.8690

A strengthening (weakening) of the Euro, the US Dollar and the British Pound among themselves and against other currencies, as shown below as at 31 December, would lead to an increase (reduction) in equity and earnings with the amounts mentioned below. This analysis relates to financial instruments held for sale on condition that all other variables remain constant and ignore the impact of purchases and sales.

	2024					
	USD		GBP		EUR	
in k€	+10%	(10)%	+10%	(10)%	+10%	(10)%
Share	13,834	(13,834)	2,994	(2,994)	16,828	(16,828)
Result	13,834	(13,834)	2,994	(2,994)	16,828	(16,828)

	2023					
	USD		GBP		EUR	
in k€	+10%	(10)%	+10%	(10)%	+10%	(10)%
Share	16,699	(16,699)	5,278	(5,278)	21,977	(21,977)
Result	16,699	(16,699)	5,278	(5,278)	21,977	(21,977)

The Group manages foreign exchange exposure by incurring certain expenses in the currency of the local operating business and through selected hedging transactions such as foreign currency forward contracts. The hedging instruments used do not expose the Group to any significant additional risk. The objective of these transactions is to reduce the exposure of exchange rate fluctuations of the Group's foreign currency denominated cash flows. The Group does not enter into derivative transactions for trading or speculative purposes. Foreign currency contracts are accounted for at fair value. Foreign currency derivative accounting gains and losses are included in non-operating income and expense amounted to a net gain of € (8,926)k in financial year 2023 (2023: net gain € 8,360k). This realized and unrealized FX gains mainly result unfavorable FX forwards from the second half of the year.

Derived regularly from the summarised quantitative data about the Group's currency risks, based on the report to the Management Board, the expected future USD cash flows which should be hedged with USD/GBP forward contracts and USD/EUR forward contracts are determined. As of 31 December 2024, cash flows of USD 114,600 k (31 December 2023: USD 233,000 k), of which USD 84,000k was hedged against the Euro (31 December 2023: USD 173,000 k), and USD 30,600 k was hedged against the GBP (31 December 2023: USD 60,000k), as well as cash outflows of € 0k against the GBP (31 December 2023: € 3,900k).The fair value of cash and cash equivalents, trade receivables and trade payables approximate their carrying amount due to their short-term nature. Financial assets are accounted for at trade date date.

— INTEREST RATE RISK —

The Group is exposed to interest rate risk through variable interest-bearing loans as well as current investments in Germany, but also at our foreign entities. The fair value of debt varies from the carrying amount if there is a difference between the underlying interest rate to the market interest rate.

These interest rate risks are considered immaterial.

— CREDIT RISK —

Credit risk is the risk of financial loss to the Group if a customer fails or partly fails to meet any of its contractual obligations and arises primarily from the receivables from customers, contract assets and investment securities. The maximum exposure to credit risk for trade receivables at the reporting date by geographic region is as follows:

in k€	31 December 2024	31 December 2023
USA	59,084	38,709
Europe	40,499	44,395
Rest of the world	16,528	13,129
	116,111	**96,233**

The maximum credit risk of the contract assets corresponds to the carrying amounts and amounted to € 46,034k at year-end (31 December 2023: € 25,000k). **T**he maximum credit risk of short-term investments corresponds to the carrying amounts and amounted to € 90,413k at year-end (31 December 2023: € 93,203k).

The Group has exposure to credit risk primarily with respect to its third-party receivables. The Group continuously assesses the solvency of its customers and maintains an appropriate specific allowance for bad debts, which is derived from the expected collectability of all receivables from third parties. The Group's receivables from third parties are unsecured and not secured by any liens from customers. On 31 December 2024, 9% of trade account receivables were due from one customer (31 December 2023: 6%). Any default risks with regards to trade receivables are mainly limited by geographical diversification of customers and by the Group's monitoring procedures.

— CAPITAL MANAGEMENT RISK —

The Group actively manages its funds to primarily ensure liquidity and principal preservation while seeking to maximise returns. The Group's cash and short-term investments are held with several different banks. Financial investments are made in liquid, highly diversified investment instruments having at minimum a Standard & Poor's rating (or equivalent) of at least BBB-.

The following table shows the total assets, equity as well as equity ratio and net cash (cash and cash equivalents minus current and non-current loan liabilities and current and non-current finance lease obligations):

in k€	***31 December 2024***	*31 December 2023*
Balance sheet total	1,912,502	2,252,468
Equity attributable to Shareholders of Evotec SE	952,525	1,119,908
Equity ratio in (%)	49.8 %	49.7 %
Net cash	(133,033)	(115,289)

The Group remains well financed with an equity ratio relating to equity attributable to the Group's shareholders of 49.8% as of 31 December 2024 (31 December 2023: 49.7%) and currently has no necessity to raise capital to maintain its operations in the near to mid-term. However, the option to increase capital must always be considered if new opportunities arise in terms of M&A or in-licensing which require additional financing. Furthermore, the acquisition of anchor investors can be of strategic importance for the company.

No minimum capital requirements are stipulated in Evotec's statutes. The Company has obligations to issue shares out of the conditional capital relating to the exercise of stock options based on miscellaneous stock option plans as well as Share Performance Awards on the basis of Share Performance Plans (see Note (12)).

(15) FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

— ACCOUNTING PRINCIPLES —

For financial reporting purposes, financial instruments are categorized into Level 1, 2 or 3, based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are as follows:

- Level 1 – inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that the company can access at the measurement date.
- Level 2 – all significant inputs (other than quoted prices included within Level 1) are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
- Level 3 – one or more of the significant inputs are not based on observable market data, such as third-party pricing information without adjustments, for the asset or liability.

Transfers between levels of the fair value hierarchy are recognized at the end of the reporting period during which the change has occurred. Specific valuation techniques used to value financial instruments include:

Level 1
Instruments included in level 1 are comprised primarily of listed equity investments classified as financial assets carried at fair value through profit or loss or carried at fair value through other comprehensive income. The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Level 2
The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives or convertible bond instruments) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are based on observable market data,the instrument is included in level 2. The fair value of derivatives is calculated as the present value of the estimated future cash flows based on observable interest yield curves, basis spread and foreign exchange rates.

The fair value of debt is estimated on the basis of the quoted market prices for certain issuances, or on the basis of discounted cash flow analysis using market rates.

Level 3
If one or more of the significant inputs are not based on observable market data, such as third-party pricing information without adjustments, the instrument is included in level 3.

The fair value of contingent consideration is dependent on the terms of the respective acquisition agreement that may require the Group to pay additional consideration to former shareholders if specified future events occur or conditions are met.

The fair value measurement is based on management's estimates and assumptions and hence classified as Level 3 in the fair value hierarchy.

— FAIR VALUES —

The following table shows the fair value of the financial assets and liabilities measured at fair value and financial liabilities measured at amortised cost together with the corresponding carrying amounts from the statement of financial position as of 31 December 2024 and 31 December 2023 and their respective fair value level. For financial assets measured at amortized cost the carrying amount approximates 'the fair value.

	31 December 2024				
in k€	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets					
Equity instruments	31,962	31,962	–	12,180	19,781
Other financial assets	2,127	2,127	–	–	2,127
Financial assets carried at FVtPL	**34,089**	**34,089**	**–**	**12,180**	**21,909**
Equity instruments	2,409	2,409	2,409	–	–
Short-term investments	93,975	93,975	93,975	–	–
Financial assets carried at FVtOCI	**96,384**	**96,384**	**96,384**	**–**	**–**
Derivative financial instruments	–	–	–	–	–
Financial assets carried at fair value	**130,472**	**130,472**	**96,384**	**12,180**	**21,909**
Financial liabilities					
Contingent consideration	–	–	–	–	–
Financial Liabilities carried at FVtPL	**–**	**–**	**–**	**–**	**–**
Derivative financial instruments	(4,139)	(4,139)	–	(4,139)	–
Financial liabilities carried at fair value	**(4,139)**	**(4,139)**	**–**	**(4,139)**	**–**
Trade account payables	(85,792)	(85,792)	–	–	–
Loans and borrowings	(287,556)	(253,245)	–	–	–
Other liabilities	(153,175)	(153,175)	–	–	–
Carried at (amortized) costs	**(526,523)**	**(492,213)**	**–**	**–**	**–**
Total financial liabilities	**(530,662)**	**(496,351)**	**–**	**(4,139)**	**–**

	31 December 2023				
in k€	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial Asset					
Equity instruments	128,109	128,109	81,417	9,543	37,149
Other financial assets	3,179	3,179	–	–	3,179
Financial assets carried at FVtPL	**131,288**	**131,288**	**81,417**	**9,543**	**40,328**
Equity instruments	7,484	7,484	7,484	–	–
Short-term investments	321,550	321,550	321,550	–	–
Financial assets carried at FVtOCI	**329,034**	**329,034**	**329,034**	**–**	**–**
Derivative financial instruments	6,137	6,137		6,137	
Total financial assets carried at fair value	**466,459**	**466,459**	**410,451**	**15,680**	**40,328**
Financial liabilities					
Contingent consideration	(311)	(311)	–	–	(311)
Financial Liabilities carried at FVtPL	**(311)**	**(311)**	**–**	**–**	**(311)**
Derivative financial instruments	(193)	(193)	(193)	–	–
Financial liabilities carried at fair value	**(504)**	**(504)**	**(193)**	**–**	**(311)**
Trade account payables	(134,319)	(134,319)	–	–	–
Loans and borrowings	(437,058)	(380,204)	–	–	–
Other liabilities	(190,527)	(190,527)	–	–	–
Carried at (amortized) costs	**(761,904)**	**(705,050)**	**–**	**–**	**–**
Total financial liabilities	**(762,408)**	**(705,554)**	**(193)**	**–**	**(311)**

Short-term investments include investments which are measured at FVtOCI in the amount of € 90,413k (2023: € 83.203k), thereof pledged cash that fails to meet the definition of Cash and Cash Equivalents € 20,483k (2023: € 0k), as well as money market funds that are included in cash and cash equivalents on the balance sheet in the amount of € 3,562k (2023: € 238,346k) and are measured at FVtOCI.

Other Financials Assets carried at Fair Value through Profit & Loss consists of convertible loans granted to long-term investments in accordance with IFRS 9 in the amount of € 2,127k (31 December 2023: € 3,179k). The following tables show the development in financial years 2024 and 2023 of the fair values of Level 3:

in k€	Note	Investments	Contingent consideration
Balance as of 1 Jan 2024		**40,328**	**(311)**
Additions		**11,544**	**–**
Disposal		**—**	**311**
Transfer from Level 2 to Level 3		**9,543**	**–**
Transfer from Level 3 to Level 2		**(6,750)**	
Fair Value Change		**(32,161)**	**—**
Conversion of loans to Investments in associates and Joint ventures		**(800)**	**—**
Balance on 31 December 2024		**22,503**	**—**

in k€	Note	Investments	Contingent consideration
Balance as of 1 Jan 2023		**53,875**	**(306)**
Additions		**14,028**	**–**
Disposal		**(3,523)**	**–**
Transfer from Level 2 to Level 3		**—**	**–**
Transfer from Level 3 to Level 2		**(10,909)**	**—**
Fair Value Change		**(13,144)**	**(5)**
Conversion into Investments in associates and Joint ventures		**—**	**—**
Balance on 31 December 2023		**40,328**	**(311)**

The effects recognised in the income statement above from the adjustment of the fair values at level 3 were included in the consolidated income statement under “Other operating income” and “interest expense”. The two biggest investments included in Additions relate to Curie Bio Seed Fund I (2024: € 2,214k; 2023: € 1,648k) and Mission BioCapital (2024: € 1,390k; 2023: € 1,495k). The two biggest Fair Value changes relate to long-term investments in Blacksmith Medicines (2024: € (9,917)k; 2023:€ 0k) and Immunitas Therapeutics (2024: € (5,499)k; 2023: € 0k).

For the fair value of the level 3 hierarchy, possible alternative assumptions of significant unobservable inputs would have ceteris paribus the following effects as of 31 December 2024 and 2023:

	2024		2023	
	Net result		Net result	
in k€	**Increase**	**Decrease**	Increase	Decrease
Contingent consideration				
Discount rate (change of 1.5 %-points)	—	—	(3)	3

(16) SHAREHOLDER’ S EQUITY

As of 31 December 2024, 177,553,456 shares of Evotec SE with a nominal value of € 1.00 per share are issued and outstanding. The stock options exercised in 2024 have an average exercise price of € 1.00 per share, the same as the average exercise price for stock options exercised in 2023.

The conditional capital of Evotec SE as of 31 December 2024 consists of 12,172,773 shares available for the Share Performance Plans and the Stock Option Plans and 35,390,530 shares available for the issuance of no-par value bearer shares to holders or creditors of convertible bonds and/or bonds with warrants, profit participation rights and/or income bonds (or a combination of these instruments). Evotec SE may grant these on the basis of the resolution of the Annual General Meeting on 22 June 2022. The remaining conditional capital of Evotec SE as of 31 December 2024, thus amounts to a total of 47,563,303 shares.

Pursuant to Section 5 (5) of the Company's Articles of Association, the Management Board is authorized, with the approval of the Supervisory Board, to increase the Company's share capital by up to € 35,321,639 by issuing new shares against cash or non-cash contributions on one or more occasions until 21 June 2025.

As of 31 December 2024, Evotec holds 167,415 treasury shares (31 December 2023: 249,915), representing 0.1% (31 December 2023: 0.1%) of Evotec's total share capital as of 31 December 2024.

(17) EARNINGS PER SHARE

— ACCOUNTING PRINCIPLES —

Basic EPS is calculated by dividing the Net income (loss) attributable to shareholders by the weighted average number of common shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the Net income (loss) attributable to shareholders and the weighted average number of common shares outstanding during the period, adjusted for own shares held, for the effects of all dilutive potential common shares, which comprises forward purchase contracts, restricted shares, performance shares and share options granted to employees

— EARNINGS PER SHARE —

The weighted average number of ordinary shares is calculated as follows:

Shares in thousands	**2024**	2023
Issued shares 1. Jan.	177,186	176,953
Treasury shares 1. Jan.	(250)	(250)
Effect of weighted average stock options exercised	359	214
Weighted Average Number of Shares Outstanding Dec 31.	177,295	176,917

Diluted net income per share is computed by dividing the surplus attributable to shareholders of Evotec SE, by the weighted-average number of ordinary shares and share equivalents outstanding for the period determined using the treasury-stock method. For purposes of this calculation, stock options and Share Performance Awards are common stock equivalents and are only included in the calculation of diluted net

income per share when their effect is dilutive. In 2024, the number of potentially dilutive shares to be issued from stock options and Share Performance Awards amounted to 2,079,768 (2023: 1,000,455). For calculating the diluted net result per share, the resulting dilutive shares are included from the beginning of the period. Diluted and non-diluted earnings per share are identical as all share equivalents are anti-dilutive.

(18) COMMITMENTS AND CONTINGENCIES

— OPERATING LEASE OBLIGATIONS —

The future minimum lease payments under non-cancellable lease agreements but not yet commenced, area as follows:

in k€	2024	2023
Less than one year	2,086	1,192
Between one and five years	14,304	14,304
More than five years	37,250	38,144
Total	**53,640**	**53,640**

In addition, the Group maintains leases which were not recognized in accordance with the exemptions in IFRS 16. These amounts are not material and therefore not presented here.

— OTHER COMMITMENTS AND CONTINGENCIES —

The future minimum payments associated with miscellaneous commitments total approximately € 89,284k at 31 December 2024 (31 December 2023: € 80,367k), of which € 20,743k relate to asset purchase commitments. The remaining amount of € 68,541k is related to long-term commitments in connection with facility expenses as well as contracted, non-milestone based capital calls in relation with the Group's investments in associates and long-term investments.

In addition, as of 31 December 2024, contingent liabilities in relation with milestone-based commitments in connection with the Group's long-term investments amounted to € 6,604k (31 December 2023: € 9,122k).

The Group is not aware of any material actual or threatened litigation as of 31 December 2024.

(19) RELATED PARTY TRANSACTIONS

The Group has not entered into any significant transactions with any key management personnel or member of the Supervisory Board. The remuneration paid to key management personnel is presented in Note 21 e). The remuneration paid to members of the Supervisory Board is shown in Note 21 e).

As part of the normal course of business, the Group may enter into transactions with associated companies. The terms and conditions of all transactions are made based on market terms and conditions and the arm's length principle.

in k€	2024	2023
Sales of goods and services	3,664	16,661
Receivables from related parties	208	2,164

(20) AUDITOR´S REMUNERATION

BDO AG, Wirtschaftsprüfungsgesellschaft (BDO) has served as our independent registered public accounting firm for the year ended 31 December 2024 and 31 December 2023.

The following table sets out the aggregate fees for professional audit services and other services rendered exclusively by BDO and other firms in the BDO network in 2024 and 2023:

in k€	2024	2023
Audit fees	3,786	4,088
Audit-related fees	20	60
Audit fees related to prior year audit	738	1,504
Total	**4,544**	**5,651**

Audit fees aggregate fees charged by BDO network firms for auditing our consolidated financial statements and statutory and other regulatory filings or engagements of Evotec SE and its subsidiaries.

The Audit Committee has approved the audit fees and all the fees for other assurance services for the years 2024 and 2023. The Audit Committee monitors compliance with the German and U.S. rules on non-audit services provided by an independent registered public accounting firm. On a yearly basis, the Audit Committee pre-approves non-audit services performed by the independent registered public accounting firm up to a limit in line with EU regulation.

(21) OTHER DISCLOSURES

German law in accordance with the European Directives on Accounting and the Corporate Governance Codex requires the following additional disclosures.

a) Number of Employees

As of 31 December 2024, the Company employed 4,827 individuals worldwide (31 December 2023: 5,061). In 2024, a total of 3,909 employees worked in operations (2023: 4118), and 918 worked in sales and administration (2023: 943) The decrease is due to a headcount reduction as part of the reorganisation in the second half of the year.

b) Corporate Governance Code

According to Sec 161 AktG, the Management Board and Supervisory Board issued statement of compliance with regard to the German Corporate Governance Code. This statement has been made accessible to

the Company's shareholders in the 'Invest' section on Evotec's website (*https://www.evotec.com/en/sustainability/governance*).

c) Consolidated Subsidiaries and Equity Investees

The information below shows Evotec's direct and indirect voting rights in their subsidiaries and other investments. Evotec's direct and indirect voting rights in dormant companies are not included.

in %	*2024 Company's Voting rights*
Subsidiaries	
Aptuit Global LLC, Princeton, USA	**100**
Aptuit (Verona) SRL, Verona, Italy	**100**
Aptuit (Oxford) Ltd., Abingdon, UK	**100**
Aptuit (Potters Bar) Ltd., Abingdon, UK	**100**
Cyprotex Discovery Ltd., Manchester, UK	**100**
Cyprotex Ltd., Manchester, UK	**100**
Cyprotex US, LLC., Framingham, USA	**100**
Evotec (France) SAS, Toulouse, France	**100**
Evotec ID (Lyon) SAS, Marcy l'Étoile, France	**100**
Evotec (Hamburg) GmbH, Hamburg, Germany	**100**
Evotec GT GmbH, Orth an der Donau, Austria	**100**
Evotec (India) Private Limited, Thane, India*	**100**
Evotec International GmbH, Hamburg, Germany	**100**
Evotec (UK) Ltd., Abingdon, UK	**100**
Evotec (US), Inc., Princeton, USA	**100**
Just — Evotec Biologics, Inc., Seattle, USA	**100**
Just — Evotec Biologics EU SAS, Toulouse, France	**100**
Evotec (Modena) Srl, Medolla, Italy	**100**
NephThera GmbH, Hamburg, Germany	**100**
Evotec Asia Pte. Ltd., Shenton, Singapore	**100**
Associates	
Breakpoint Therapeutics GmbH, Hamburg, Germany	**34.03**
Centauri Therapeutics Ltd., Cheshire, UK	**19.37**
Dark Blue Therapeutics Ltd., Oxford, UK	**22.45**
EIR Biotherapies S.r.l., Mirandola (MO), Italy	**39.66**
Eternygen GmbH, Berlin, Germany*	**24.97**
Quantro Therapeutics GmbH, Vienna, Austria	**38.79**
TAG Therapeutics GmbH, Vienna, Austria	**20.16**
Topas Therapeutics GmbH, Hamburg, Germany	**23.86**

in %	*Other Investments Company's Voting rights*
Aeovian Pharmaceuticals Inc., San Francisco, USA	**3.32**
ArgoBio SAS, Paris, France	**8.87**
Aurobac Therapeutics SAS, Lyon, France	**12.50**
Autobahn Labs, LLC, Palo Alto, CA USA	**10.53**
Blacksmith Medicines Inc., San Diego, CA USA	**17.97**
Cajal Neuroscience Inc., Seattle, USA	**1.58**
Carma Fund I, Munich, Germany	**10.00**
Carrick Therapeutics Inc., Boston, USA	**2.86**
Celmatix Inc., New York, USA	**7.38**
Curie Bio LLC, Boston, USA	**0.11**
Curie Bio Seed Fund I LP, Boston, USA	**2.83**
Extend S.r.l., Rome, Italy	**10.00**
Fibrocor LLP, Toronto, Canada	**16.26**
Fibrocor Therapeutics, Inc., Toronto, Canada	**8.37**
IMIDomics Inc., San Rafael, CA, USA	**6.68**
Immunitas Therapeutics Inc.*, Waltham, USA	**5.48**
Leon Nanodrugs GmbH, Munich, Germany	**10.93**
Mission BioCapital V LP, Cambridge, USA	**3.64**
OxVax Ltd., Oxford, UK*	**15.33**
Pluristyx Inc., Seattle, USA	**5.86**
Sernova Corp., Ontario, Canada	**4.77**
Verto Therapeutics Inc., Boston, USA	**5.64**
Tubulis GmbH, München, Deutschland	**8.10**

** in liquidation*

The former Evotec (München) GmbH, Martinsried, Germany was merged with Evotec International GmbH, Hamburg, Germany. The former Evotec Drug Substance (Germany) GmbH, Halle, Germany was sold to an external investor. Further information regarding this transaction can be found in note 13.

Associates and joint ventures are accounted for using the equity method.

In Q1 2024, Evotec's share in Autobahn Labs, LLC, Palo Alto, CA USA was diluted and the corresponding investment is no longer accounted for using the equity method and measured at fair value according to IFRS 9.

The Group's investments in subsidiaries, associates and joint ventures are not hedged as these currency positions are considered to be long-term in nature.

d) Management Board

Dr Christian Wojczewski, *Chemist, Munich, Germany (Chief Executive Officer, since July 2024)*

Dr Mario Polywka, *Chemist, Oxfordshire, United Kingdom (Interim Chief Executive Officer, from January 2024 until June 2024)*

Dr Werner Lanthaler, *Business Executive, Hamburg, Germany (Chief Executive Officer, Chairperson of the Board until January 2024)*

Dr Cord Dohrmann, *Biologist, Göttingen, Germany (Chief Scientific Officer)*

Laetitia Rouxel, *Business Executive, Clarens, Switzerland (Chief Financial Officer, until February 2025)*

Paul Hitchin, *Business Executive, Amsterdam, Netherlands (Chief Financial Officer, since March 2025)*

Aurélie Dalbiez, *Business Executive, Munich, Germany, (Chief People Officer, since June 2024)*

Dr Craig Johnstone, *Business Executive, Castillon-Savès, France (Chief Operating Officer, until December 2024) and*

Dr Matthias Evers, *Biochemist / Business Executive, Hamburg, Germany (Chief Business Officer, until September 2024).*

The remuneration granted to the members of the Management Board for the financial years 2024 and 2023 are shown below:

in k€	***2024***	*2023*
Short-term employee benefits	**4,238**	3,685
Termination benefits	**1,360**	—
Stock-based compensation	**(2,231)**	3,611
Total Remuneration	**3,367**	7,296

The Members of the Management Board who hold additional memberships in supervisory boards and memberships in comparable governing bodies of enterprises are listed below.

Dr Mario Polywka	***Non-Executive Director:*** Blacksmith Medicines Inc, San Diego/USA (not listed) C4X Discovery Holdings PLC, Manchester/UK (listed on the London Stock Exchange) (until January 2024) Exscientia plc (now Recursion Inc.), Oxford/UK (listed on the NASDAQ) (until December 2024) Orbit Discovery Limited, Oxford/UK (listed on the NASDAQ)
Dr Cord Dohrmann	***Member of the Supervisory Board:*** Eternygen GmbH, Berlin/DE* (not listed) Breakpoint Therapeutics, Hamburg/DE* (not listed)
Dr Matthias Evers	***Non-Executive Member of the Board of Directors:*** Angelini Ventures S.p.A., Rome/Italy (not listed) IMIDomics Inc., San Rafel, CA/U.S.A. (not listed) (since September 2024) ***Founder/CEO:*** Elbbridge GmbH, Hamburg/Germany (since September 2024)

** Associated company of Evotec*

e) Supervisory Board

Prof. Dr Iris Löw-Friedrich, *Member of the Management Board (Chief Medical Officer) of UCB S.A. (until July 2024) (listed on the Euronext Brussels/BE); Chairwoman of the Supervisory Board and Chairwomen of the Remuneration and Nomination Committee*

***Roland Sackers**, Chief Financial Officer and Managing Director of QIAGEN N.V. (listed on the Frankfurt Stock Exchange, Swiss Exchange, New York Stock Exchange and Luxembourg Stock Exchange); Vice Chairman of the Supervisory Board and Chairman of the Audit and Compliance Committee.*

Camilla Macapili Languille, *Deputy CEO, Mubadala Direct Investments (not listed); Member of the Supervisory Board*

Wesley Wheeler, *CEO of LabConnect; Member of the Supervisory Board (since June 2024)*

Dr Elaine Sullivan, *Non-executive Director and Independent consultant; Member of the Supervisory Board (until June 2024).*

Dr Constanze Ulmer-Eilfort, *Partner in the law firm Peters, Schönberger & Partner (not listed); Member of the Supervisory Board and Chairwoman of the ESG Committee.*

Dr Duncan McHale, *Founder and Director of Weatherden Ltd., Member of the Supervisory Board (since June 2024)*

The remuneration accrued for the Supervisory Board in the financial year was as follows:

in k€	2024	2023
Total remuneration of the supervisory board	641	520

In the financial years 2024, the compensation per Supervisory Board member amounted to € 65k per year (2023: € 50k). The Chairperson receives € 125k (2023: € 125k) and its deputy € 105k (2023: € 60k) in the financial year 2024. The members of Supervisory Board committees receive € 15k (2023: € 10k) per committee; the chairperson of a committee receives € 30k (2023: € 25k).

In the financial years 2024 and 2023, there was no share-based remuneration.

The Company has a Directors and Officers liability insurance for the members of the Management Board, the Supervisory Board, its senior management and the directors of the subsidiary companies. An appropriate deductible has been agreed for the members of the Supervisory Board.

The members of the Supervisory Board and their additional memberships in supervisory boards and members in comparable governing bodies of enterprises according to Sec 125 (1) sentence 5 AktG are listed in the following:

Prof. Dr Iris Löw-Friedrich	***Chair of the Company / Supervisory Board:*** Celosia Therapeutics Pty Ltd., New South Wales/AU (not listed ***Member of the Supervisory Board:*** Fresenius SE & Co. KGaA, Bad Homburg/DE (listed on the Frankfurt, Düsseldorf and Munich Stock Exchange)
Roland Sackers	***Member of the Board of Directors:*** BIO Deutschland e.V. Berlin/GER (not listed)
Dr Elaine Sullivan	***Member of the Supervisory Board/Observer: (since November 2023; application for election to the Board of Directors in 2024):*** Zealand Pharma A/S, Søborg/DK (listed on the NASDAQ Copenhagen) (since December 2023) ***Non-executive Director:*** Active Biotech AB, Lund/SE (listed on the NASDAQ OMX Nordic Exchange Stockholm) (until May 2023) Nykode Therapeutics ASA, Oslo/NO (listed on the Oslo Stock Exchange) IP Group plc, London/UK (listed on the London Stock Exchange) hVIVO plc (formerly Open Orphan plc), London/UK (listed on the London AIM and Euronext Growth Stock Exchange) (until May 2023)
Dr Constanze Ulmer-Eilfort	***Member of the Supervisory Board:*** Affimed NV, Mannheim/Germany (listed on the NASDAQ) ***Member of the Advisory Board:*** Proxygen GmbH, Vienna/AT (not listed)
Dr Duncan McHale	
Wesley Wheeler	***Director of the Board:*** Envirotainer A/S, Stockholm/SE (not listed) Argenta Holdco Limited, London/UK (not listed) ***Non-executive Director:*** Mallinckrodt Pharmaceuticals, Dublin/IRL (since April 2024) (not listed; formerly listed on the NASDAQ)
Camilla Macapili Languille	***Member of the Board of Directors:*** Globalfoundries Inc., New York/USA (listed on NASDAQ New York) PCI Pharma Services, Philadelphia/USA (not listed)

(22) SUBSEQUENT EVENTS

On 26 February 2025, the company publicly announced that Laetitia Rouxel stepped down as Chief Financial Officer effective 28 February 2025. The Supervisory Board of Evotec SE appointed Paul Hitchin as new Chief Financial Officer and member of the Management Board with effect from 1 March 2025.

On 3 March 2025, Evotec SE drew € 43,961k from the EIB 2.0 facility. Consequently, there has been an increase of gross debt and a decrease of available credit lines.

Hamburg, 14 April 2025

Dr Christian Wojczewski
Chief Executive Officer

Paul Hitchin
Chief Financial Officer

Aurélie Dalbiez
Chief People Officer

Dr Cord Dohrmann
Chief Scientific Officer

Note: This is a convenience translation of the German original. Solely the original text in German is authoritative.

Independent Auditor's Report

To the Evotec SE, Hamburg

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE COMBINED MANAGEMENT REPORT

AUDIT OPINIONS

We have audited the consolidated financial statements of Evotec SE, Hamburg, and its subsidiaries (the group), which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in stockholders' equity for the financial year from 1 January 2024 to 31 December 2024, and notes to the consolidated financial statements, including material accounting policy information.

In addition, we have audited the combined management report (report on the position of the company and of the group) of Evotec SE for the financial year from 1 January 2024 to 31 December 2024. In accordance with the German legal requirements, we have not audited the content of those parts of the combined management report listed in section "OTHER INFORMATION".

In our opinion, on the basis of the knowledge obtained in the audit,

— the accompanying consolidated financial statements comply, in all material respects, with the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) (hereafter "IFRS Accounting Standards") as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315e (1) HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities and financial position of the group as at 31 December 2024, and of its financial performance for the financial year from 1 January 2024 to 31 December 2024, and

— the combined management report as a whole provides an appropriate view of the group's position. In all material respects, this combined management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the combined management report does not cover the content of those parts of the combined management report listed in section "OTHER INFORMATION".

Pursuant to § 322 (3) sentence 1 HGB (German Commercial Code), we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the combined management report.

BASIS FOR THE AUDIT OPINIONS

We conducted our audit of the consolidated financial statements and of the combined management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the COMBINED MANAGEMENT REPORT" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements.

In addition, in accordance with Article 10 (2) letter (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the combined management report.

KEY AUDIT MATTERS IN THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January 2024 to 31 December 2024 These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

We have identified the following matters as key audit matters:

1. Recoverability of goodwill
2. Revenue recognition from complex contracts with customers
3. Valuation of unlisted investments

RECOVERABILITY OF GOODWILL

Matter

In the consolidated financial statements of Evotec SE, goodwill in the amount of EUR 282.9 m (14.8 % of total consolidated assets or 29.7% of consolidated equity) is recognized under the balance sheet item "Intangible assets and goodwill". The goodwill was allocated to cash-generating units. Cash-generating units with allocated goodwill are subject to an impairment test by the company at least once a year and additionally if there are indications of impairment. The valuation is carried out using a valuation model based on the discounted cash flow method. If the carrying amount of a cash-generating unit is higher than the recoverable amount, an impairment loss is recognized in the amount of the difference. No impairment of goodwill was recognized in the 2024 financial year.

The assessment of the recoverability of goodwill is complex and requires the executive directors to make numerous estimates and to use judgment, particularly with regard to the amount of future cash surpluses, growth assumptions for revenues and gross margin and the discount rates used including growth rates for the terminal value. Due to the significance of the amount of goodwill for the consolidated financial statements, the complexity of the valuation and the significant uncertainties associated with the valuation, this is a key audit matter. Evotec SE's disclosures on goodwill are included in sections "(2) Material accounting policies", subsections "Use of assumptions" and "Impairment of non-financial non-current assets and goodwill" and "(9) Intangible Assets and Goodwill" of the notes to the consolidated financial statements for the financial year 2024.

Auditor‘s Response and Observations

As part of our audit, we assessed the appropriateness of certain key assumptions and parameters subject to judgment as well as the calculation method used for the impairment tests with the involvement of our valuation specialists. We gained an understanding of the planning method and the planning process as well as significant assumptions made by the executive directors in the planning. We reconciled the forecast of future cash surpluses in the detailed planning period with the multi-year plan prepared by the executive directors and convinced ourselves of the Company's historical forecasting accuracy by analyzing past plan deviations. We verified the appropriateness of key assumptions used and the growth rates assumed for the terminal value by comparing them with developments in the past, the plans of the executive directors and current industry-specific market expectations. We also assessed whether the plans are consistent with the findings obtained in other areas of the audit. In addition, we critically assessed the discount rates used by comparing them with the average cost of capital of a peer group. Our audit also included the sensitivity analyses performed by Evotec SE. With regards to the effects of possible changes in the cost of capital used in the valuation model of the executive directors and the assumed growth rate for the terminal value, we also performed our own sensitivity analyses. Furthermore, we satisfied ourselves as to the completeness and accuracy of the disclosures in the notes on goodwill.

In our opinion, the valuation parameters and assumptions applied by the legal representatives were derived appropriately for the purpose of impairment testing.

REVENUE RECOGNITION FROM COMPLEX CONTRACTS WITH CUSTOMERS

Matter

In the consolidated financial statements of Evotec SE, revenues of EUR 797.0 m are recognized in the income statement. A significant portion of the Evotec Group's revenues is attributable to complex contracts with customers that contain multiple performance obligations, some of which require revenue recognition over time. Some contracts contain variable transaction prices, which are dependent on the achievement of a specific success in clinical development.

In case of performance obligations recognized over time, revenue is mainly measured on the basis of progress towards complete fulfilment. The progress of completion is generally measured on an input basis.

The identification of separate performance obligations in the contracts, the determination and allocation of the transaction price, and the assessment whether the performance obligation is recognized over time or at a point in time as well as the estimation of progress are highly judgmental. Due to these facts and circumstances and the materiality of revenue, the recognition of revenue from complex contracts with customers was a key audit matter.

Evotec SE's disclosures on revenue recognition from contracts with customers are included in sections "(2) Material accounting policies", subsections "Use of assumptions" and "Revenue recognition from contracts with customers" and "(4) Revenue" of the notes to the consolidated financial statements for the financial year 2024.

Auditor‘s Response and Observations

We gained an understanding of the Group-wide process for recognizing revenue from complex contracts with customers and understood the procedure based on the documentation provided to us. In doing so, we

gained an understanding of the relevant internal controls and assessed their appropriateness and implementation.

For a risk-oriented selection and a sample of recognized revenue, we assessed the appropriate categorization as a contract with a customer, appropriateness of the executive directors' approach with regard to the identification of separate performance obligations, the determination of the transaction price and its allocation to the identified performance obligations. Furthermore, we assessed the accounting treatment applied by the company for significant new contracts concluded in the 2024 financial year. For agreements with variable components of the transaction price in the form of milestone payments, we obtained appropriate evidence that the achievement of the milestones is highly probable.

With regard to performance obligations that are recognized over time based on progress, we assessed the revenue recognized by evaluating for a sample of contracts the planned and actual inputs and discussing the findings with the respective project managers of the company. In addition, we evaluated the planning process based on selected long-term contracts and assessed the historical forecasting reliability based on the actual progress of performance over several periods.

We were able to satisfy ourselves that the estimates and assumptions made by the executive directors are sufficiently documented and substantiated to ensure the appropriate recognition of revenue. To the extent that discretion existed for the accounting treatment, this was exercised appropriately.

VALUATION OF UNLISTED INVESTMENTS

Matter

In the consolidated financial statements of Evotec SE, unlisted investments in the amount of EUR 32.0 are recognized under the balance sheet line item "Non-current investments and other non-current financial assets".

The investments in early-stage companies are mainly of strategic nature and are made for the purpose of promoting new business models and, in particular, the development of products and/or technology platforms in pharmaceutical research.

These investments are accounted for as financial assets at fair value through profit or loss unless Evotec SE makes use of the option to measure them at fair value through other comprehensive income upon acquisition.

Since there are no observable stock market prices available, the fair value is derived from external financing rounds or capital transactions with new investors (level 2 of the fair value hierarchy), or in the absence of these, Evotec uses qualitative factors such as scientific progress and assesses the liquidity situation for the valuation (level 3). If the development is promising, the acquisition costs are assumed to be the best possible estimate of the fair value. If the investment has a possible going concern risk and there are no other promising factors, Evotec SE assumes the carrying amount of the entity's net asset value as the best estimate of the fair value.

There is a risk that the fair value determined for investments without observable market prices may deviate from the value that would have been used if there had been an active market for the investments.

Due to the considerable uncertainties associated with the valuation of unlisted investments and the required exercise of judgment, this is a key audit matter.

Evotec SE's disclosures on the recognition and measurement of investments are described in sections "(2) Material accounting policies", "(15) Fair Values of Financial Assets and Liabilities" and "(10) Financial instruments" of the notes to the consolidated financial statements for the financial year 2024.

Auditor‘s Response and Observations

We obtained an understanding of the legal representatives' process for identifying indications of a change in fair value and assessed whether the approach ensures that potential changes in value are fully recognized.

With the involvement of our valuation specialists, we also assessed the extent to which the valuation method applied by the executive directors is consistent with the requirements of IFRS 13 for determining fair value.

For the valuation of investments according to level 2 of the fair value hierarchy, we assessed the fair value determined based on the financing rounds with external investors.

We evaluated the executive directors’ assessment of possible scientific indications for a change in fair value, relying on the scientific life science expertise of the respective department, and critically scrutinized the assumptions made in this context, taking into account information provided by the investments and publicly available information. We also reviewed the information provided by the investments for possible indicators of a change in fair value and discussed this with the executive directors.

Where indications of a change in fair value were identified, we assessed whether the fair value was derived appropriately in accordance with IFRS 13.

Overall, we were able to satisfy ourselves that the estimates and assumptions made by the executive directors are reasonable to ensure that the unlisted investments are properly accounted for.

OTHER INFORMATION

The executive directors or the supervisory board are responsible for the other information. The other information comprises:

— the separately published Declaration of Corporate Management in accordance to § 289f and § 315d HGB to which reference is made in section ”Declaration of corporate management”

— the separately on the website of the parent company published Sustainability Report to which reference is made in section “Reporting pursuant to section § 289c and §315c of the German Commercial Code”

— the separately published remuneration report according to § 162 AktG, to which reference is made in section Remuneration Report of the combined management report

—the other parts of the annual report, except for the audited consolidated financial statements and combined management report as well as our auditor’s report.

Our audit opinions on the consolidated financial statements and on the combined management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and thereby acknowledge whether the other information

— is materially inconsistent with the consolidated financial statements, with the combined management report, or our knowledge obtained in the audit or

— otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE EXECUTIVE DIRECTORS AND THE SUPERVISORY BOARD FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND THE COMBINED MANAGEMENT REPORT

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with the IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e (1) HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position and financial performance of the group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i. e. fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the group’s ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the combined management report that, as a whole, provides an appropriate view of the group’s position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The supervisory board is responsible for overseeing the group’s financial reporting process for the preparation of the consolidated financial statements and of the combined management report.

AUDITOR’S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE COMBINED MANAGEMENT REPORT

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the group’s position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor’s report that includes our opinions on the consolidated financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this combined management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also

— identify and assess the risks of material misstatement of the consolidated financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

— obtain an understanding of internal controls relevant to the audit of the consolidated financial statements and of arrangements and measures relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of the internal controls or these arrangements and measures.

— evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

— conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to be able to continue as a going concern.

— evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the group in compliance with the IFRS Accounting Standards, as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315e (1) HGB.

— plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming the audit opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinions.

— evaluate the consistency of the combined management report with the consolidated financial statements, its conformity with [German] law, and the view of the group's position it provides.

— perform audit procedures on the prospective information presented by the executive directors in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and, where applicable, the actions taken or safeguards applied to eliminate independence threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

REPORT ON THE ASSURANCE ON THE ELECTRONIC RENDERING OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE COMBINED MANAGEMENT REPORT, PREPARED FOR PUBLICATION PURPOSES IN ACCORDANCE WITH SECTION 317 (3A) HGB

Assurance Opinion

We have performed assurance work in accordance with § 317 (3a) HGB to obtain reasonable assurance as to whether the rendering of the consolidated financial statements and the combined management report (hereinafter the "ESEF documents") contained in the electronic file "Evotec_KAuKLB_2024-12-31_de.zip" and prepared for publication purposes complies in all material respects with the requirements of § 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the combined management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the consolidated financial statements and the combined management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of § 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying combined management report for the financial year from 1 January 2024 to 31 December 2024 contained in the "Report on the audit of the consolidated financial statements and of the combined management report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.

Basis for the Assurance Opinion

We conducted our assurance work on the rendering of the consolidated financial statements and the combined management report contained in

the file identified above in accordance with § 317 (3a) HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering of Financial Statements and Management Reports, Prepared for Publication Purposes in Accordance with § 317 (3a) HGB (IDW AsS 410 (06.2022). Our responsibility in accordance therewith is further described in the "Auditor's Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm has applied the requirements of the IDW Quality Management Standards, which implement the IAASB's International Standards on Quality Management.

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents

The executive directors of the company are responsible for the preparation of the ESEF documents with the electronic renderings of the consolidated financial statements and the combined management report in accordance with § 328 (1) sentence 4 No. 1 HGB and for the tagging of the consolidated financial statements in accordance with § 328 (1) sentence 4 No. 2 HGB.

In addition, the executive directors of the company are responsible for such internal controls that they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of § 328 (1) HGB for the electronic reporting format.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Auditor's Responsibilities for the Assurance Work on the ESEF documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of § 328 (1) HGB. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also

— identify and assess the risks of material intentional or unintentional non-compliance with the requirements of § 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.

— obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.

— evaluate the technical validity of the ESEF documents, i. e. whether the file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815, in the version in force at the date of the financial statements, on the technical specification for this electronic file.

— evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and to the audited combined management report.

— evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, in the version in force at the date of the financial statements, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

FURTHER INFORMATION PURSUANT TO ARTICLE 10 OF THE EU AUDIT REGULATION

We were elected as auditor by the annual general meeting on June 10, 2024. We were engaged by the audit committee on November 14, 2024. We have been the auditor of Evotec SE without interruption since the financial year 2021.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

OTHER MATTER — USE OF THE AUDITOR'S REPORT

Our auditor's report must always be read together with the audited consolidated financial statements and the audited combined management report as well as the assured ESEF documents. The consolidated financial statements and the combined management report converted to the ESEF format — including the versions to be published in the German Company Register — are merely electronic renderings of the audited consolidated financial statements and the audited combined management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the assured ESEF documents provided in electronic form.

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Julia Wirth.

Berlin, April 14, 2025

BDO AG
Wirtschaftsprüfungsgesellschaft

Sartori
Wirtschaftsprüferin
(German Public Auditor)

Wirth
Wirtschaftsprüferin
(German Public Auditor)

Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the Consolidated Financial Statements give a true and fair view of the assets, liabilities, financial position and financial results of the Group, and the Group Management Report, which has been combined with the Management Report of Evotec SE for the financial year 2024, includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Evotec SE
The Management Board
Hamburg, 14 April 2025

Dr Christian Wojczewski
Chief Executive Officer

Paul Hitchin
Chief Financial Officer

Aurélie Dalbiez
Chief People Officer

Dr Cord Dohrmann
Chief Scientific Officer