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NEWS RELEASE

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info@evotec.com | *www.evotec.com*

For further information, please contact

Gabriele Hansen
VP, Corporate Communications & Investor Relations
+49.(0)40.560 81-255
+49.(0)40.560 81-333 Fax
gabriele.hansen@evotec.com

Evotec AG
Manfred Eigen Campus
Essener Bogen 7
22419 Hamburg (Germany)

Evotec AG reports results of first half of 2014

- **IMPROVED OPERATIONAL PERFORMANCE AND INCREASED REVENUES**
- **GOOD PIPELINE PROGRESS**
- **ACQUISITION EXPANDS CAPABILITIES AND EXPERTISE IN INFECTIOUS DISEASES**

Hamburg, Germany – 12 August 2014: Evotec AG (Frankfurt Stock Exchange: EVT, TecDAX, ISIN: DE0005664809) today reported financial results and corporate updates for the first half of 2014.

Revenues increased in the first half of 2014 by 9% compared to the first half of 2013; adjusted H1 2014 EBITDA positive; steady margin improvements

— Group revenues +9% to € 40.1 m (2013: € 36.7 m); up 12% at constant 2013 foreign exchange rates
— Group EBITDA before contingent considerations positive at € 0.6 m; positive EBITDA before contingent considerations of € 5.5 m for EVT Execute
— Strong liquidity position of € 85.6 m
— High and stable equity ratio at 71.1%

Several new and extended alliances; progress and milestone achievements in current partnerships confirm growth strategy in EVT Execute and EVT Innovate

— Pain alliance with Convergence
— Innovative partnership with Debiopharm™ to develop cancer treatment (Target*CanMet*)
— First milestone in Roche biomarker collaboration achieved
— New integrated collaboration with Shire to discover drug candidates in rare disease
— Pre-clinical milestone achieved in Boehringer Ingelheim alliance
— Collaboration with Vifor extended and expanded
— Collaboration with Active Biotech extended
— First milestones achieved in Target*AD* collaboration
— New collaboration with Fraunhofer IME in joint drug discovery programmes (after period-end)

Product development alliances advancing well

— Recruitment for significant Phase IIb trial within Roche alliance (EVT302) in Alzheimer's disease completed in Q1 2014
— Janssen to continue developing the EVT100 series in the field of CNS diseases
— US biopharmaceutical company Hyperion Therapeutics, Inc. completes its acquisition of Andromeda Biotech Ltd, the owner of DiaPep277®; no changes to Evotec's commercial rights

— Beta cell regeneration programme with Janssen phased out; Cure*Beta*, the alliance between Harvard and Evotec, continues
— Good progress within EVT201
— Successful completion of efficacy studies for EVT401

Upgrading the drug discovery platform and enhancing innovation offering through acquisitions
— Acquisition of Bionamics GmbH to accelerate 'EVT Innovate' strategy
— Acquisition of Euprotec adds and expands expertise and capabilities in infectious diseases

Financial guidance for 2014 confirmed
— High single-digit percentage growth in Group revenues excluding milestones, upfronts and licences
— R&D expenditure is expected to be in the range of € 10 m to € 14 m
— Group EBITDA before changes in contingent considerations expected to be positive and at a similar level to 2013
— Liquidity is expected to exceed € 90 m at the end of 2014
— Positive operating cash flow at a similar level to 2013

Others
— Prof. Dr Wolfgang Plischke appointed as new Chairman of the Supervisory Board; Prof. Dr Iris Löw-Friedrich and Prof. Dr Paul Linus Herrling join the Supervisory Board
— Evotec initiates expansion in Göttingen to support Cure *X* and Target *X* initiatives; construction of building, which Evotec is going to lease, started in May 2014 and is expected to be completed in H1 2015

1. Operational performance

Revenues increased in the first half of 2014 by 9% compared to the first half of 2013; adjusted H1 2014 EBITDA positive; steady margin improvements

Evotec's revenues for the first half of 2014 amounted to € 40.1 m, an increase of 9% compared to the same period of the previous year (2013: € 36.7 m). This increase was primarily due to strong contributions from the drug discovery alliances and milestones, upfronts and licences. At constant 2013 foreign exchange rates, revenues for the first half of 2014 would have totalled € 41.1 m, up 12% compared to the same period of the previous year. Excluding milestones, upfronts and licences, Evotec's revenues for the first half of 2014 rose by 3% (at constant 2013 foreign exchange rates +6%) over the same period of the previous year on a like-for-like basis. This amount does not include revenue contributions from the newly acquired business of Bionamics and Euprotec.

Group EBITDA before changes in contingent consideration for the first half of 2014 amounted to € 0.6 m (first six months of 2013: € 0.5 m). EBITDA was adjusted for changes in contingent considerations as well as for extraordinary effects with regards to the bargain purchase resulting from the acquisition of Bionamics. Note: The adjusted EBITDA of Evotec may vary significantly between quarters as a result of the timing of performance-based milestone payments and partnering events. Overall, the Company is on track to achieve a positive EBITDA at a similar level to 2013 (before changes in contingent consideration, if any) at the end of 2014.

Revenues from the EVT Execute segment amounted to € 39.7 m in the first half of 2014. The EVT Innovate segment generated revenues in the

amount of € 8.6 m. The gross margin in EVT Execute amounted to 23.1% while EVT Innovate generated a gross margin of 44.7%. R&D expenses in the first half of 2014 amounted to € 0.5 m for the EVT Execute segment. The EVT Innovate segment reported R&D expenses in the amount of € 7.0 m.

Liquidity including cash, cash equivalents and investments at the end of June 2014 remained strong at € 85.6 m.

Segment information H1 2014
In T€

	EVT Execute	EVT Innovate	Evotec Group
Revenues	39,690	8,631	40,085
Gross margin in %	23.1	44.7	29.4
Research and development expenses	(518)	(7,012)	(6,284)
Selling, general and administrative expenses	(6,733)	(2,147)	(8,880)
Amortisation of intangible assets	(1,163)	(190)	(1,353)
Other operating income	2,119	214	2,333
Other operating expenses	(1,172)	-	(1,172)
Operating income (loss)	**1,716**	**(5,281)**	**(3,565)**
EBITDA before contingent considerations*	**5,520**	**(4,913)**	**607**

** EBITDA was adjusted for changes in contingent considerations as well as for extraordinary effects with regards to the bargain purchase resulting from the acquisition of Bionamics.*

2. Several new and extended alliances; progress and milestone achievements in current partnerships confirm growth strategy in EVT Execute and EVT Innovate

*Evotec manages its drug discovery activities under the business segments **EVT Execute** and **EVT Innovate**. EVT Execute represents all partnerships in which the partner brings the underlying target to the collaboration. EVT Innovate comprises all partnerships derived from Evotec's internal research. Further information on the new segments EVT Execute and EVT Innovate can be found in the "Corporate objectives and strategy" section on page 26 of Evotec's Annual Report 2013.*

Pain alliance with Convergence
In March 2014, Evotec entered into a research alliance with Panion Ltd, a subsidiary of Convergence Pharmaceuticals Holdings Ltd. Convergence is a UK company which focuses on the development of novel, high-value analgesics to treat chronic pain. Panion Ltd was awarded a £ 2.4 m Technology Strategy Board Biomedical Catalyst Early Stage Round 2 grant to discover and develop compounds against a novel GPCR pain target. Evotec is responsible for undertaking key drug discovery activities and will work closely with the Convergence team in identifying pre-clinical candidates over the next three years. Subsequently, and upon meeting certain pre-clinical milestones, Convergence and Evotec will jointly progress the assets further into the clinic or via partnering.

Innovative partnership with Debiopharm™ to develop cancer treatment (Target*CanMet*)

In April 2014, Evotec entered into a research collaboration and licensing deal with Debiopharm Group™, Lausanne, Switzerland. The objective of the collaboration is to identify and develop novel compounds with the potential to treat multiple forms of solid tumours and leukaemias with defined genetic alterations. Discovery and pre-clinical development efforts are driven by Evotec, whilst Debiopharm manages subsequent clinical development. Evotec receives milestone payments triggered by clinical, regulatory and commercial milestones in the high double-digit range, plus royalties on sales of resulting commercial products. This Target*CanMet* (*Cancer Metabolism*) programme is based on Evotec's drug discovery efforts to investigate genetically altered targets whose 'driver' role in several cancer types has been validated and on the shared objective of identifying novel therapeutic agents in a variety of cancers, including Acute Myeloid Leukaemia ("AML"), prostate cancer and glioblastoma.

First milestone in Roche biomarker collaboration achieved

In the first quarter of 2014, Evotec achieved a minor milestone on the decision by Roche to use a response prediction marker, identified using Evotec's Proteome Profiling platform, in an extended Phase I oncology trial. This is the first milestone achieved under the collaboration and licence agreement between Roche and Evotec signed in 2011, which is part of the *m^4 Munich Biotech Cluster Personalized Medicine and Targeted Therapies* initiative funded by the German Federal Ministry of Education and Research. Under the initial three-year term, Evotec and Roche have conducted biomarker discovery and validation programmes for patient stratification in targeted cancer therapy. Evotec is eligible for further success-based payments upon clinical companion diagnostics development.

New integrated collaboration with Shire to discover drug candidates in rare disease

In May 2014, Evotec entered into a new drug discovery collaboration with Shire to develop novel small molecule inhibitors against a target to treat Fabry's disease, an inherited lysosomal storage disease. As part of the collaboration, Evotec will apply many facets of its world-leading drug discovery engine including high-throughput screening ("HTS"), fragment-based screening, computational chemistry and structure-based medicinal chemistry to address both hit identification and then lead optimisation. The term of the collaboration will be three years. Financial details are not being disclosed.

Pre-clinical milestone achieved in Boehringer Ingelheim alliance

In June 2014, a further milestone was achieved in Evotec's discovery collaboration with Boehringer Ingelheim. Evotec recognised milestone revenues of € 1.0 m for the transition of a back-up compound from a respiratory programme into pre-clinical development.

Collaboration with Vifor extended and expanded

In June 2014, the drug discovery agreement with Vifor, initially signed in February 2010, was extended and expanded to drive a second programme in another mineral deficiency/sufficiency-related therapeutic area. No further details about the research projects are being disclosed.

Collaboration with Active Biotech extended

In the first half of 2014, Evotec and Active Biotech extended their medicinal chemistry collaboration. The programme aims to find novel small molecule modulators of a priority biological target, selected by Active Biotech, involved in immune disorders and cancer. The

programme was initiated in 2010.

First milestones achieved in Target*AD* collaboration
In June 2014, Evotec achieved first small milestones in its Target*AD* collaboration with Janssen Pharmaceuticals, Inc. ("Janssen") for the identification and selection of three selected targets from the Target*AD* database. These target selections were achieved under the agreement between Evotec and Janssen, facilitated by the Johnson & Johnson Innovation Center in California, signed in November 2013. Under the terms of the agreement, Janssen and Evotec are collaborating to identify new drug targets for discovery of novel treatment approaches to Alzheimer's disease.

New collaboration with Fraunhofer IME in joint drug discovery programmes (after period-end)
In July 2014, Evotec announced an exclusive strategic collaboration with the Fraunhofer Institute for Molecular Biology and Applied Ecology IME in several disease areas through the combination of the relevant platforms of both organisations for internal and external drug discovery projects.

3. Product pipeline – Product development alliances advancing well

Recruitment for significant Phase IIb trial within Roche alliance (EVT302) in Alzheimer's disease completed in Q1 2014
The patient recruitment for the Phase IIb multicentre, randomised, double-blind, parallel-group, placebo-controlled study to evaluate the efficacy and safety of RO4602522 (RG1577/EVT302) in patients with moderate severity Alzheimer's disease was completed in the first quarter of 2014; results are expected in 2015. This clinical trial is one of the very few late-stage small molecule trials in this specific AD patient population. EVT302 is a potent small molecule inhibitor of monoamine oxidase-B (MAO-B) which reduces the formation of toxic reactive oxygen species in the brain of Alzheimer's disease patients where overexpression of MAO-B is postulated to contribute to neuronal damage.

Janssen to continue developing the EVT100 series in the field of CNS diseases
In December 2012, Evotec entered into a licence agreement with Janssen for its NR2B subtype selective NMDA-antagonist portfolio for development against diseases in the field of depression. In December 2013, Evotec announced that certain pre-clinical studies performed by Janssen did not confirm certain properties of the antagonist and further development of the project was evaluated by Janssen. In March 2014, Janssen informed Evotec that it would resume development of the programme in CNS. Further details remain undisclosed.

US biopharmaceutical company Hyperion Therapeutics, Inc. completes its acquisition of Andromeda Biotech Ltd, the owner of DiaPep277®; no changes to Evotec's commercial rights
In June 2014, Hyperion Therapeutics, Inc., announced that it had completed its acquisition of Andromeda Biotech Ltd. The acquisition includes DiaPep277®, a potentially first-in-class immunotherapy for new onset Type 1 diabetes. DiaPep277® is currently being evaluated in a fully enrolled confirmatory Phase III clinical study in adult patients, with results anticipated in the first quarter of 2015. DiaPep277® holds Orphan Drug designation in the United States. Evotec holds certain royalty and milestone rights on DiaPep277®.

Beta cell regeneration programme with Janssen phased out; Cure*Beta*, the alliance between Harvard and Evotec, continues
Effective 29 April 2014, Janssen Pharmaceuticals has decided to end the partnership on beta cell regeneration. Cure*Beta*, the alliance between Harvard and Evotec, will remain. Evotec and Harvard will continue the alliance and try to identify alternative partners.

Good progress within EVT201
In the first half of 2014, JingXin Pharmaceutical Co., Ltd, received approval from the China State Food and Drug Administration ("SFDA") for the EVT201 Phase IIb study. JingXin Pharmaceutical plans to start in the second half of 2014. EVT201 is a $GABA_A$ receptor partial positive allosteric modulator developed for the treatment of insomnia.

Successful completion of efficacy studies for EVT401
In the first half of 2014, as requested by SFDA, CONBA completed *in vivo* efficacy studies for EVT401 in China and received encouraging results. Further clinical trials are currently in preparation.

4. Upgrading the drug discovery platform and enhancing innovation offering through acquisitions

Acquisition of Bionamics GmbH to accelerate 'EVT Innovate' strategy
Signed in March 2014 and effective 01 April 2014, Evotec has entered into an agreement to acquire the German-based company Bionamics GmbH, an asset management company that focuses on the translation of academic innovations into attractive assets for the biotech and Pharma industry. The transaction comprises the acquisition of all shares in Bionamics against cash (€ 0.5 m) and future earn-out payments amounting to € 0.7 m. The deferred earn-out payments will be due for a period of four years after the acquisition and are dependent upon the achievement of certain project revenues. In addition to an experienced management team, Bionamics brings a portfolio of attractive and fully funded projects that have potential upside for Evotec.

Acquisition of Euprotec adds and expands expertise and capabilities in infectious diseases
Effective 27 May 2014, Evotec acquired all of the shares in Euprotec Ltd, a UK-based specialist contract research organisation focusing on infectious disease drug discovery services. The acquisition of Euprotec strengthens Evotec's position as the quality leader in drug discovery services and creates a new disease franchise to accelerate Cure *X* and Target *X* initiatives. The integration of Euprotec's unique capabilities augments and complements Evotec's high-end drug discovery platform with anti-infective screening, early PKPD (Pharmacokinetic/Pharmacodynamic) profiling, an extensive range of disease and efficacy models for characterisation of anti-bacterials, anti-fungals and anti-virals, StrainBank, a unique collection of clinical isolates, and adds core disease biology know-how in infection. The purchase price consists of a cash consideration of £ 2.5 m and a potential deferred earn-out component of £ 1.25 m in cash. The deferred earn-out payments will be due for a period of two and a half years after the acquisition and are dependent upon the achievement of certain revenue targets.

5. Financial guidance for 2014 confirmed

All of the financial targets published on 25 March 2014 in Evotec's Annual Report 2013 (page 69) remain unchanged.

In 2014, total Group revenues excluding milestones, upfronts and licences are expected to see high single-digit percentage growth.

Evotec expects research and development (R&D) expenses in 2014 to increase above the levels of 2013. This is primarily due to additional investments in the strategic Cure *X* and Target *X* franchise. In total, R&D expenditure is expected to be in the range of € 10 m to € 14 m in 2014. In 2014, Evotec will continue to invest in its technology platforms and capacities in order to drive its long-term growth strategy. It is therefore planned that € 5 m to € 7 m will be invested in further capacity increases and the upgrade of Evotec's technological capabilities.

Evotec's Group EBITDA before changes in contingent considerations is expected to be positive and at a similar level to 2013. EBITDA is defined as earnings before interest, taxes, depreciation and amortisation of intangibles. EBITDA excludes impairments on intangible and tangible assets as well as the total non-operating result. EBITDA is disclosed from 2014 onwards and replaces the adjusted operating result as the key performance indicator for productivity. The reason for this change is that EBITDA better facilitates comparisons between companies and industries by eliminating the effects of financing (i.e. interest) and capital investments (i.e. depreciation and amortisation).

In 2014, top-line growth is expected to generate a positive operating cash flow at a similar level to 2013 and liquidity is expected to exceed € 90 m at 31 December 2014. This forecast excludes any potential cash outflow for M&A or similar transactions.

The Company's mid-term financial plan does not envisage the need for any additional external financing for Evotec's operating business. However, all strategically desirable moves such as potential company or product acquisitions will need to be considered separately.

Webcast / Conference Call

The Company is going to hold a conference call to discuss the results as well as to provide an update on its performance. The conference will be held in English.

Conference call details

Date: **Tuesday, 12 August 2014**
Time: **09.30 am CEST (08.30 am BST, 3.30 am EDT)**

From Germany: +49 (0) 69 2017 44 210
From UK: +44 20 7153 9154
From USA: +1 877 423 0830
Access Code: 129176#

A simultaneous slide presentation for participants dialing in *via phone* is available at http://www.audio-webcast.com/ password: evotec0814.

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 2017 44 221 (Germany) or +44 20 3364 5200 (UK) and in the US by dialling +1 855 839 8920. The access code is 350788#. The on-demand version of the webcast will be available on our website:
http://www.evotec.com/article/en/Investoren/Finanzberichte-2012-2014/238/6.

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. We operate worldwide providing the highest quality stand-alone and integrated drug discovery solutions, covering all activities from target-to-clinic. 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, pain, metabolic diseases as well as oncology and inflammation. Evotec has long-term discovery alliances with partners including Bayer, Boehringer Ingelheim, CHDI, Genentech, Janssen Pharmaceuticals, MedImmune/AstraZeneca, Roche and UCB. In addition, the Company has existing development partnerships and product candidates both in clinical and pre-clinical development. These include partnerships with Boehringer Ingelheim, MedImmune and Hyperion Therapeutics in the field of diabetes, with Janssen Pharmaceuticals in the field of depression and with Roche in the field of Alzheimer's disease. For additional information please go to www.evotec.com.

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.*