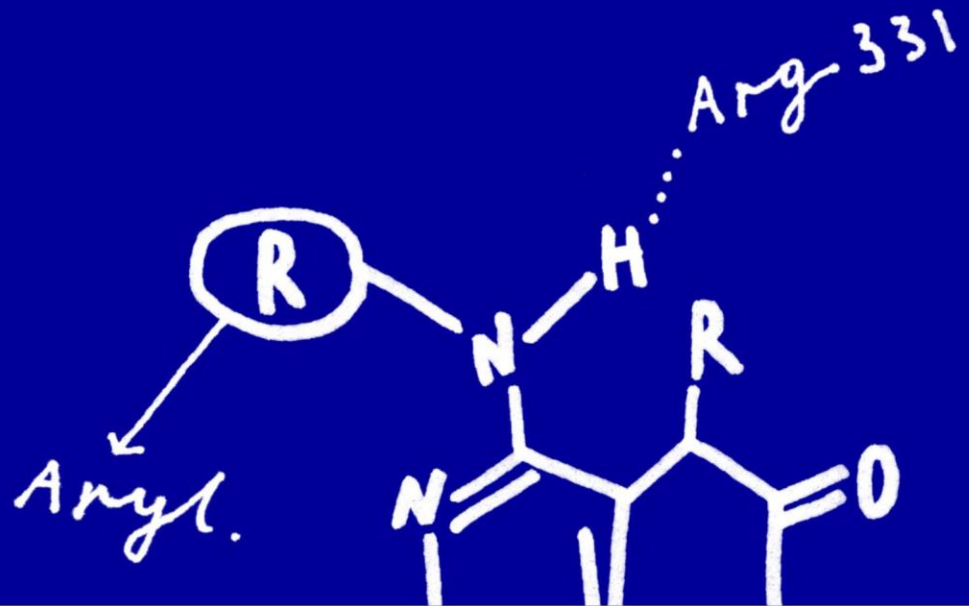


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Quarterly Statement Q1 2017 (unaudited)

# Strong start into 2017



# Forward-looking statements & General information

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*Information set forth in this presentation contains forward-looking statements, which involve a number of risks and uncertainties. The forward-looking statements contained herein represent the judgement of Evotec as of the date of this presentation. Such forward-looking statements are neither promises nor guarantees, but are subject to a variety of risks and uncertainties, many of which are beyond our control, and which could cause actual results to differ materially from those contemplated in these forward-looking statements. We expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any such statements to reflect any change in our expectations or any change in events, conditions or circumstances on which any such statement is based.*

**Note:**

*The 2016 and 2017 results are not fully comparable. The difference stems from the acquisition of Cyprotex PLC (“Cyprotex”), effective 14 December 2016. The results from Cyprotex are only included from 14 December 2016 onwards. The accounting policies used to prepare interim information are the same as those used to prepare the audited consolidated financial statements for the year ended 31 December 2016.*

# Strong operational performance and first-in-class innovation

Highlights & lowlights – Significant events Q1 2017 – Evotec Group

## EVT Execute

### *Highlights*

- Significant progress within ongoing alliances
- New integrated drug discovery agreements with Dermira and Asahi Kasei Pharma
- Strong start for Cyprotex PLC; relocation of Cyprotex UK operations completed

## EVT Innovate

### *Highlights*

- Milestone achievements in multi-target alliance with Bayer in kidney diseases
- First significant milestone in diabetes alliance with Sanofi

### *Lowlights*

- Phase out of TargetAD by Janssen Pharmaceuticals

## Corporate

- Novo A/S becomes new strategic long-term investor
- New nomination for election to Supervisory Board at the AGM (Michael Shalmi, Novo A/S) (after period-end)
- Participation in Series A funding of Forge Therapeutics

# Revenue growth driven by core business and milestone achievements

Condensed income statement Q1 2017 – Evotec AG and subsidiaries

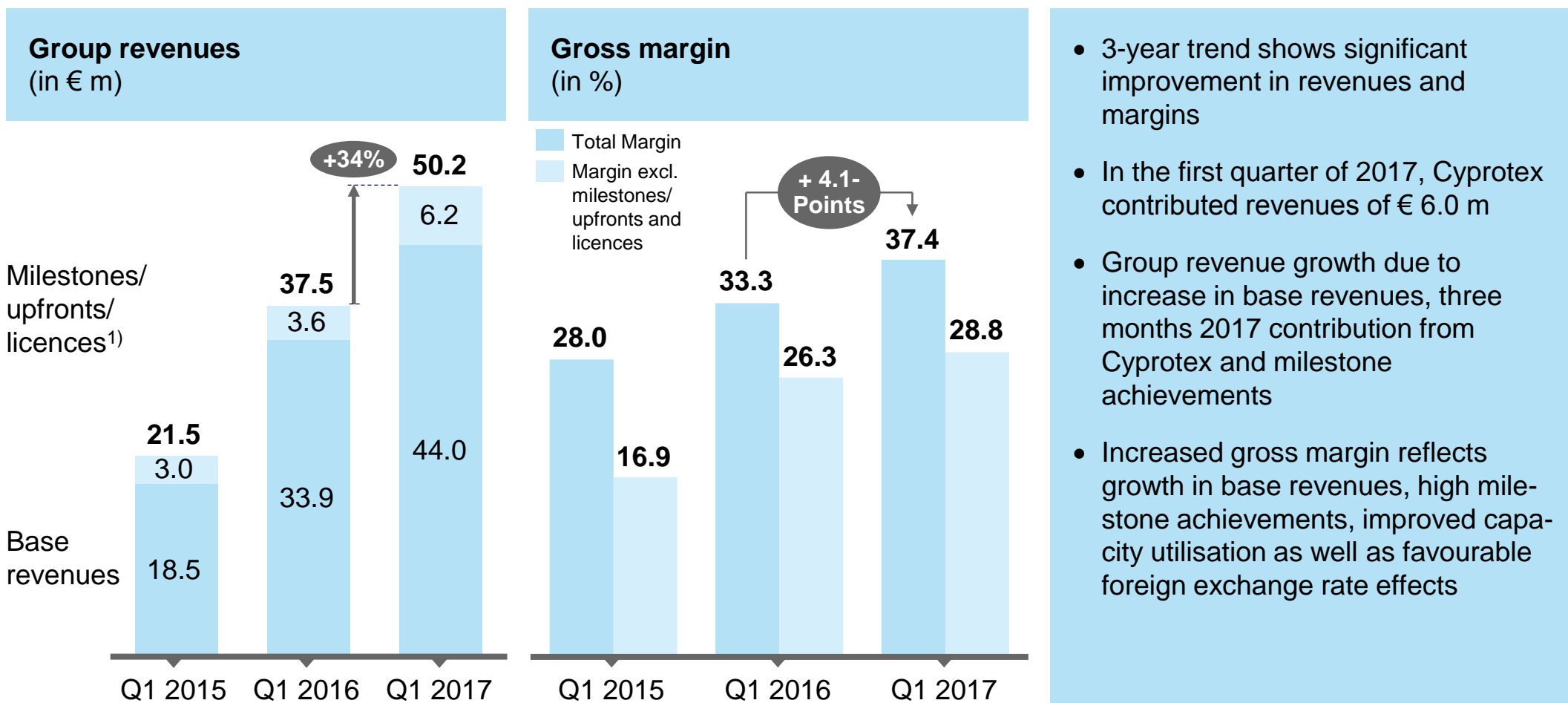
in € m\*

	Q1 2017	Q1 2016	% vs 2016
Revenues	50.2	37.5	34%
Gross margin	37.4%	33.3%	
• R&D expenses	(4.7)	(4.4)	6%
• SG&A expenses	(7.3)	(5.4)	36%
• Impairment of intangible assets	-	(1.4)	-
• Other op. income (expenses), net	2.9	1.4	100%
<b>Operating income</b>	<b>9.7</b>	<b>2.7</b>	<b>254%</b>
<b>Adjusted Group EBITDA<sup>1)</sup></b>	<b>13.2</b>	<b>7.2</b>	<b>83%</b>
<b>Net income (loss)</b>	<b>6.9</b>	<b>(1.2)</b>	

- Group revenue growth mainly due to contribution from Cyprotex (€ 6.0 m)
- Gross margin increased mainly due to higher milestone payments
- SG&A increased due to expenses of Cyprotex and increased headcount from Company growth
- In 2016 recorded full impairment of EVT100 (€ 1.4 m)
- Other operating income increased due to R&D tax credits in France (€ 1.2 m increase)

# Strong performance at improved gross margin

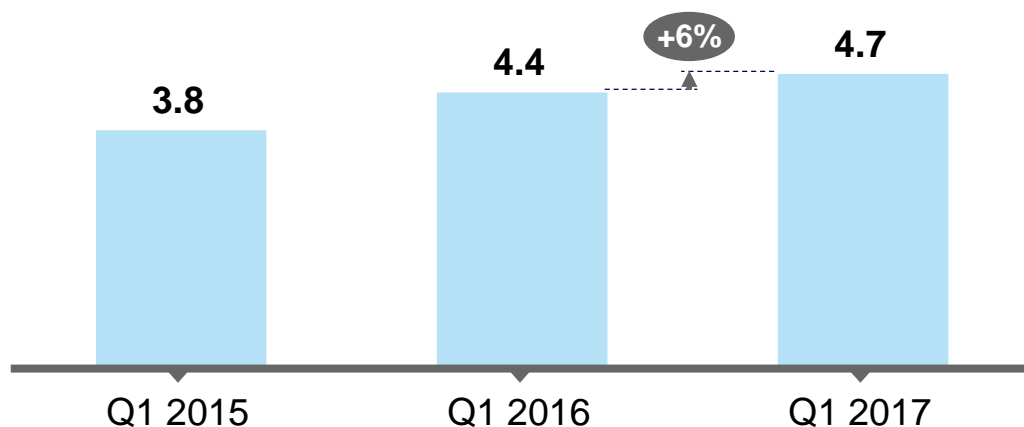
## Revenues & Gross margin overview



# R&D efforts and SG&A expenses as expected

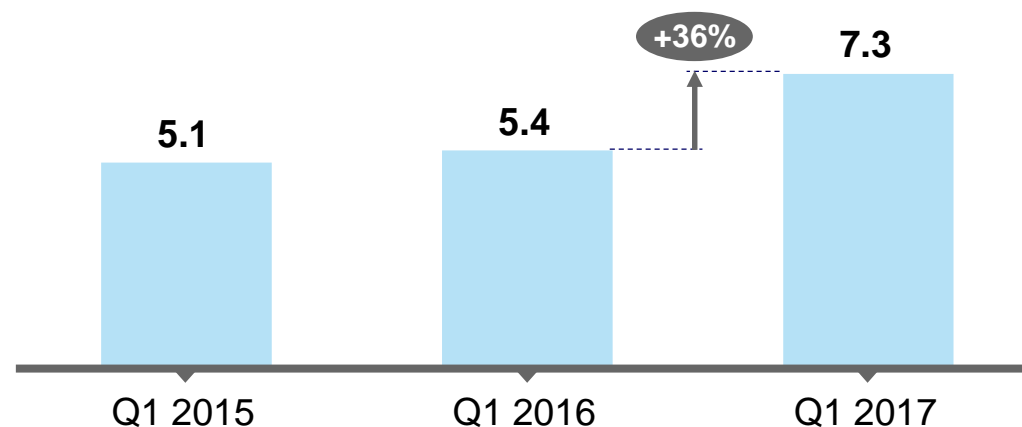
## R&D and SG&A expenses overview

### R&D expenses (in € m)



- R&D expenses in-line with expectations & strategic plans
- Increase in 2017 due to focused investments in oncology and metabolic space

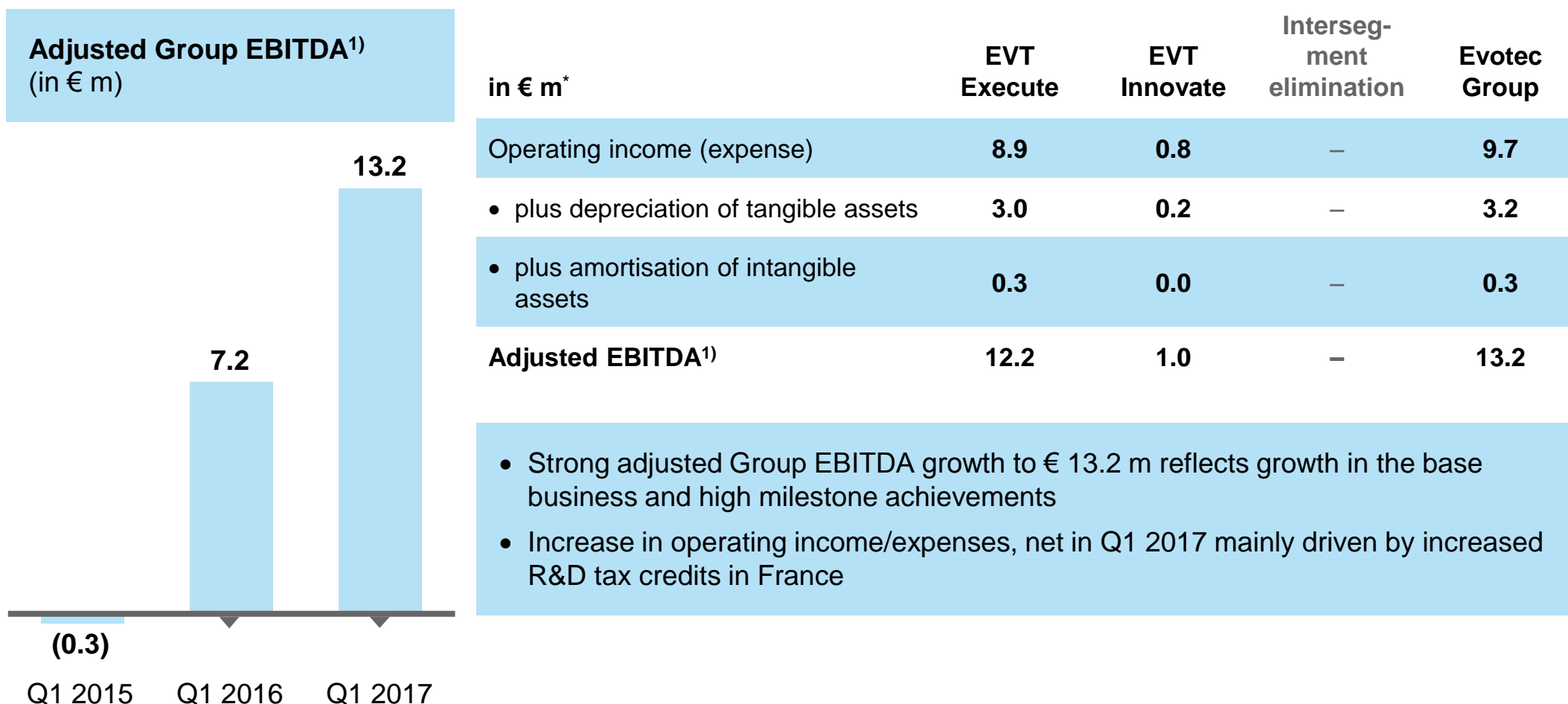
### SG&A expenses (in € m)



- SG&A expenses 2017 impacted mainly by three months expenses of Cyprotex including move costs
- Increased headcount in response to Company growth

# Sharp increase in adjusted Group EBITDA

## Adjusted Group EBITDA overview



# Significant revenue growth and strong EBITDA

Segment information Q1 2017 – Evotec AG and subsidiaries

in € m\*

	<b>EVT Execute</b>	<b>EVT Innovate</b>	<b>Inter- segment elimination</b>	<b>Evotec Group</b>
Revenues	<b>47.9</b>	<b>12.6</b>	(10.3)	<b>50.2</b>
Gross margin	<b>27.1%</b>	<b>56.9%</b>		<b>37.4%</b>
• R&D expenses	<b>(0.2)</b>	<b>(5.8)</b>	1.3	<b>(4.7)</b>
• SG&A expenses	<b>(5.8)</b>	<b>(1.5)</b>	-	<b>(7.3)</b>
• Other op. income (expenses), net	<b>2.0</b>	<b>0.9</b>	-	<b>2.9</b>
<b>Operating income</b>	<b>9.0</b>	<b>0.7</b>	-	<b>9.7</b>
<b>Adjusted EBITDA<sup>1)</sup></b>	<b>12.2</b>	<b>1.0</b>		<b>13.2</b>

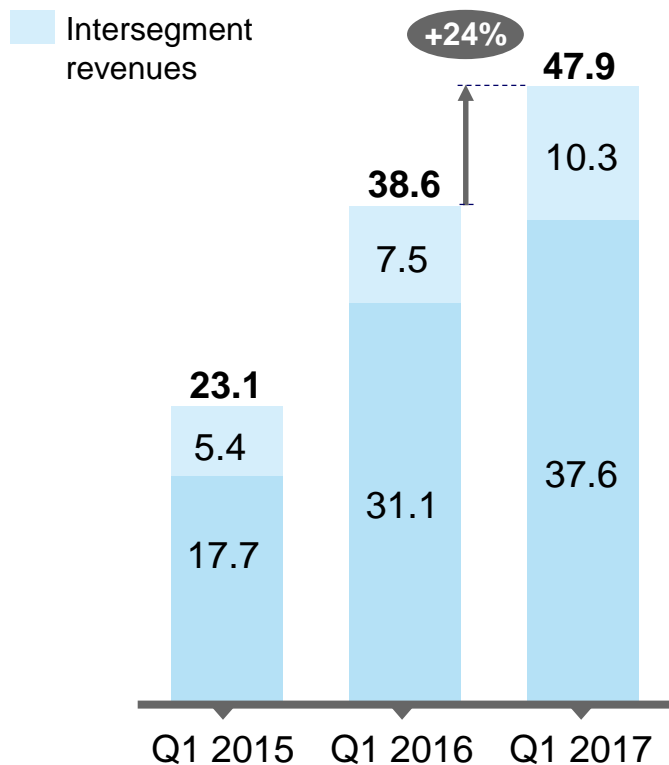
- Revenue growth in EVT Execute due to strong base business and three months 2017 contribution from Cyprotex
- Significantly improved revenues in EVT Innovate due to milestone achievements
- Higher SG&A in EVT Execute due to expenses of Cyprotex including its move in UK
- Positive EBITDA for EVT Innovate (Q1 2016: € (2.4) m)
- Improved EBITDA for EVT Execute (Q1 2016: € 9.6 m)



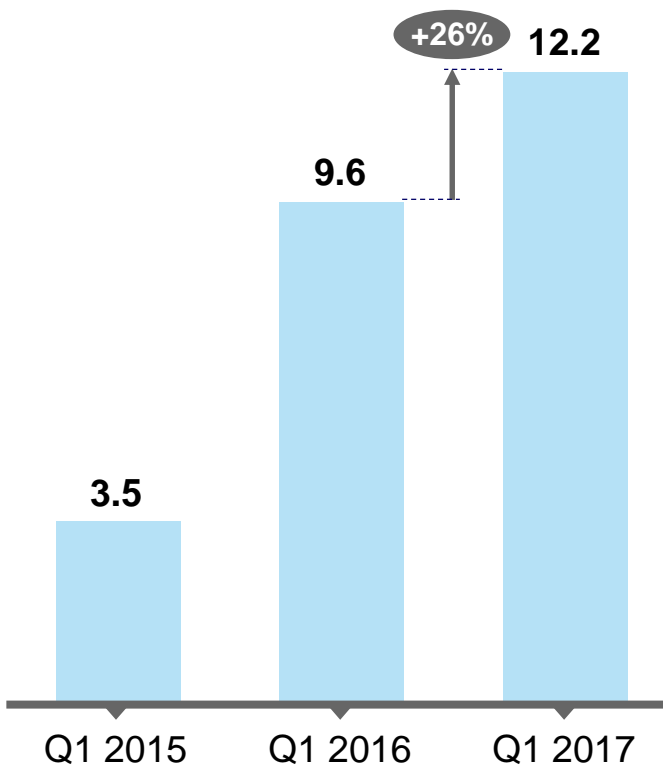
# Strong growth in EVT Execute

## EVT Execute – Key performance indicators Q1 2017

### Revenues<sup>1)</sup> (in € m)



### Adjusted EBITDA<sup>2)</sup> (in € m)



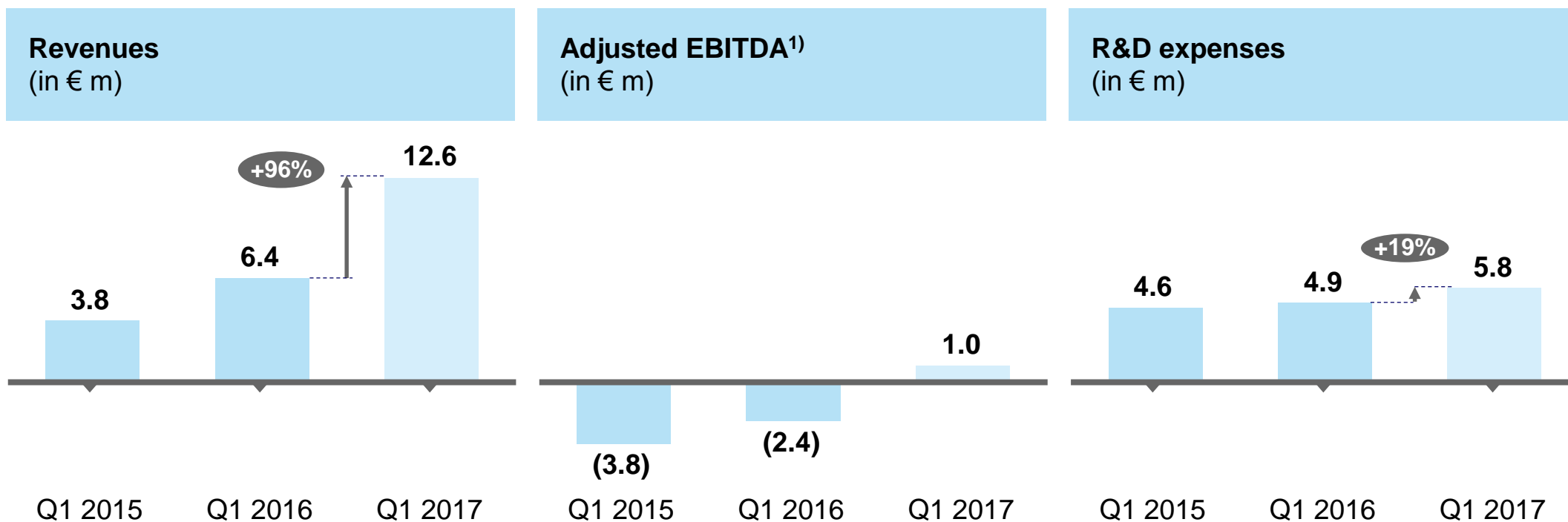
- Increase in EVT Execute revenues attributable to growth in the base business and three months Cyprotex contribution
- Significant upswing of adjusted EBITDA mainly due to the strong growth in revenues at higher gross margin

<sup>1)</sup> Including intersegment revenues

<sup>2)</sup> Before contingent considerations, income from bargain purchase and excluding impairments on goodwill, other intangible and tangible assets as well as the total non-operating result

# Revenue growth reflects partnering of R&D projects

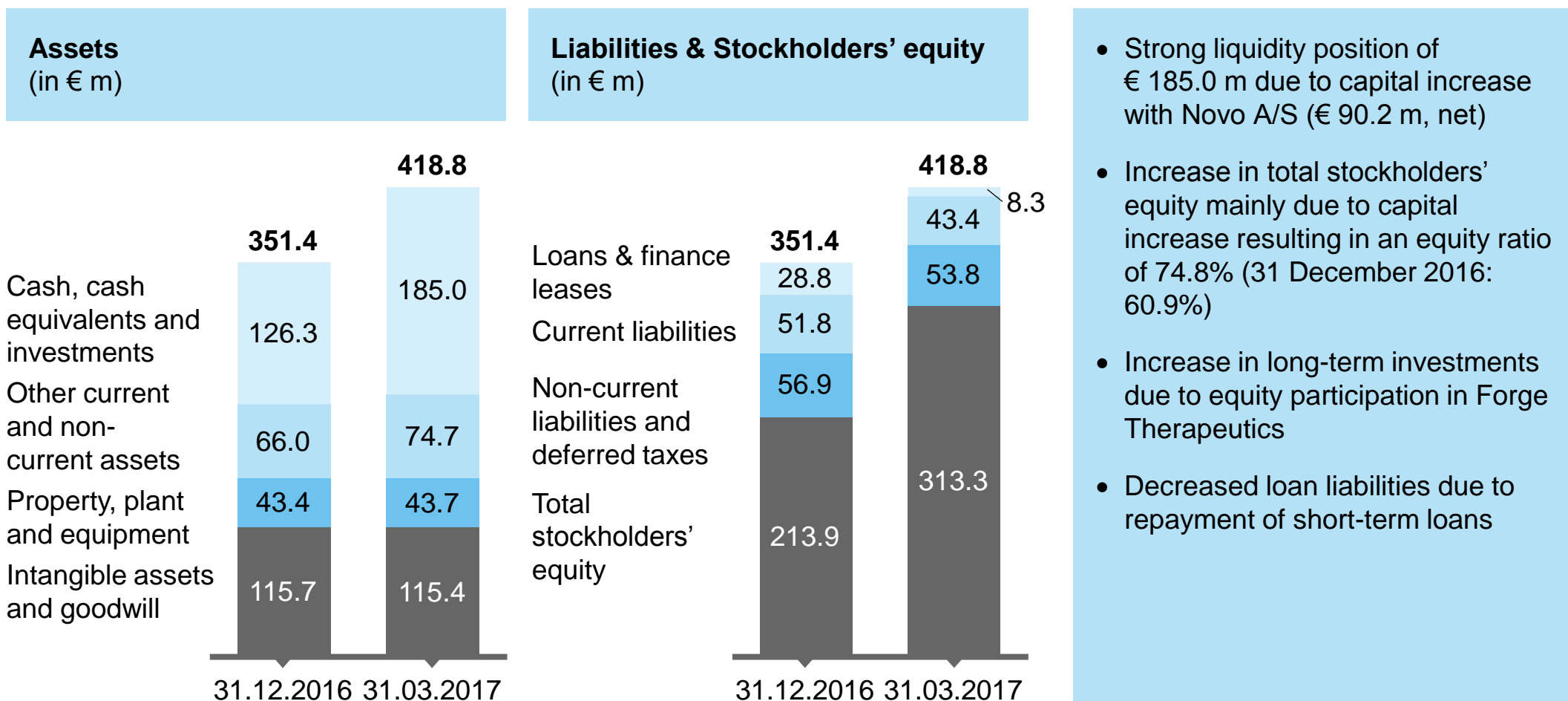
## EVT Innovate – Key performance indicators Q1 2017



- Revenue growth of 96% and improved adjusted EBITDA resulting from new partnership with Celgene signed in 2016 as well as milestone achievements
- Increased R&D expenses due to intensified efforts in metabolic diseases and oncology

# Capital increase had a major impact on Evotec's balance sheet

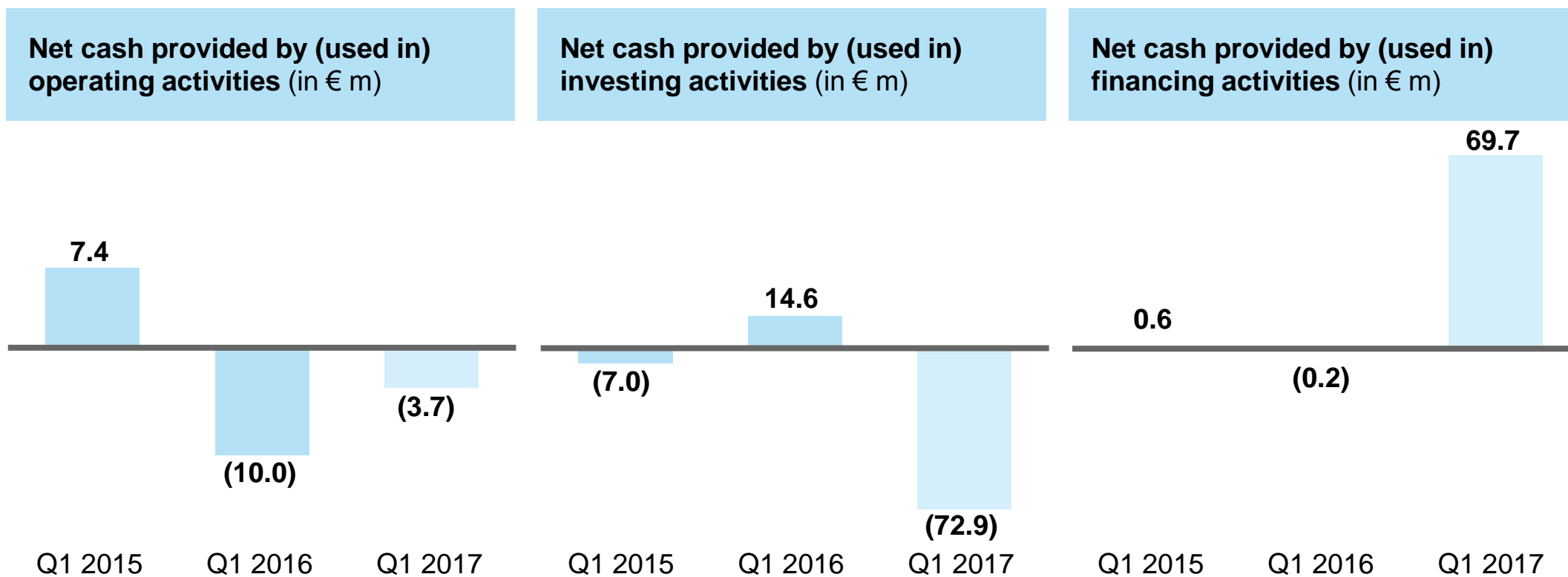
Balance sheet and liquidity – Q1 2017 versus 31 December 2016



- Strong liquidity position of € 185.0 m due to capital increase with Novo A/S (€ 90.2 m, net)
- Increase in total stockholders' equity mainly due to capital increase resulting in an equity ratio of 74.8% (31 December 2016: 60.9%)
- Increase in long-term investments due to equity participation in Forge Therapeutics
- Decreased loan liabilities due to repayment of short-term loans

# Cash flow impacted by the capital increase from Novo A/S

Cash flow – Q1 2017 versus prior-year period



- Operating cash flow in Q1 2017 improved due to improved net result compared to the prior year period
- Investing cash flow significantly decreased compared to Q1 2016 mainly due to the net investments of funds received with the capital increase
- Cash flow from financing activities in Q1 2017 was mainly impacted by the proceeds from capital increase in the amount of € 90.2 m, net and repayment of loans of € 20.5 m

# Guidance 2017 confirmed

## Overview – Guidance 2017

in € m

KPIs	Guidance 2017	Actual 2016
Group revenues <sup>1)</sup>	<b>More than 15% growth</b>	€ 164.5 m
Adjusted Group EBITDA <sup>2)</sup>	<b>Improve significantly compared to 2016</b>	€ 36.2 m
R&D expenses	<b>Approx. € 20 m</b>	€ 18.1 m

## **APPENDIX (unaudited)**

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# Consolidated interim statement of financial position as of 31 March 2017

## Balance sheet – Evotec AG and subsidiaries

<i>in T€ except share data</i>	<i>As of 31 March 2017</i>	<i>As of 31 Dec 2016</i>
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	77,616	83,940
Investments	107,359	42,330
Trade accounts receivables	30,411	27,448
Accounts receivables from related parties	925	852
Inventories	4,644	4,305
Current tax receivables	598	1,528
Other current financial assets	2,262	1,592
Prepaid expenses and other current assets	9,359	7,240
<b>Total current assets</b>	<b>233,174</b>	<b>169,235</b>
<b>Non-current assets:</b>		
Investments accounted for using the equity method and other long-term investments	6,495	3,885
Property, plant and equipment	43,658	43,421
Intangible assets, excluding goodwill	21,941	22,454
Goodwill	93,446	93,227
Deferred tax asset	11,073	10,592
Non-current tax receivables	6,380	5,967
Other non-current financial assets	83	83
Other non-current assets	2,502	2,502
<b>Total non-current assets</b>	<b>185,578</b>	<b>182,131</b>
<b>Total assets</b>	<b>418,752</b>	<b>351,366</b>

<i>in T€ except share data</i>	<i>As of 31 March 2017</i>	<i>As of 31 Dec 2016</i>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current liabilities:</b>		
Current loan liabilities	1,299	21,413
Current portion of finance lease obligations	148	190
Trade accounts payable	10,587	11,997
Advanced payments received	422	552
Provisions	11,316	15,539
Deferred revenues	14,265	15,355
Current income tax payables	1,097	802
Other current financial liabilities	78	1,503
Other current liabilities	5,510	6,039
<b>Total current liabilities</b>	<b>44,722</b>	<b>73,390</b>
<b>Non-current liabilities:</b>		
Non-current loan liabilities	6,871	7,194
Long-term finance lease obligations	8	30
Deferred tax liabilities	115	115
Provisions	14,573	14,801
Deferred revenues	38,396	41,129
Other non-current financial liabilities	733	771
<b>Total non-current liabilities</b>	<b>60,696</b>	<b>64,040</b>
<b>Stockholders' equity:</b>		
Share capital	146,569	133,052
Additional paid-in capital	776,060	698,069
Accumulated other comprehensive income	(24,495)	(25,152)
Accumulated deficit	(585,873)	(592,934)
<b>Equity attributable to shareholders of Evotec AG</b>	<b>312,261</b>	<b>213,035</b>
Non-controlling interest	1,073	901
<b>Total stockholders' equity</b>	<b>313,334</b>	<b>213,936</b>
<b>Total liabilities and stockholders' equity</b>	<b>418,752</b>	<b>351,366</b>

# Consolidated interim income statement for the period from 01 January – 31 March 2017

## Profit and loss – Evotec AG and subsidiaries

<i>in T€ except share and per share data</i>	<i>Three months ended 31 March 2017</i>	<i>Three months ended 31 March 2016</i>
Revenues	50,184	37,479
Costs of revenue	(31,402)	(25,008)
<b>Gross profit</b>	<b>18,782</b>	<b>12,471</b>
<b>Operating income and (expenses)</b>		
Research and development expenses	(4,651)	(4,386)
Selling, general and administrative expenses	(7,314)	(5,367)
Impairment of intangible assets	–	(1,417)
Other operating income	6,706	4,403
Other operating expenses	(3,813)	(2,960)
<b>Total operating expenses</b>	<b>(9,072)</b>	<b>(9,727)</b>
<b>Operating income</b>	<b>9,710</b>	<b>2,744</b>
<b>Other non-operating income (expense)</b>		
Interest income	253	227
Interest expense	(239)	(434)
Share of the loss of associates accounted for using the equity method	(233)	(53)
Other expense from financial assets	(202)	(1)
Foreign currency exchange gain (loss), net	(383)	(2,074)
Other non-operating income	17	–
<b>Total non-operating income (expense)</b>	<b>(787)</b>	<b>(2,335)</b>
<b>Income before taxes</b>	<b>8,923</b>	<b>409</b>
Current tax expense	(2,144)	(1,508)
Deferred tax income	105	73
<b>Total taxes</b>	<b>(2,039)</b>	<b>(1,581)</b>
<b>Net income (loss)</b>	<b>6,884</b>	<b>(1,172)</b>
<b>thereof attributable to:</b>		
Shareholders of Evotec AG	7,061	(761)
Non-controlling interest	(177)	(411)
<b>Weighted average shares outstanding</b>	<b>139,717,125</b>	<b>132,334,308</b>
<b>Net income (loss) per share (basic)</b>	<b>0.05</b>	<b>(0.01)</b>
<b>Net income (loss) per share (diluted)</b>	<b>0.05</b>	<b>(0.01)</b>



# Condensed consolidated interim statement of cash flows for the three months ended 31 March 2017

## Cash flow – Evotec AG and subsidiaries

<i>in T€</i>	<i>Three months ended 31 March 2017</i>	<i>Three months ended 31 March 2016</i>
<b>Cash flows from operating activities:</b>		
Net income (loss)	6,884	(1,172)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities	4,635	5,474
Change in assets and liabilities	(15,242)	(14,331)
<b>Net cash used in operating activities</b>	<b>(3,723)</b>	<b>(10,029)</b>
<b>Cash flows from investing activities:</b>		
Purchase of current investments	(72,223)	(884)
Purchase of investments in affiliated companies net of cash acquired	(366)	–
Purchase of investments in associated companies and other long-term investments	(4,278)	(10)
Purchase of property, plant and equipment	(3,070)	(782)
Proceeds from sale of property, plant and equipment	65	–
Proceeds from sale of current investments	6,969	16,290
<b>Net cash provided by (used in) investing activities</b>	<b>(72,903)</b>	<b>14,614</b>
<b>Cash flows from financing activities:</b>		
Proceeds from capital increase	90,248	–
Proceeds from option exercise	183	5
Repayment finance lease obligation	(63)	–
Repayment of loan notes	(203)	–
Repayment of loans	(20,438)	(162)
<b>Net cash provided by (used in) financing activities</b>	<b>69,727</b>	<b>(157)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(6,899)</b>	<b>4,428</b>
Exchange rate difference	575	228
Cash and cash equivalents at beginning of year	83,940	44,497
<b>Cash and cash equivalents at end of the period</b>	<b>77,616</b>	<b>49,153</b>

# Segment information for the period from 01 January – 31 March 2017

## Segment information 2016 & 2017 – Evotec AG and subsidiaries

<b>2017</b> in T€	EVT Execute	EVT Innovate	Intersegment eliminations	Evotec Group
External revenues	37,637	12,547	–	50,184
Intersegment revenues	10,270	–	(10,270)	–
Costs of revenue	(34,910)	(5,402)	8,910	(31,402)
<b>Gross profit</b>	<b>12,997</b>	<b>7,145</b>	<b>(1,360)</b>	<b>18,782</b>
<b>Operating income and (expenses)</b>				
Research and development expenses	(222)	(5,789)	1,360	(4,651)
Selling, general and administrative expenses	(5,816)	(1,498)	–	(7,314)
Other operating income	5,237	1,469	–	6,706
Other operating expenses	(3,250)	(563)	–	(3,813)
<b>Total operating expenses</b>	<b>(4,051)</b>	<b>(6,381)</b>	<b>1,360</b>	<b>(9,072)</b>
<b>Operating income</b>	<b>8,946</b>	<b>764</b>	<b>–</b>	<b>9,710</b>
Interest result				14
Share of the loss of associates accounted for using equity method				(233)
Other expense from financial assets				(202)
Foreign currency exchange gain (loss), net				(383)
Other non-operating income				17
<b>Income before taxes</b>				<b>8,923</b>
<b>EBIDTA adjusted</b>	<b>12,185</b>	<b>1,048</b>		<b>13,233</b>

<b>2016</b> in T€	EVT Execute	EVT Innovate	Intersegment eliminations	Evotec Group
External revenues	31,067	6,412	–	37,479
Intersegment revenues	7,497	–	(7,497)	–
Costs of revenue	(28,511)	(3,458)	6,961	(25,008)
<b>Gross profit</b>	<b>10,053</b>	<b>2,954</b>	<b>(536)</b>	<b>12,471</b>
<b>Operating income and (expenses)</b>				
Research and development expenses	(57)	(4,865)	536	(4,386)
Selling, general and administrative expenses	(4,345)	(1,022)	–	(5,367)
Impairment of intangible assets	–	(1,417)	–	(1,417)
Other operating income	3,666	737	–	4,403
Other operating expenses	(2,567)	(393)	–	(2,960)
<b>Total operating expenses</b>	<b>(3,303)</b>	<b>(6,960)</b>	<b>536</b>	<b>(9,727)</b>
<b>Operating income</b>	<b>6,750</b>	<b>(4,006)</b>	<b>–</b>	<b>2,744</b>
Interest result				(207)
Share of the loss of associates accounted for using equity method				(53)
Other expense from financial assets				(1)
Foreign currency exchange gain (loss), net				(2,074)
<b>Income before taxes</b>				<b>409</b>
<b>EBITDA adjusted</b>	<b>9,605</b>	<b>(2,371)</b>		<b>7,234</b>

## Important dates

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### Financial Calendar 2017

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- Annual Report 2016: 28 March 2017 ✓
- Quarterly Statement Q1 2017: 10 May 2017 ✓
- Annual General Meeting 2017: 14 June 2017
- Half-year 2017 Interim Report: 10 August 2017
- Quarterly Statement 9M 2017: 08 November 2017

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