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'RESEARCH NEVER STOPS'

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Evotec FY 2015: Excellent execution meets first-in-class innovation

Hamburg, Germany – 22 March 2016: Evotec AG (Frankfurt Stock Exchange: EVT, TecDAX, ISIN: DE0005664809) today announced its financial results for the fiscal year ended 31 December 2015.

Very strong financial performance in 2015; guidance comfortably achieved

- Substantial Group revenue growth of 43% to € 127.7 m (2014: € 89.5 m); base revenues up 57% to € 115.4 m
- Revenue growth in both operating segments: EVT Execute revenues up 44% to € 134.0 m, EVOT Innovate revenues +46% to € 21.5 m
- Adjusted Group EBITDA positive and up 13% to € 8.7 m (2014: € 7.7 m)
- Significantly improved adjusted EBITDA of € 23.8 m for EVT Execute (2014: € 22.1 m)
- R&D expenses +48% to € 18.3 m; increased investment in Cure X/Target X initiatives and newly acquired oncology projects
- High and stable liquidity position at € 133.9 m; € 134.5 m excluding M&A and related payments (Earn-out Euprotec)

Operational excellence in both business segments

EVT Execute – Further improved global leadership position

- New alliances initiated and important collaborations extended
- Integration of additional capabilities at newly acquired site in Toulouse and new US site in Princeton fully on track
- Important milestone achievements in existing alliances

EVT Innovate – Successful acceleration of first-in-class science

- Partnering of four significant Cure X/Target X initiatives
- Significant expansion of Cure X/Target X portfolio despite setbacks in Evotec's legacy pipeline

EVT Equity – Company formation "Topas Therapeutics GmbH" to accelerate drug discovery and product development to treat autoimmune diseases (22 March 2016)

- Formation of a spin-off company (Topas Therapeutics GmbH) in the field of nanoparticle-based therapeutics to treat immunological disorders; completed Series A funding of € 14 m

Guidance 2016

- Group revenues excluding milestones, upfronts and licences are expected to increase more than 15%
- Research and development (R&D) expenses in 2016 to be approximately € 20 m
- Adjusted Group EBITDA (before changes in contingent

- considerations) is expected to be positive and significantly improved compared to 2015
- Capacity and capability building with up to € 10 m capex investments
 - Liquidity at 31 December 2016 expected to be at a similar level to the prior year

1. Financial performance 2015

Very strong financial performance in 2015; guidance comfortably achieved

Key figures of consolidated income statement Evotec AG and subsidiaries

In T€ except share data and per share data

	January to 2015	December 2014	Change in %
Revenues	127,677	89,496	43
Gross margin in %	29.8	32.8	
Research and development expenses	(18,343)	(12,404)	48
Selling, general and administrative expenses	(25,166)	(17,990)	40
Amortisation of intangible assets	(2,860)	(2,462)	16
Impairment result, net	(7,242)	(8,523)	(15)
Income from bargain purchase	21,414	137	
Other operating income (expenses), net	5,850	5,483	7
Operating result	11,640	(6,381)	
EBITDA adjusted*	8,690	7,711	13
Net income (loss)	16,516	(6,978)	
Weighted average shares outstanding	131,678,865	131,291,257	
Net income (loss) per share (basic)	0.13	(0.05)	
Net income (loss) per share (diluted)	0.12	(0.05)	

* EBITDA was adjusted for changes in contingent consideration as well as for one-time effects with regards to the bargain purchase resulting from the acquisition of Evotec (France) SAS in 2015 and Bionamics GmbH in 2014

In 2015, Evotec's Group revenues grew to € 127.7 m, an increase of 43% compared to the same period of the previous year (2014: € 89.5 m). This increase resulted primarily from a growth in the core EVT Execute business with new partners, a strong contribution from the anti-infective business unit, four new strategic partnerships out of the Cure X/Target X initiatives and favourable foreign exchange rate effects. Excluding milestones, upfronts and licences, Evotec's revenues for 2015 were € 115.4 m, an increase of 57% over the same period of the previous year (2014: € 73.4 m). Revenues from milestones, upfronts and licences amounted to € 12.3 m, a decrease of 24% compared to the previous year (€ 16.1 m), which is mainly attributable to lower milestone contributions in 2015.

In 2015, Evotec's R&D expenses amounted to € 18.3 m (2014: € 12.4 m). This increase results from significant investments in newly acquired oncology projects through the Sanofi collaboration as well as higher investments in ongoing Cure X and Target X initiatives. Selling, general and administrative (SG&A) expenses increased by 40% in 2015 to € 25.2 m (2014: € 18.0 m) mainly due to one-time M&A-related costs, ongoing SG&A expenses at the newly acquired Toulouse site, adverse foreign exchange rate movements and higher compensation

expenses relating to outstanding share performance awards.

Adjusted Group EBITDA in 2015 amounted to € 8.7 m (2014: € 7.7 m). EBITDA was adjusted for changes in contingent consideration as well as for one-time effects with regards to the bargain purchase resulting from the acquisition of Evotec (France) SAS in 2015 and Bionamics GmbH in 2014. Evotec's operating income in 2015 amounted to € 11.6 m (2014: operating loss of € 6.4 m) and was driven by the one-time effect of the income from bargain purchase resulting from the acquisition of Evotec (France).

Liquidity, which includes cash and cash equivalents (€ 44.5 m) and investments (€ 89.4 m) amounted to € 133.9 m as of 31 December 2015 (31 December 2014: € 88.8 m). This increase is mainly attributable to the cash received from the Sanofi collaboration (€ 37.3 m). Liquidity adjusted for M&A and related payments amounted to € 134.5 m.

Revenues from the EVT Execute segment amounted to € 134.0 m in 2015 (2014: € 93.3 m) and included € 27.7 m of intersegment revenues (2014: € 18.5 m). This sharp increase mainly resulted from the contribution of new customers as well as growth in the core EVT Execute business, a strong contribution from the anti-infective business unit and favourable foreign exchange rate effects. The EVT Innovate segment generated revenues of € 21.5 m (2014: € 14.7 m) consisting entirely of third-party revenues. This increase compared to the prior year mainly results from EVT Innovate projects which were partnered in 2015. Gross margin for EVT Execute amounted to 23.2% while EVT Innovate generated a gross margin of 54.0%. R&D expenses for the EVT Innovate segment amounted to € 22.4 m in 2015 (2014: € 14.1 m) due to the additional investments in the oncology portfolio from the Sanofi collaboration as well as higher investments in existing Cure X and Target X initiatives. In 2015, the adjusted EBITDA (before changes in contingent consideration) of the EVT Execute segment was strongly positive at € 23.8 m and improved compared to the same period of the previous year (2014: € 22.1 m). The EVT Innovate segment reported a negative EBITDA before changes in contingent consideration of € (15.1) m similar to the previous year (2014: € (14.4) m).

2. Operational performance 2015

Operational excellence in both business segments

EVT Execute – Further improved global leadership position

In 2015, EVT Execute reported various new alliances based on its drug discovery platform, e.g. with UCB Pharma in compound management, which will be managed at the Toulouse site; with the Beyond Batten Disease Foundation in juvenile Batten disease, and Facio Therapies in the area of muscle-wasting diseases. In addition, various collaborations were extended in 2015, such as with Spero, Padlock, and CHDI, Evotec's second largest customer in 2015. EVT Execute also reached important milestones in its multi-year collaboration with Bayer in endometriosis, demonstrating again the progress in this strategic collaboration. The integration of new capabilities and capacities from the newly acquired site in Toulouse, France, and the new site in Princeton, USA, into Evotec's global offering continued successfully in 2015.

EVT Innovate – Successful acceleration of first-in-class science

In 2015, Evotec was able to enter four new strategic partnerships out of

its portfolio of Cure X/Target X initiatives: Target*ImmuniT* (Immunoncology with Sanofi and Apeiron Biologics); Target*BCD* (Diabetes with Sanofi); Target*Fibrosis* (Tissue fibrosis with Pfizer) and Target*MB* (Inflammation with Second Genome). These partnerships are a testament to Evotec's strategy to advance proprietary first- and best-in-class projects to tangible inflection points and to partner them with Pharma companies. As part of the strategic collaboration with Sanofi, Evotec also in-licensed a number of pre-clinical oncology assets which enhance Evotec's pipeline and are the foundation for future partnerships. However, during the course of 2015, Evotec's legacy pipeline recorded some setbacks. Sembragiline (RG1577/EVT302), a MAO-B inhibitor for the treatment of Alzheimer's disease partnered with Roche, failed to demonstrate benefit on the primary endpoint in a Phase IIb trial. After period-end, Evotec was informed by Janssen Pharmaceuticals, Inc. that Janssen intends to end the licence agreement regarding the NMDA antagonist with effect from August 2016. Evotec will regain the licence rights. Evotec's clinical development programmes (EVT201 and EVT401) with the Chinese partners JingXin and CONBA are progressing according to plan. The development project with Second Genome is also fully on track.

3. EVT Equity – Company formation “Topas Therapeutics GmbH” to accelerate drug discovery and product development to treat autoimmune diseases (22 March 2016)

In March 2016, Evotec announced the formation of a spin-off company, called Topas Therapeutics GmbH (“Topas”), focused on the field of nanoparticle-based therapeutics to treat immunological disorders. Epidarex Capital, EMBL Ventures and Gimv participated together with Evotec in a € 14 m (\$ 15.75 m) Series A round of Topas. Evotec will remain the largest shareholder after the financing round. The new company aims to build a unique pipeline of clinical-stage development projects to treat autoimmune diseases. The proceeds of the Series A funding enable Topas to expand and accelerate its proprietary liver-based tolerance induction platform and to progress with its own product development efforts in multiple autoimmune and inflammatory indications including multiple sclerosis into clinical proof-of-concept (“POC”) stage. The establishment of Topas is the first example of an acceleration of Evotec's business model to take advantage of carving out promising programmes with upside potential on a shared risk and shared success basis.

4. Guidance 2016

	Guidance 2016	Actual 2015
Base revenues ¹⁾	> 15%	€ 115.4 m
Adjusted Group EBITDA ²⁾	Positive and significantly improved to prior year	€ 8.7 m
R&D expenses	Approx. € 20 m	€ 18.3 m
Liquidity ³⁾	Similar level to prior year	€ 134.5 m
Capex investments	Up to € 10 m	€ 11.2 m

¹⁾ Excluding milestones, upfronts and licences

²⁾ 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

³⁾ Excluding M&A and related payments (Earn-out Euprotec)

Evotec pursues a business model in which revenues and operating profitability are highly dependent on the achievement and timing of milestones.

In 2016, total **Group revenues excluding milestones, upfronts and licences** are expected to increase more than 15%. This assumption is based on the current order book, expected new contracts and contract extensions.

Evotec expects **research and development (R&D) expenses** in 2016 to be approximately € 20 m in total. The funding will be used to optimally support the competitive positioning of Evotec's assets. The Company will focus on key programmes and targets to invest in, especially in innovation in the fields of oncology and metabolic disease franchises as well as in its iPS cell based drug discovery initiatives.

Evotec's **adjusted Group EBITDA** (before changes in contingent considerations) is expected to be positive and significantly improved compared to 2015.

EBITDA is defined as earnings before interest, taxes, depreciation, and amortisation of intangibles. EBITDA excludes impairments on goodwill, other intangible and tangible assets as well as the total non-operating result.

In 2016, 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 up to € 10 m will be invested in further capacity increases and the upgrade of Evotec's technological capabilities.

Liquidity at 31 December 2016 is expected to be at a similar level to the prior year. 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. Furthermore, the Management Board will present an outlook for fiscal year 2016. The conference will be held in English.

Conference call details

Date: **Tuesday, 22 March 2016**

Time: **02.00 pm CET (01.00 pm GMT/09.00 am EDT)**

From Germany: +49 (0) 69 22 22 29 043

From UK: +44 20 3009 2452

From USA: +1 855 402 7766

From France: +33 170750705

Access Code: 37969784#

A simultaneous slide presentation for participants dialling in *via phone* is available at <http://www.audio-webcast.com/>, password: evotec0316.

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 (0) 69 22 22 33 985 (Germany) or

+44 20 3426 2807 (UK) and in the US 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/article/en/Investoren/Finanzen/Finanzberichte-2014-2016/238/6/26>

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. 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, inflammation and infectious diseases. 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 and MedImmune 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.*