

EVOTEC REPORTS FIRST QUARTER 2018 RESULTS AND PROVIDES CORPORATE UPDATE

- ▶ *55% INCREASE IN GROUP REVENUES*
- ▶ *STRONG UNDERLYING OPERATIONAL PERFORMANCE WITH NEW BUSINESS MIX AFTER APTUIT ACQUISITION*
- ▶ *"3X30" OUTLOOK FOR 2018 CONFIRMED*
- ▶ *WEBCAST AND CONFERENCE CALL TODAY AT 02.00 pm CEST*

Hamburg, Germany, 09 May 2018:

Evotec AG (Frankfurt Stock Exchange: EVT, TecDAX, ISIN: DE0005664809) today reported financial results and provided corporate updates for the first quarter of 2018.

GOOD FINANCIAL PERFORMANCE WITH NEW BUSINESS MIX

- ▶ Group revenues: 55% increase to € 79.0 m (Q1 2017: € 50.9 m);
EVT Execute revenues of € 78.5 m (Q1 2017: € 48.6 m);
EVT Innovate revenues of € 10.4 m (Q1 2017: € 12.5 m)
- ▶ Adjusted Group EBITDA up 4% to € 14.0 m (Q1 2017: € 13.4 m);
Adjusted EBITDA for EVT Execute of € 17.2 m (Q1 2017: € 12.4 m);
Adjusted EBITDA for EVT Innovate of € (3.2) m (Q1 2017: € 1.0 m)
- ▶ Group R&D expenses at € 4.6 m (Q1 2017: € 4.7 m)
- ▶ Solid liquidity position of € 78.5 m

EVT EXECUTE – HIGH QUALITY AND EFFICIENCY IN R&D

- ▶ Significant progress within ongoing alliances (e.g. start of third clinical Phase I study in endometriosis with Bayer (after period-end))
- ▶ Aptuit integration according to plan
- ▶ Launch of INDiGO solution to accelerate drug candidate delivery; first alliances established (e.g. Petra Pharma, Japanese company Carna Biosciences (after period-end))
- ▶ New and extended integrated drug discovery and development agreements
- ▶ Expansion of CRISPR-based technology offering with licence from ERS Genomics (after period-end)

EVT INNOVATE – FOCUS ON ACCELERATING INNOVATION

- ▶ In Q1 2018, as expected, no noteworthy milestones, but all key projects on track
- ▶ Continued focus on expansion of iPSC platform and patient-centric approaches
- ▶ Academic BRIDGE model gaining momentum: First project identified in LAB150 with MaRS Innovation, further three projects identified in LAB282 with Oxford University
- ▶ Alliance with Sanofi to accelerate infectious disease R&D (close of transaction expected in H1 2018)

CORPORATE

- ▶ Preparation to convert into European Company (SE)

FINANCIAL GUIDANCE 2018 CONFIRMED

1. GOOD FINANCIAL PERFORMANCE WITH NEW BUSINESS MIX

Key figures of consolidated income statement & segment information

Evotec AG & subsidiaries – First three months of 2018

<i>In T€</i>	<i>EVT Execute</i>	<i>EVT Innovate</i>	<i>Evotec Group</i>	<i>Evotec Group Q1 2017¹⁾</i>
External revenues	68,565	10,419	78,984	50,911
Intersegment revenues	9,979	-	-	-
Gross margin in % ²⁾	20.8	31.1	23.4	37.3
R&D expenses	(142)	(5,587)	(4,616)	(4,651)
SG&A expenses	(11,524)	(1,770)	(13,294)	(7,314)
Other operating income (expenses), net	5,275	678	5,953	2,893
Operating result	9,968	(3,437)	6,531	9,922
Adjusted EBITDA³⁾	17,163	(3,148)	14,015	13,445

¹⁾ 2017 data adjusted according to IFRS 15

²⁾ Gross margin in Q1 2018 considers amortisation of acquisitions of Aptuit and Cyprotex

³⁾ 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

In the first quarter of 2018, Evotec's Group revenues grew to € 79.0 m, an increase of 55% compared to the same period of the previous year (Q1 2017: € 50.9 m). This increase resulted primarily from the strong performance in the base business and the Aptuit contribution (€ 25.3 m). Due to the timing of milestones, revenues from milestones, upfronts and licences in Q1 2018 decreased to € 2.7 m (Q1 2017: € 6.2 m). Q1 2017 revenues were driven by significant milestone achievements. The gross margin amounted

to 23.4% in the first three months of 2018 (Q1 2017: 37.3%). This margin decrease compared to the prior-year period primarily reflects a new business mix following the most recent acquisition of Aptuit, amortisation, adverse FX effects and the timing of milestones. Gross margin excluding amortisation from M&A would be at 27.3%.

In the first quarter of 2018, Evotec's R&D expenses amounted to € 4.6 m (Q1 2017: € 4.7 m) and were focused on first-in-class innovation mainly in CNS, metabolic disease, oncology and academic BRIDGE initiatives. Selling, general and administrative (SG&A) expenses increased as expected by 82% in the first quarter of 2018 to € 13.3 m (Q1 2017: € 7.3 m) and are on a similar level as in Q4 2017. This increase mainly results from expenses of Aptuit for three months as well as an increase in headcount in response to Company growth.

Adjusted Group EBITDA in the first quarter of 2018 increased to € 14.0 m (Q1 2017: € 13.4 m). Evotec's operating result in the first quarter of 2018 amounted to € 6.5 m (Q1 2017: € 9.9 m). The Company's net result in Q1 2018 amounted to € 3.5 m (Q1 2017: € 7.1 m) and decreased compared to the prior year mainly due to increased amortisation resulting from the purchase price allocations of recent acquisitions, adverse foreign currency effects, milestone timing and the higher share of the loss of associates accounted for using the equity method.

Liquidity, which includes cash and cash equivalents (€ 57.3 m) and investments (€ 21.2 m) amounted to € 78.5 m as of 31 March 2018 (31 December 2017: € 91.2 m). This decrease reflects the repayment of loans, increased capital expenditure, equity investments and bonus payments.

Revenues from the EVT Execute segment were € 78.5 m in Q1 2018 and significantly increased compared to the prior-year period (Q1 2017: € 48.6 m). This increase is primarily attributable to growth in the base business and a full three months Aptuit contribution. Also included in this amount are € 9.9 m of intersegment revenues (Q1 2017: € 10.3 m). The gross margin for EVT Execute was 20.8% and was affected, against the prior-year period, by amortisation, the new business mix with a different margin expectation in the Aptuit business, adverse FX effects and the timing of milestones. In Q1 2018, the adjusted EBITDA of the EVT Execute segment was very strong at € 17.2 m and significantly improved compared to the prior year (Q1 2017: € 12.4 m).

Revenues from the EVT Innovate segment amounted to € 10.4 m (Q1 2017: € 12.5 m) and consist entirely of third-party revenues. EVT Innovate revenues in Q1 2018 include lower milestone revenues than revenues in the prior-year period. EVT Innovate generated a gross margin of 31.1%, which was affected by adverse FX effects and the timing of milestones. R&D

expenses for the EVT Innovate segment were € 5.6 m in Q1 2018 (Q1 2017: € 5.8 m). The EVT Innovate segment reported an adjusted EBITDA of € (3.2) m (Q1 2017: € 1.0 m). Adjusted EBITDA of EVT Innovate in Q1 2017 was driven by significant milestone achievements of € 4.5 m, which were not expected in Q1 2018. All key projects to achieve significant milestones in 2018 are on track.

2. EVT EXECUTE & EVT INNOVATE

EVT EXECUTE – HIGH QUALITY AND EFFICIENCY IN R&D

The first quarter of 2018 saw a strong operational performance by the EVT Execute segment. The Aptuit integration into the Evotec Group is proceeding according to plan. In March 2018, Evotec launched the INDiGO offering, which was part of the strategic rationale behind the Aptuit acquisition. INDiGO is the market-leading integrated drug development solution that accelerates drug candidate delivery from candidate selection through to IND submission. Shortly afterwards, Evotec entered into new INDiGO alliances, e.g. with Petra Pharma and Carna Biosciences (Japan) (after period-end).

Furthermore, Evotec made significant progress within its ongoing alliances. Another promising small molecule was advanced into Phase I for the treatment of endometriosis in Evotec's strategic Bayer endometriosis alliance (after period-end). Since the beginning of this collaboration, six first-in-class/best-in-class non-hormonal pre-clinical candidates have been generated, three of which have now advanced into Phase I clinical trials.

In addition and amongst other highlights, Evotec entered into new and extended integrated drug discovery and development agreements in the first quarter of 2018 and extended its CRISPR-based technology offering with a licence from ERS Genomics after period-end.

EVT INNOVATE – FOCUS ON ACCELERATING INNOVATION

EVT Innovate also had a very good start into 2018. Evotec continues to place a strong focus on its iPSC platform and the development of patient-centric approaches. The academic BRIDGE model is also gaining momentum. A first project was selected in LAB150 with MaRS Innovation, which was only initiated in September 2017, and three additional projects were selected in LAB282 with Oxford University (initiated in November 2016).

Furthermore, on 08 March 2018, Evotec announced that Evotec and Sanofi entered into exclusive negotiations to accelerate infectious disease research and development through a new open innovation platform led by Evotec. This transaction is expected to close in the first half of 2018, subject to finalisation of definitive agreements and completion of the appropriate social process.

3. CORPORATE

PREPARATION TO CONVERT INTO EUROPEAN COMPANY (SE)

At the end of the first quarter 2018, Evotec announced its preparations for legal conversion of the Company into a European Company (Societas Europaea, SE). The proposal, which has already been approved by the Supervisory Board, will be put to a vote at this year's Annual General Meeting on 20 June 2018. The conversion reflects the continuing European and international focus of the Evotec Group, which has grown considerably in recent years with subsidiaries in France, Germany, Italy, Switzerland, the United Kingdom and the USA.

4. FINANCIAL GUIDANCE 2018 CONFIRMED

	Guidance 2018	Actual 2017
Group revenues	More than 30% growth	€ 257.6 m
Adjusted Group EBITDA ¹⁾	Improve by approx. 30% compared to 2017	€ 58.0 m
R&D expenses	Approx. € 20-30 m	€ 17.6 m

¹⁾ EBITDA is defined as earnings before interest, taxes, depreciation, and amortisation of intangibles. Adjusted EBITDA excludes contingent considerations, income from bargain purchase and impairments on goodwill, other intangible and tangible assets as well as the total non-operating result

Webcast/Conference Call

The Company will hold a conference call to discuss the results as well as to provide an update on its performance. Furthermore, the Management Board will present an outlook for the fiscal year 2018. The conference call will be in English.

Conference call details

Date: **Wednesday, 09 May 2018**
 Time: **02.00 pm CEST (01.00 pm BST/08.00 am EDT)**

From Germany: +49 69 22 22 29 043
 From France: +33 170 750 705
 From Italy: +39 023 601 3806
 From UK: +44 20 3009 2452
 From USA: +1 855 402 7766
 Access Code: 37969784#

A simultaneous slide presentation for participants dialling in *via phone* is available at <http://www.audio-webcast.com/>, password: evotec0518.

Webcast details

To join the *audio webcast* and to access the *presentation slides* you will find a link on our home page www.evotec.com shortly before the event.

A replay of the conference call will be available for 24 hours and can be accessed in Europe by dialling +49 69 22 22 33 985 (Germany) or +44 20 3426 2807 (UK) and in the USA by dialling +1 866 535 8030. The access code is 654573#. The on-demand version of the webcast will be available on our website: <https://www.evotec.com/financial-reports>.

NOTE

The 2017 and 2018 results are not fully comparable. The difference stems from the acquisition of Aptuit, effective 11 August 2017. The results from Aptuit are only included from 11 August 2017 onwards. The accounting policies used to prepare the interim information are the same as those used to prepare the audited consolidated financial statements for the year ended 31 December 2017.

From 01 January 2018 onwards, Evotec applies IFRS 15 in the financial year 2018. The comparison period in 2017 is also presented according to IFRS 15 in the quarterly statement, affecting data in the consolidated interim statement of financial positions as well as in the consolidated interim income statement.

ABOUT EVOTEC AG

Evotec is a drug discovery alliance and development partnership company focused on rapidly progressing innovative product approaches with leading pharmaceutical and biotechnology companies, academics, patient advocacy groups and venture capitalists. We operate worldwide providing the highest quality stand-alone and integrated drug discovery solutions, covering all activities from target-to-clinic to meet the industry's need for innovation and efficiency in drug discovery (EVT Execute). The Company has established a unique position by assembling top-class scientific experts and integrating state-of-the-art technologies as well as substantial experience and expertise in key therapeutic areas including neuroscience, diabetes and complications of diabetes, pain and inflammation, oncology and infectious diseases. On this basis, Evotec has built a broad and deep pipeline of more than 80 partnered product opportunities at clinical, pre-clinical and discovery stages (EVT Innovate). Evotec has established multiple long-term discovery alliances with partners including Bayer, CHDI, Sanofi or UCB and development partnerships with Sanofi in the field of diabetes, with Pfizer in the field of tissue fibrosis and with Celgene in the field of neurodegenerative diseases. For additional information please go to www.evotec.com and follow us on Twitter [@EvotecAG](https://twitter.com/EvotecAG).

FORWARD LOOKING STATEMENTS

Information set forth in this press release 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 press release. 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.