

Evotec

*Partnered Drug Discovery
and Development*

Forward-looking statement

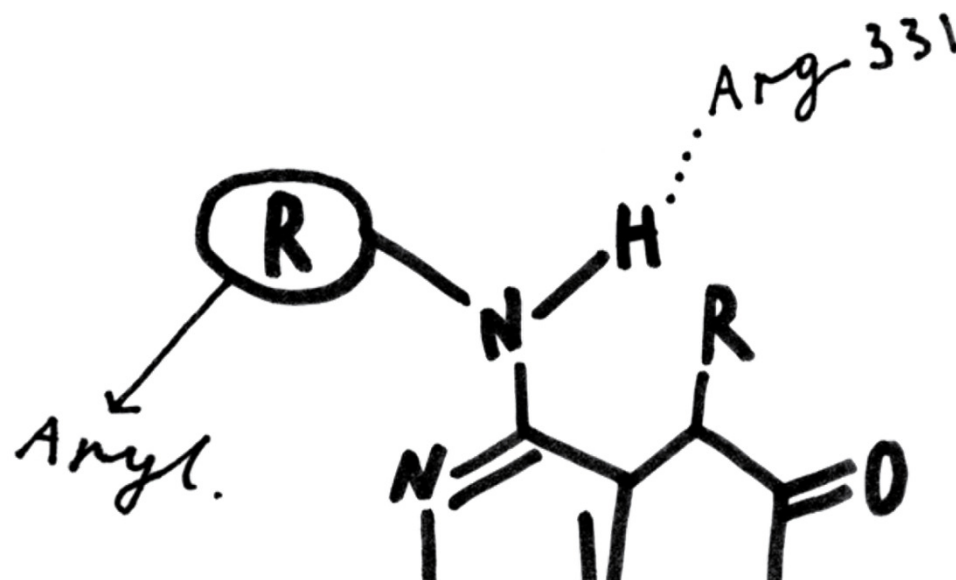
Information set forth in this presentation contains forward-looking statements, which involve a number of risks and uncertainties. We caution investors that forward-looking statements contained herein are based upon management's expectations and assumptions as of the date of this presentation. Such forward-looking 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.

Agenda

Overview

Partnered drug discovery & development

Financials & Outlook



Leading external drug discovery & development

Company snapshot

100+

Co-owned pipeline programmes with significant milestone & royalty potential

€ 400 m+

Revenues¹⁾

€ 100 m+

Adjusted Group EBITDA¹⁾

10+

Co-owned companies & corporate ventures

3,000+

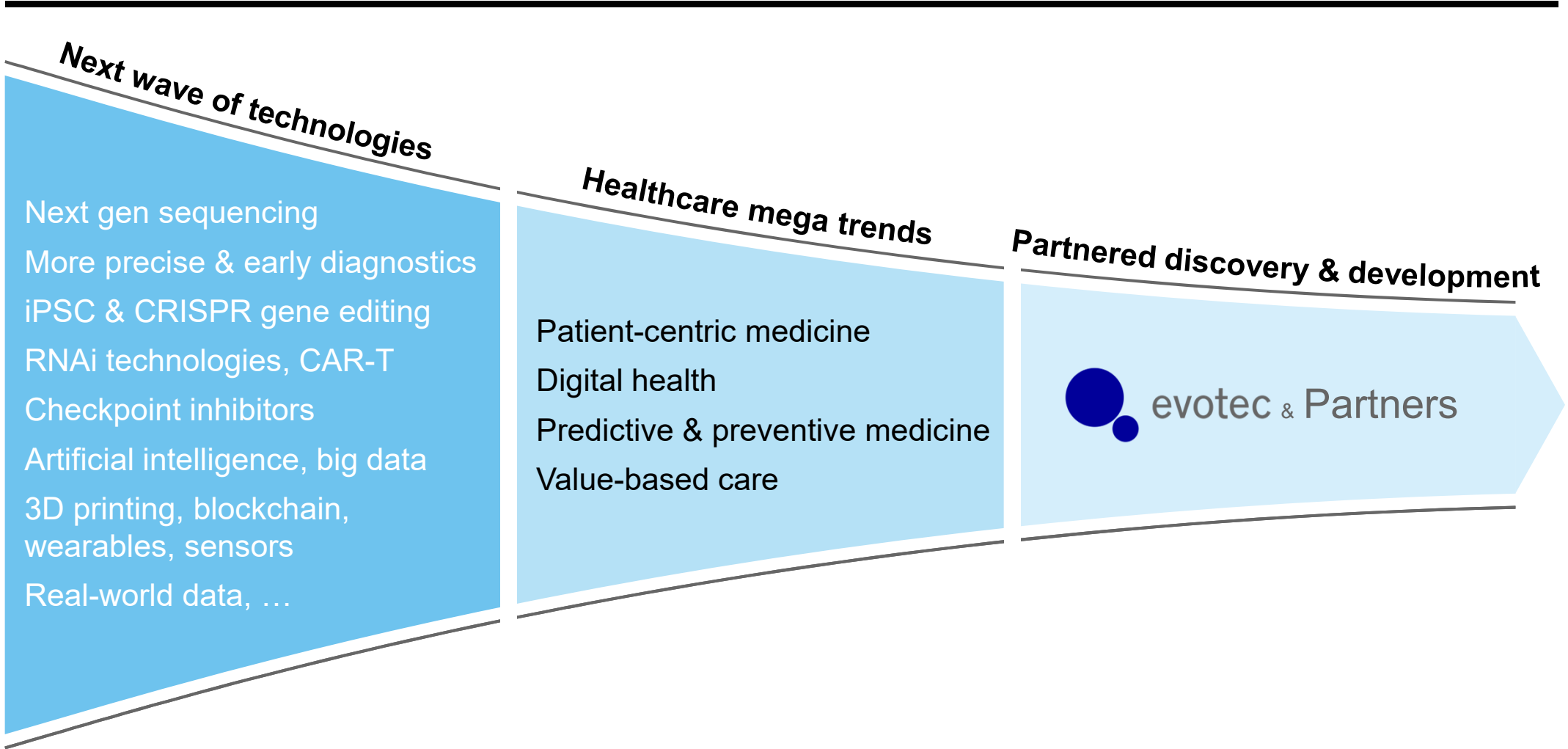
Top-class employees¹⁾

200+

Long-term partnerships

Medicine of the future comes with radical change

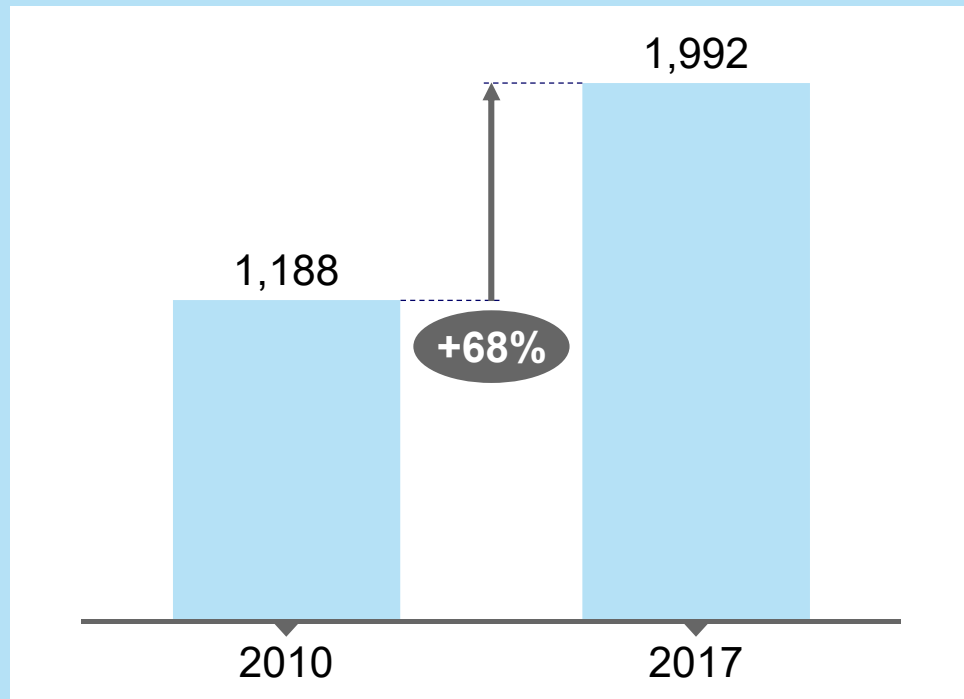
Technologies & mega trends



Productivity challenge increases

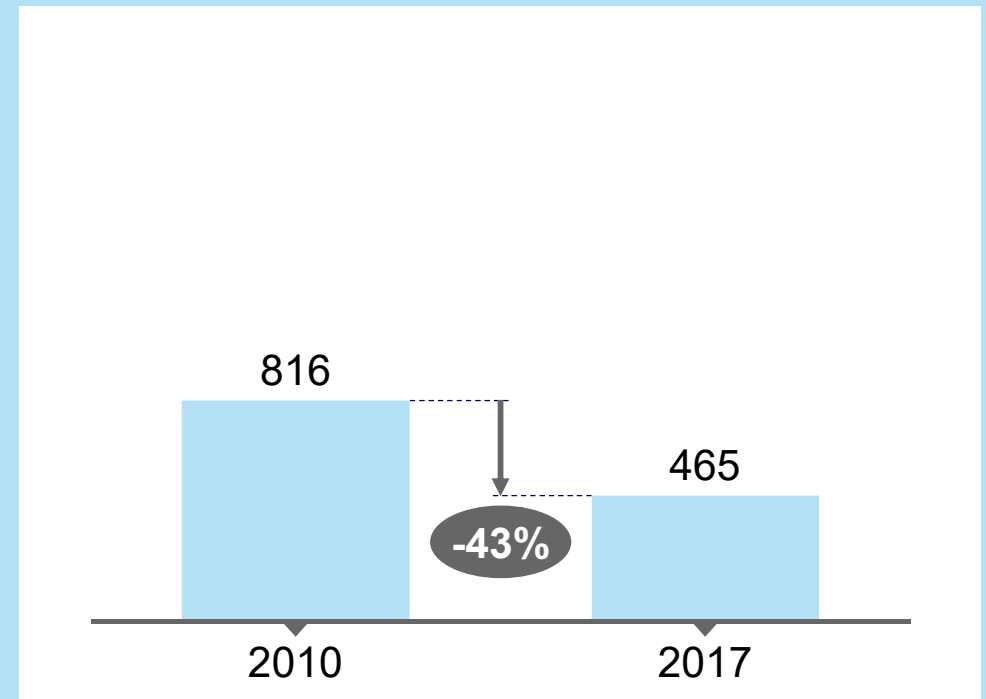
Development costs vs. average peak sales

Development Cost, \$ m



Cost per asset increased ~2/3rd since 2010

Sales, \$ m

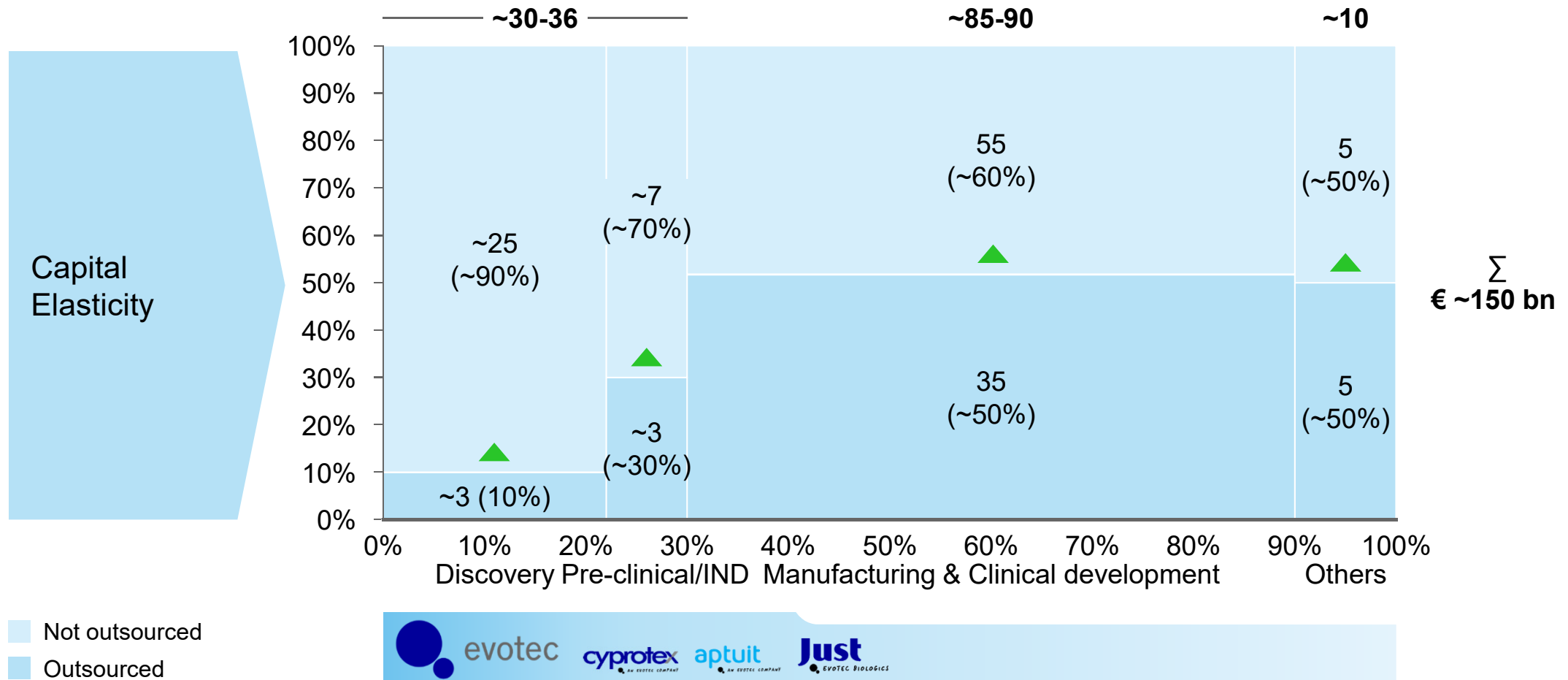


Average peak sales almost halved since 2010

Switch from fixed to variable costs

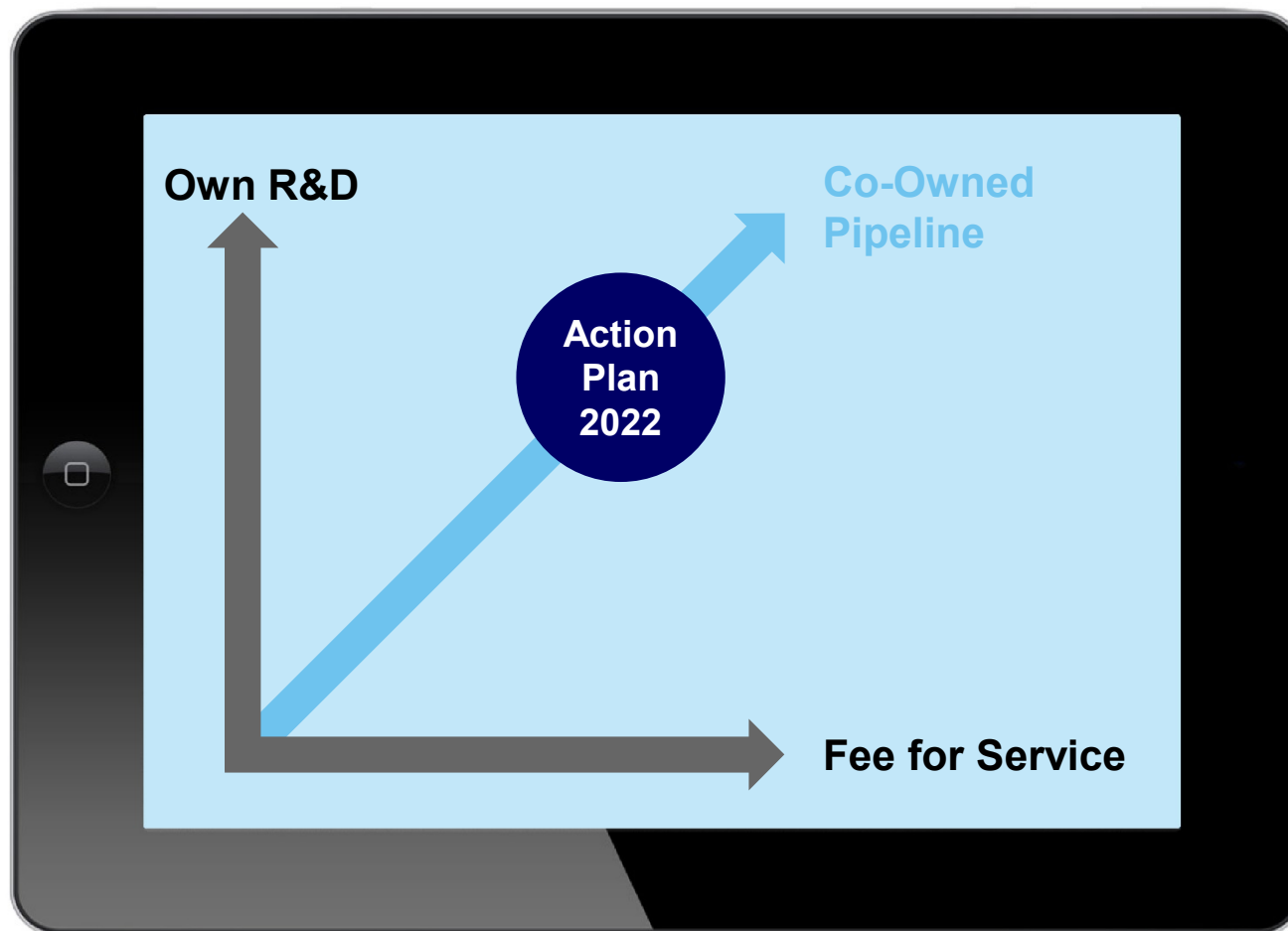
R&D outsourcing & External Innovation

in € bn



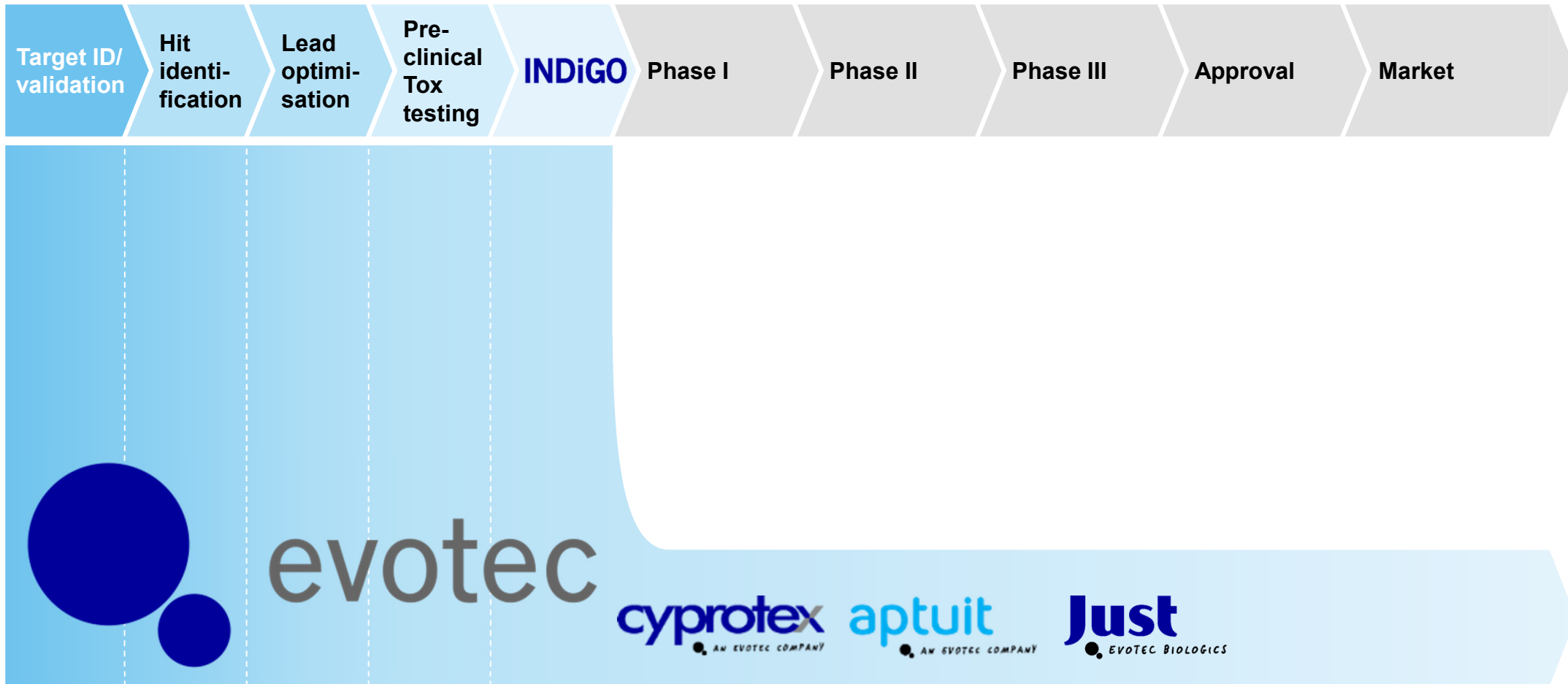
Building a co-owned portfolio

Unique strategy and business approach – Action Plan 2022



Integrated solutions up to IND and manufacturing

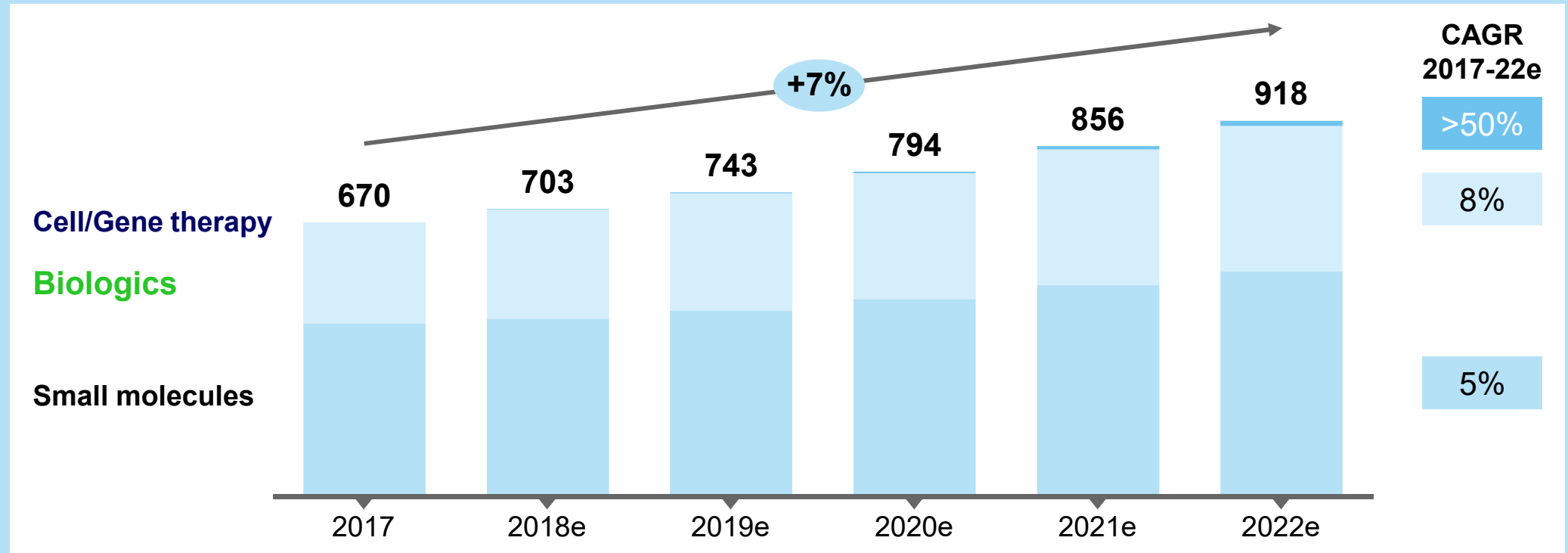
Our core competencies



Multimodality in early R&D

Small molecules, biologics & other modalities in R&D

Global pharmaceutical market^{1), 2)}
in \$ bn



¹⁾ Small molecules forecast from May 2017 and Biologics forecast from Dec 2017

²⁾ Excluding sales not classified by EvaluatePharma

Source: EvaluatePharma

~3,000 x unique expertise

Global centres of excellence

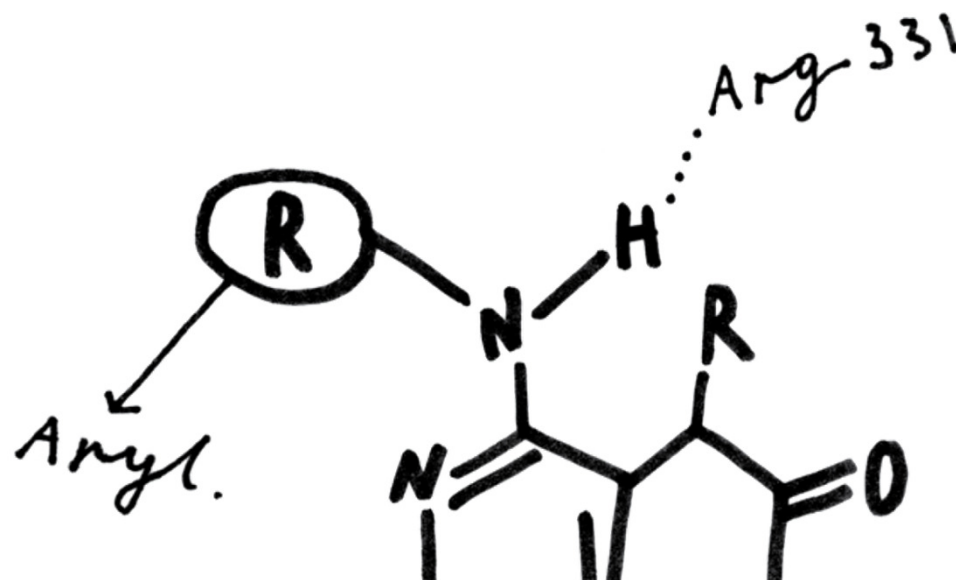


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ONE fully integrated platform

EVT Execute & EVT Innovate



Improving quality and accelerating R&D

EVT Execute – Selected performance indicators

>50

Successful hit-finding campaigns each year

>50

IND – Pre-clinical & clinical candidates delivered (INDiGO)¹⁾

>10

Technology acquisitions¹⁾

92%

Repeat business²⁾

1.8

Years average contract time

30%

Lower cost to safety assessment (FGLPD) than industry benchmarks³⁾

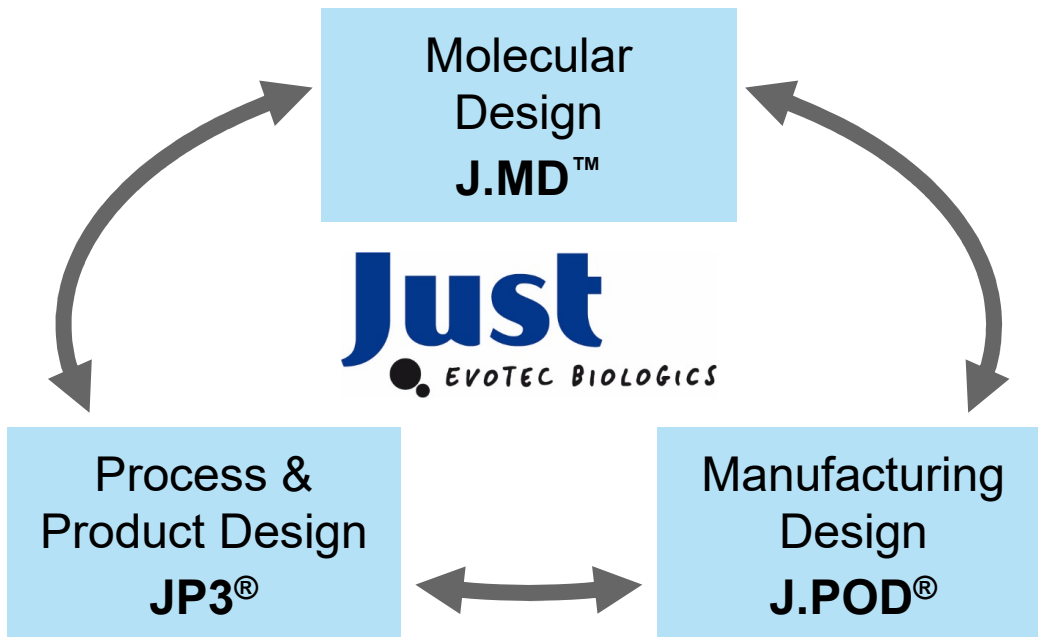
Fully integrated for small molecules and biologics

“The sharing Economy” for external innovation services



Better biologics with next generation technologies

Just – Evotec Biologics



Why Just – Evotec Biologics is unique

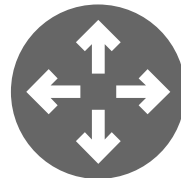
- J.MD – inventive step to product
- Proprietary ML algorithms to design and select optimal antibody
- JP3 & J.POD – innovation in product design and manufacturing
- Highly experienced team



Highest
Quality



Higher
Speed



Flexible
Capacity



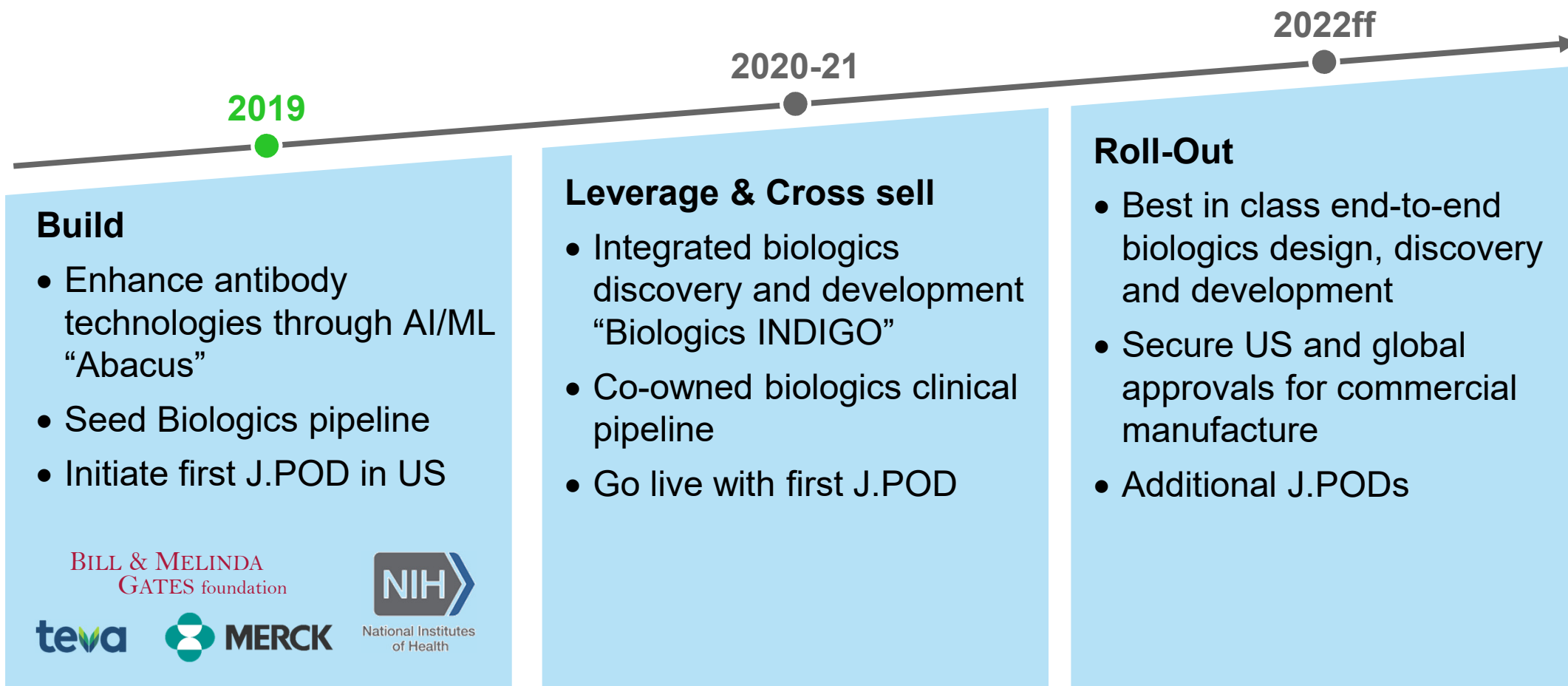
Highly Cost
Efficient

¹⁾ J.POD is currently under evaluation for fastest possible initiation to build in USA and potentially also EU – expected 2021

²⁾ Purchase of 100% of shares in Just.Bio – Evotec Biologics: Total consideration of up to \$ 90 m in cash including potential earn-outs upon defined milestones expected in 2019-2022e; >\$ 30 m revenues in FY 2019; approx. EBITDA break-even (Including intercompany revenues)

Biologics will supplement and accelerate growth

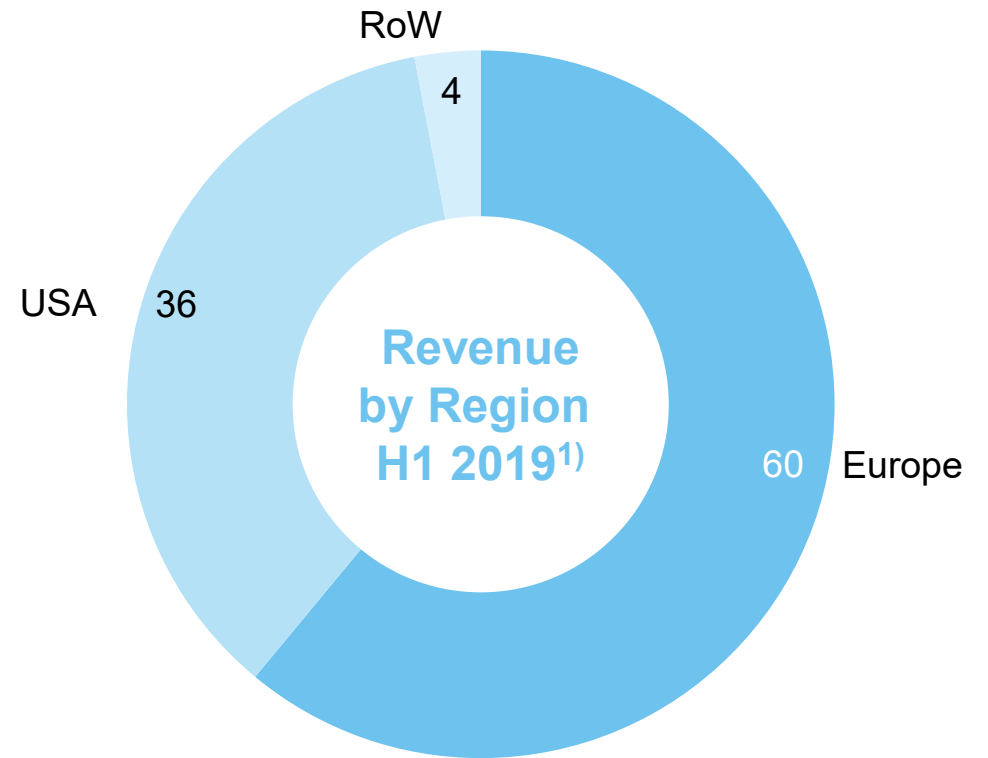
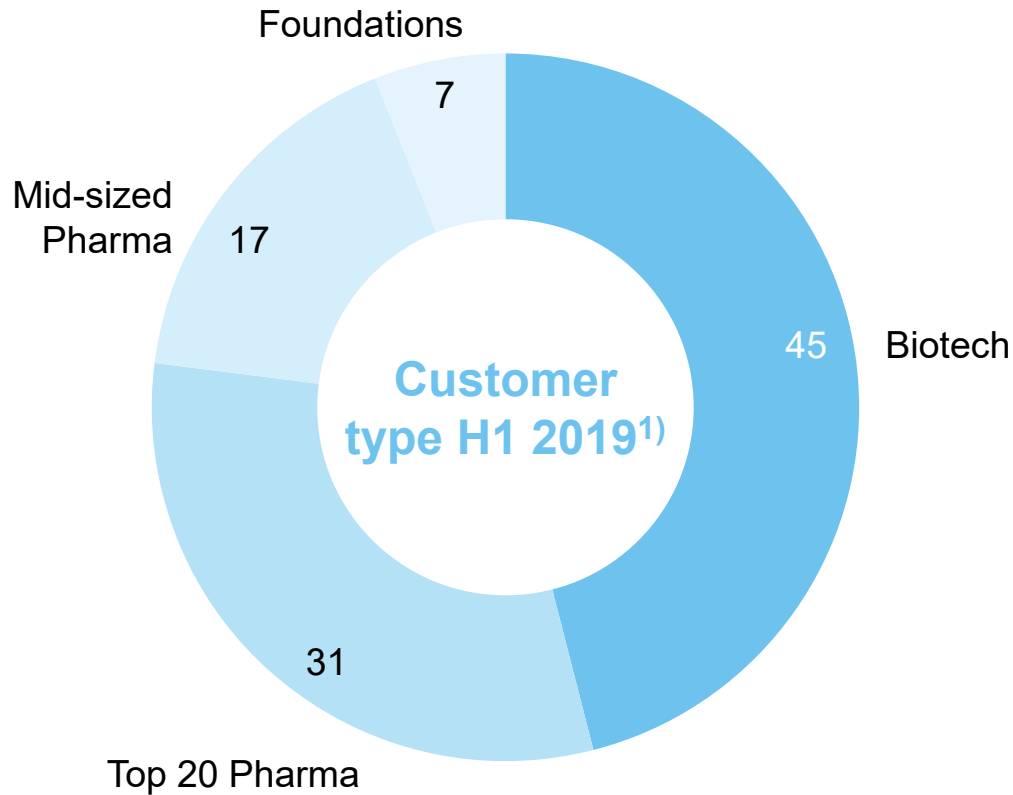
Just – Evotec Biologics: Synergies and J.POD¹⁾ roll-out



Strong and well-balanced global customer mix

EVT Execute

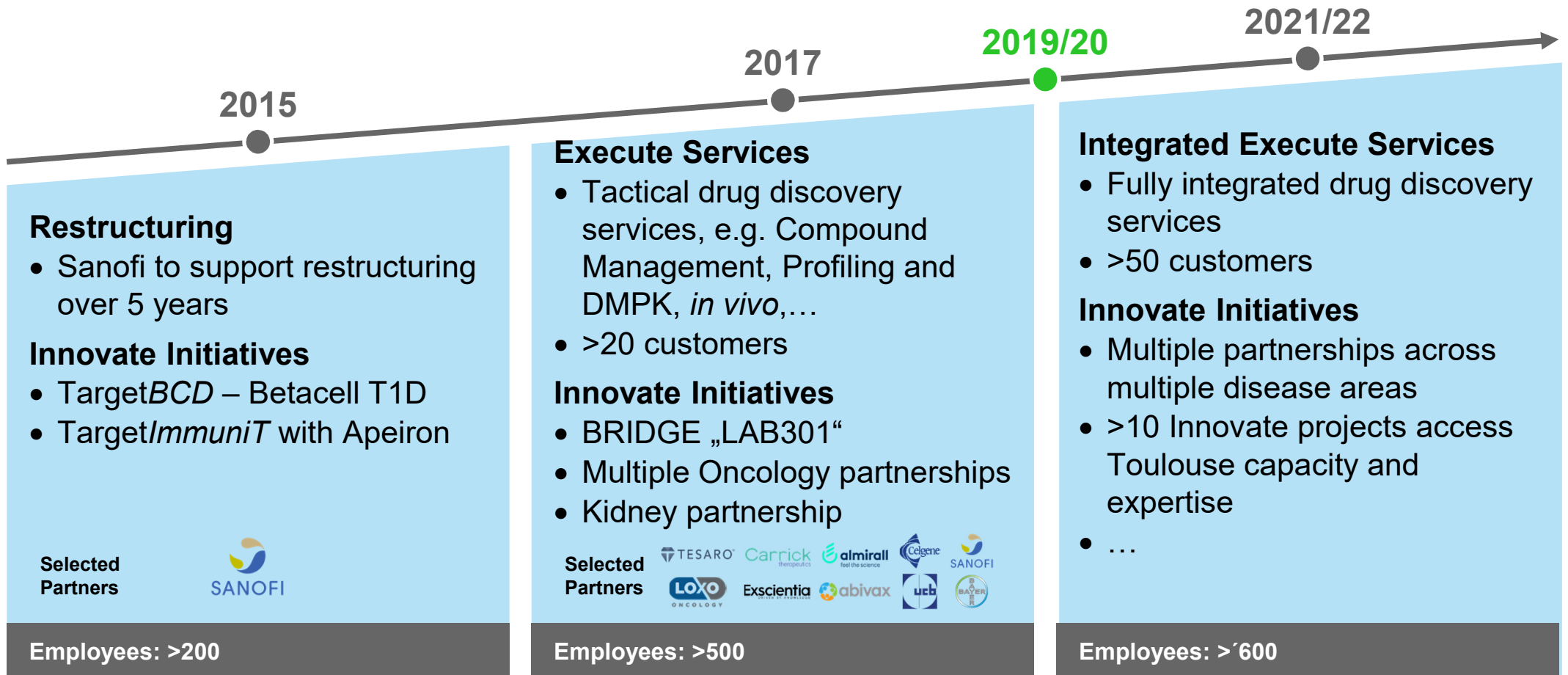
in %



90% of all capacities sold for 2019, and already very strong initial book building for 2020

Building first class capacity and network for growth

Example: Toulouse history and outlook



Fast growing portfolio of top-quality partners

EVT Execute alliances – *Examples*

 <p>Partnership focused on Huntington Disease</p> <p><i>Initiated 2006</i></p>	 <p>Partnership focused on various indications</p> <p><i>Initiated 2011</i></p>	 <p>Partnership covering broad range of services</p> <p><i>Initiated 2015</i></p>	 <p>Partnership focused on DMPK services</p> <p><i>Initiated 2016</i></p>	 <p>Partnership focused on infectious diseases</p> <p><i>Initiated 2016</i></p>	 <p>Partnership focused on various indications</p> <p><i>Initiated 2016</i></p>	 <p>Partnership focused on dermatology</p> <p><i>Initiated 2018</i></p>
 <p>Partnership focused on diabetes & obesity</p> <p><i>Initiated 2018</i></p>	 <p>Partnership focused on reproductive medicine & women's health</p> <p><i>Initiated 2018</i></p>	 <p>Partnership for INDiGO, DD, and CMC</p> <p><i>Initiated 2015 and significantly expanded 2019</i></p>	 <p>Partnership focused on oncology</p> <p><i>Initiated 2016</i></p>	 <p>Partnership focused on CNS</p> <p><i>Initiated 2018</i></p>	 <p>Partnership focused on oncology</p> <p><i>Initiated 2017</i></p>	 <p>Partnership focused on inflammation</p> <p><i>Initiated 2017</i></p>

Building a co-owned pipeline

EVT Innovate – Selected performance indicators

7

Disease areas of core expertise¹⁾

>€ 1,000 bn

Unmet markets addressed

>100

Co-owned pipeline programmes

10

Clinical Co-owned assets

>15

Unpartnered large R&D initiatives

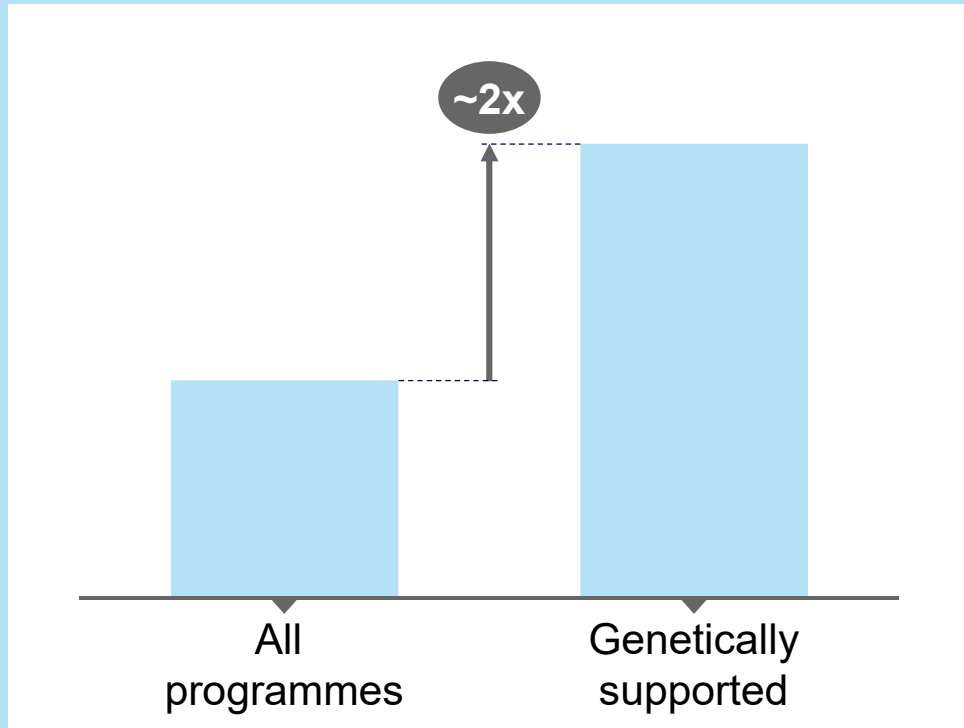
100%

First-in-Class and best-in-class approaches “Going for Cures not for Symptoms”

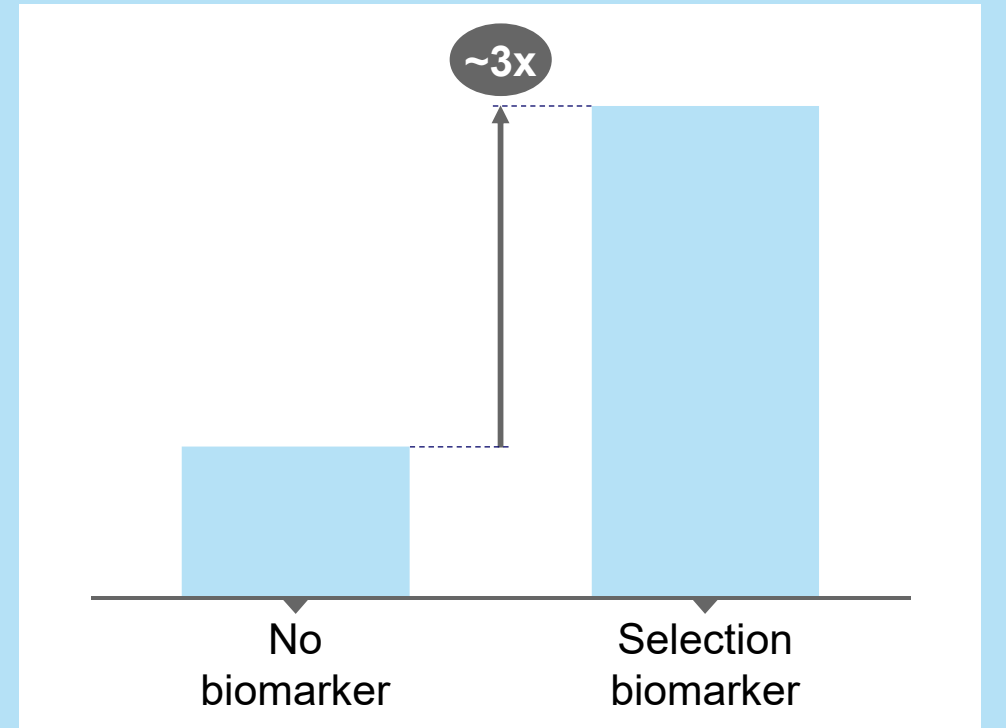
Better translation for better drugs

Genetics, biomarkers, and better technologies improving success

Human genetics supported targets¹⁾ % success



Biomarker-based patient stratification²⁾ % success



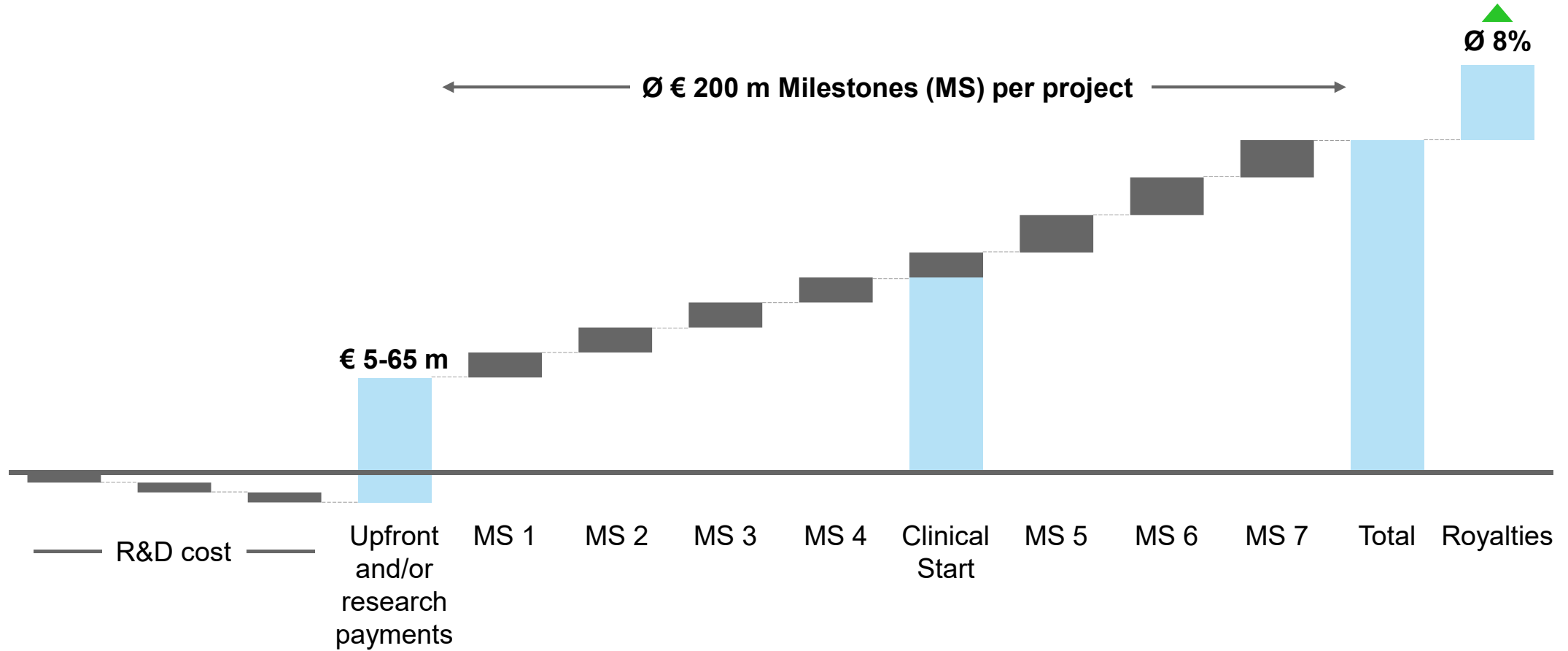
¹⁾ Source: Nelson et. al., Nat. Genet. 2015

²⁾ Source: Bio: Clinical Development Success Rates 2006-2015

Creating massive upside with limited cost & risk













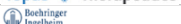






























Example for co-owned deal structures

Performance-based components (*Illustrative*)



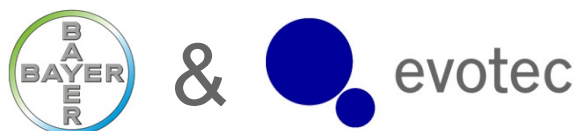
>100 projects in fully invested pipeline

Partnership portfolio in small molecules

	Molecule	Therapeutic Area/Indication	Partner	Discovery	Pre-clinical	Phase I	Phase II
Clinical	EVT201	CNS – Insomnia					
	BAY-1817080	Chronic cough					NEW data
	ND ¹⁾	Chronic cough					
	CT7001	Oncology					Ph. II start
	CT7001	Oncology					Ph. II start
	EVT401	Immunology & Inflammation					
	Various	Women's health – Endometriosis					
	Various	Women's health – Endometriosis					
	Various	Women's health – Endometriosis					
	Various	Respiratory					
ND ¹⁾	Oncology	 					
Pre-clinical	ND ¹⁾	Immunology & Inflammation					
	ND ¹⁾	Pain					
	Various	Women's health – Endometriosis					
	EVT801	Oncology					
	TargetImmuniT	Oncology – Immunotherapy	 				
	ND ¹⁾	Oncology (+ several discovery programmes)					
	ND ¹⁾	Fibrosis					
Various	CNS, Metabolic, Pain & Inflammation	>10 further programmes					
Discovery	Various ND ¹⁾	Nephrology					
	Various ND ¹⁾	Immunology & Inflammation					
	Various ND ¹⁾	Nephrology					
	Various ND ¹⁾	Metabolic – Diabetes					
	Various	Oncology					
	Various	Immunology & Inflammation – Tissue fibrosis					
	Various	Neurodegeneration					
	ND ¹⁾	Oncology – DNA damage response					NEW spin-off
	ND ¹⁾	Anti-bacterial					
	Various	All indications	    				NEW BRIDGE
	ND ¹⁾	Dermatological diseases					
	ND ¹⁾	Facioscapulohumeral Dystrophy					
	INDY inhibitor	Metabolic					
	Various	Fibrotic disease	Fibrocor Therap. / Galapagos				
	TargetPicV	Antiviral					
	Various	Anti-infectives		>5 programmes			
	Various	Internal: Oncology, CNS, Metabolic, Pain & Inflammation	>40 further programmes				
	ND ¹⁾	Oncology					
	ND ¹⁾	Novel antibiotics					
	ND ¹⁾	Novel antibiotics					
ND ¹⁾	Oncology – Colorectal cancer						

Partnering model works and delivers Phase II POC

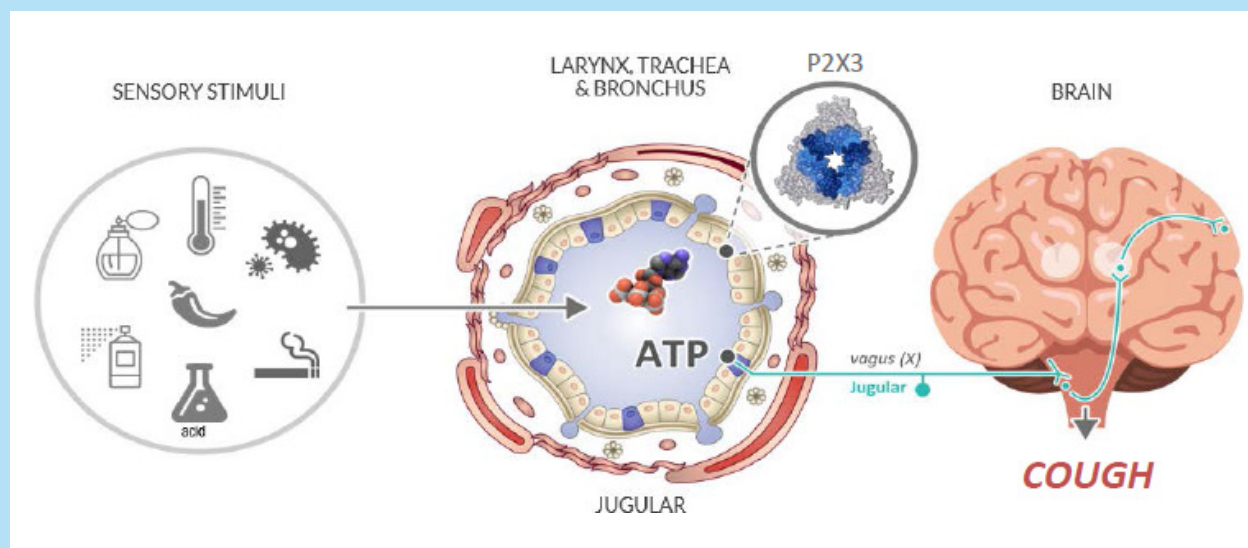
Bayer & Evotec in chronic cough



POC¹⁾ in Phase II in chronic cough

- **Chronic Cough:** Lasts >8 weeks
- **Patient characteristics:**
Average age Mid 40s – Early 60s
- **Disease often associated with:**
e.g. Asthma, COPD, lung cancer, ...
- **Current standard of care:** Unspecific treatment of underlying disease
- **Market Size:** USD 1 bn – USD 2 bn
- **Key Player:** Merck & Co













P2X3 – target to treat hypersensitivity in refractory chronic cough



Efficacy and very good safety profile achieved. Next milestone upon Phase III initiation.

Many more co-owned projects with great partners

EVT Innovate alliances – *Examples*

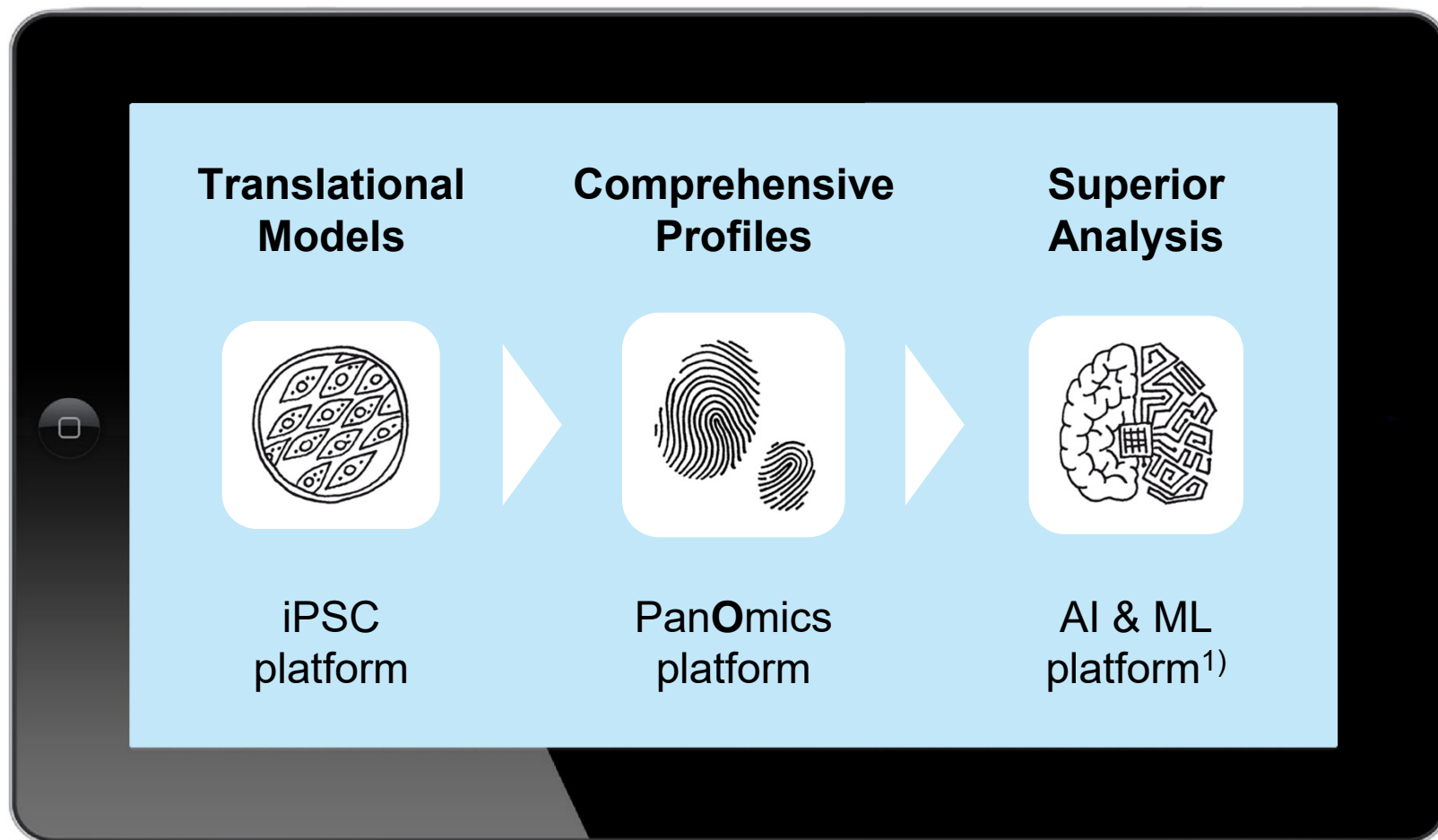
 <p>Oncology I Multi-target alliance</p> <p><i>Initiated 2018</i></p>	 <p>Chronic kidney disease (“CKD”) Diabetic complications</p> <p><i>Initiated 2016</i></p>	 <p>Oncology Small molecule-immunotherapies to complement check-point inhibitors¹⁾</p> <p><i>Initiated 2015</i></p>	 <p>Fibrosis Novel mechanisms in multi-organ fibrosis</p> <p><i>Initiated 2015</i></p>	 <p>Neurodegeneration iPSC-based drug discovery</p> <p><i>Initiated 2016</i></p>	 <p>Picornavirus Respiratory indications²⁾</p> <p><i>Initiated 2017</i></p>
 <p>Oncology II Targeted protein degradation</p> <p><i>Initiated 2018</i></p>	 <p>Endometriosis/Pain & Respiratory Non-hormonal treatments</p> <p><i>Initiated 2012</i></p>	 <p>Diabetes iPSC Beta Cell – Diabetes alliance</p> <p><i>Initiated 2015</i></p>	 <p>Oncology & Respiratory Multi-target alliance</p> <p><i>Initiated 2012</i></p>	 <p>Infectious diseases Open innovation alliance</p> <p><i>Initiated 2018</i></p>	 <p>Oncology Joint Venture on multiple targets</p> <p><i>Initiated 2016</i></p>

¹⁾ Together with Apeiron

²⁾ Together with Haplogen

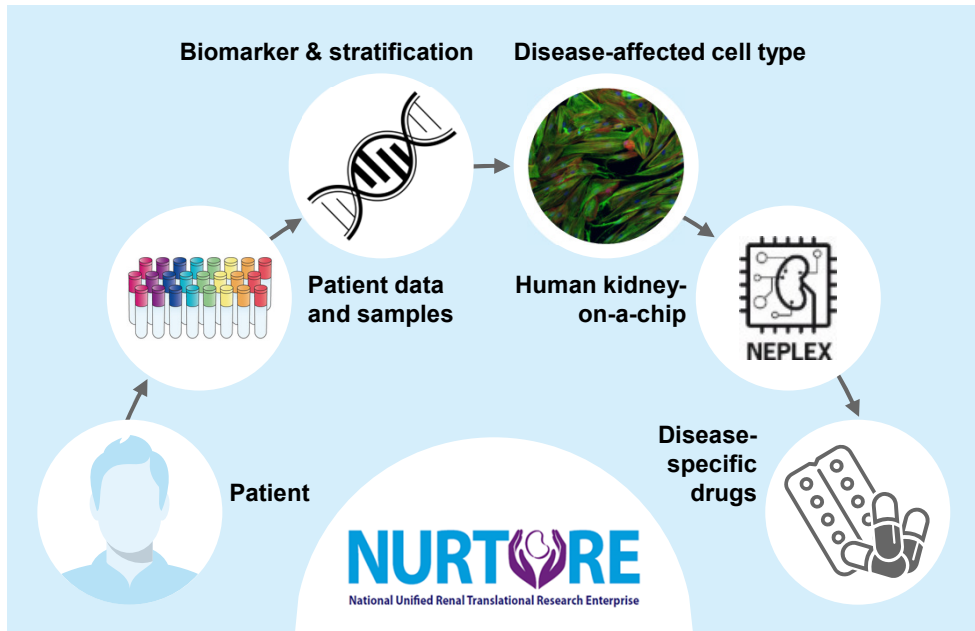
Re-defining the drug discovery paradigm

Game-changing platforms for better translation



World-leading patient-centric initiative in nephrology

NURTuRE – Kidney disease processes, platforms and networks



“The anonymised data contained within the NURTuRE biobank has the potential to unlock answers to some of the biggest questions about CKD and NS.”

Elaine Davies, Director of Research Operations at Kidney Research UK

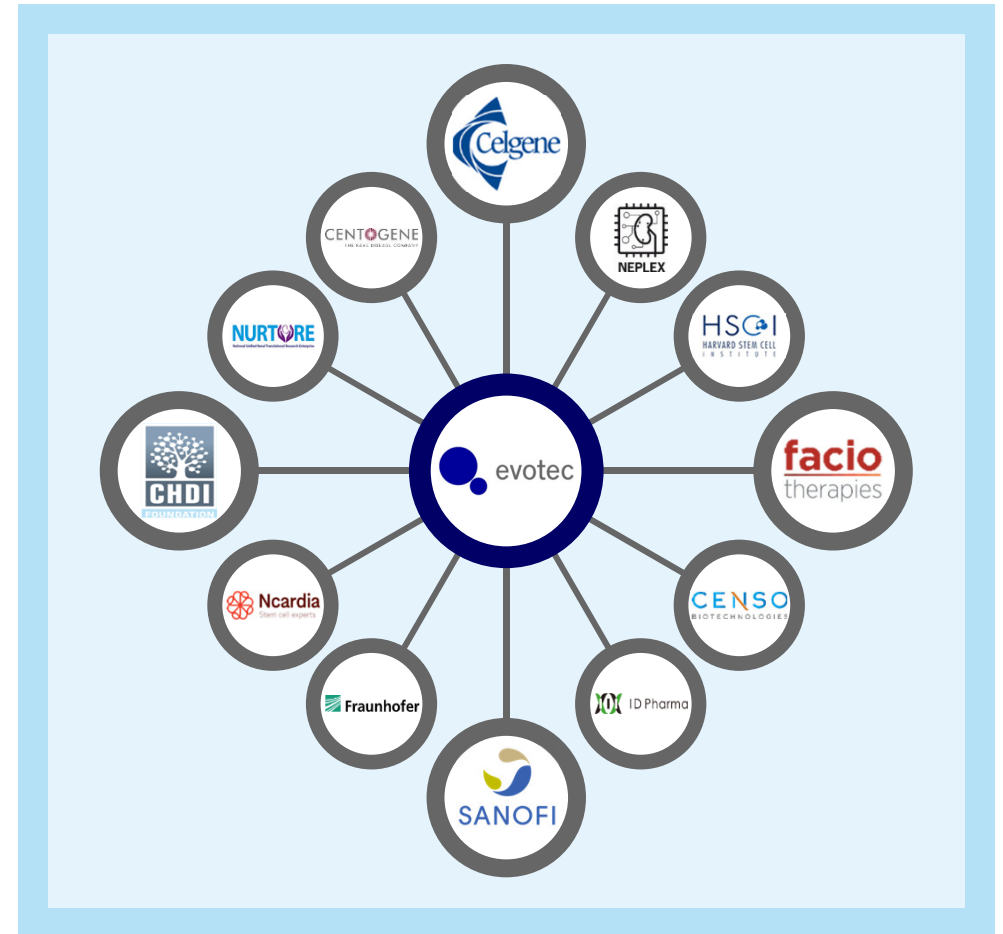
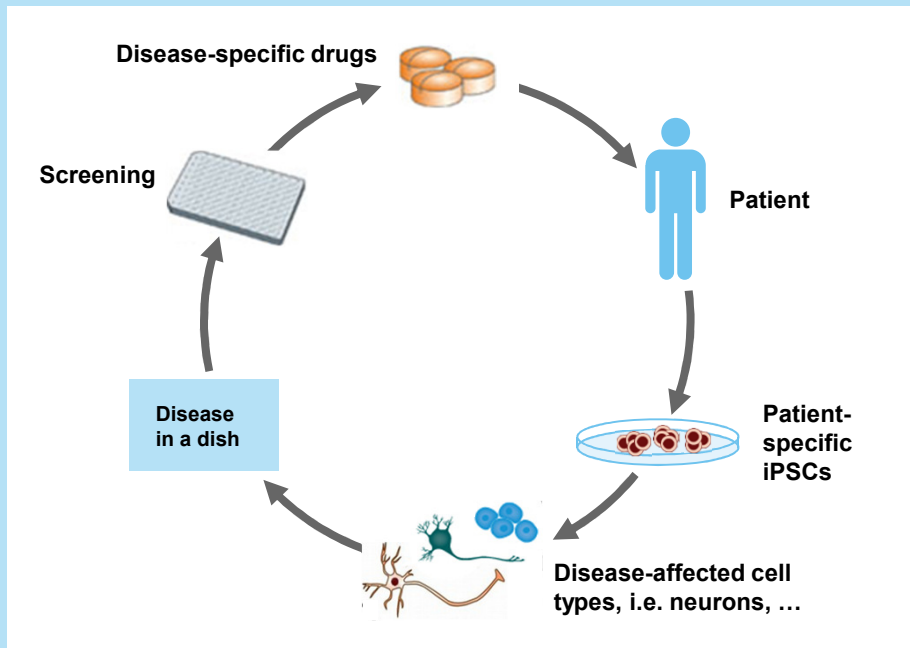


Patient-derived assays as new gold standard

World-leading iPSC processes and network

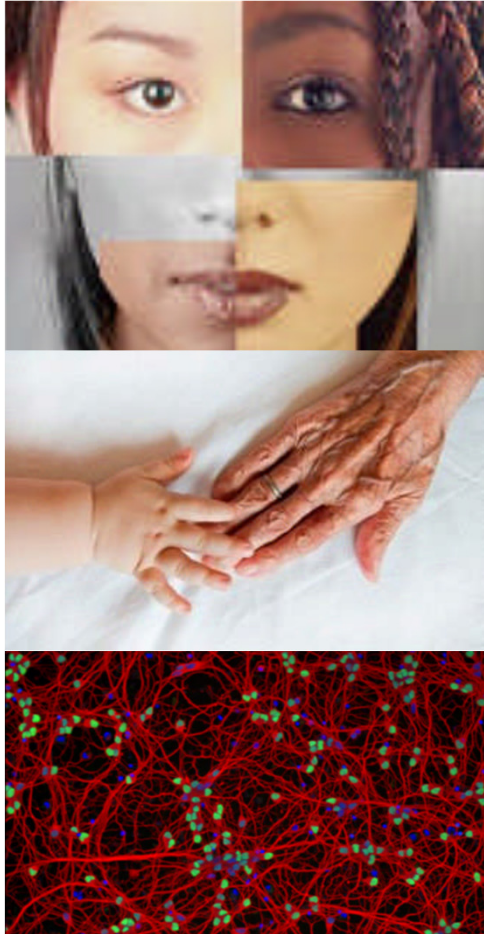
“IPS cells can become a powerful tool to develop new drugs to cure intractable diseases because they can be made from patients’ somatic cells.”

Shinya Yamanaka, Nobel prize laureate



Portfolio of cell types and patient-derived cell lines

iPSC based Drug Discovery



Disease area partnerships

Neurodegenerative Disease

- Motor neurons
- Dopaminergic neurons
- Cortical neurons
- Microglia



Diabetes Type I and II

- Pancreatic beta cells



Huntington Disease

- Cortical neurons



More options for partnerships

Astrocytes / Oligodendrocytes

- Neuroinflammatory / MS

Cortical neurons

- Lysosomal Storage Diseases

Kidney

- Chronic Kidney Diseases / Polycystic Kidney Disease

Retinal pigment epithelial cells / (photoreceptors)

- Retinopathies

Cardiomyocytes

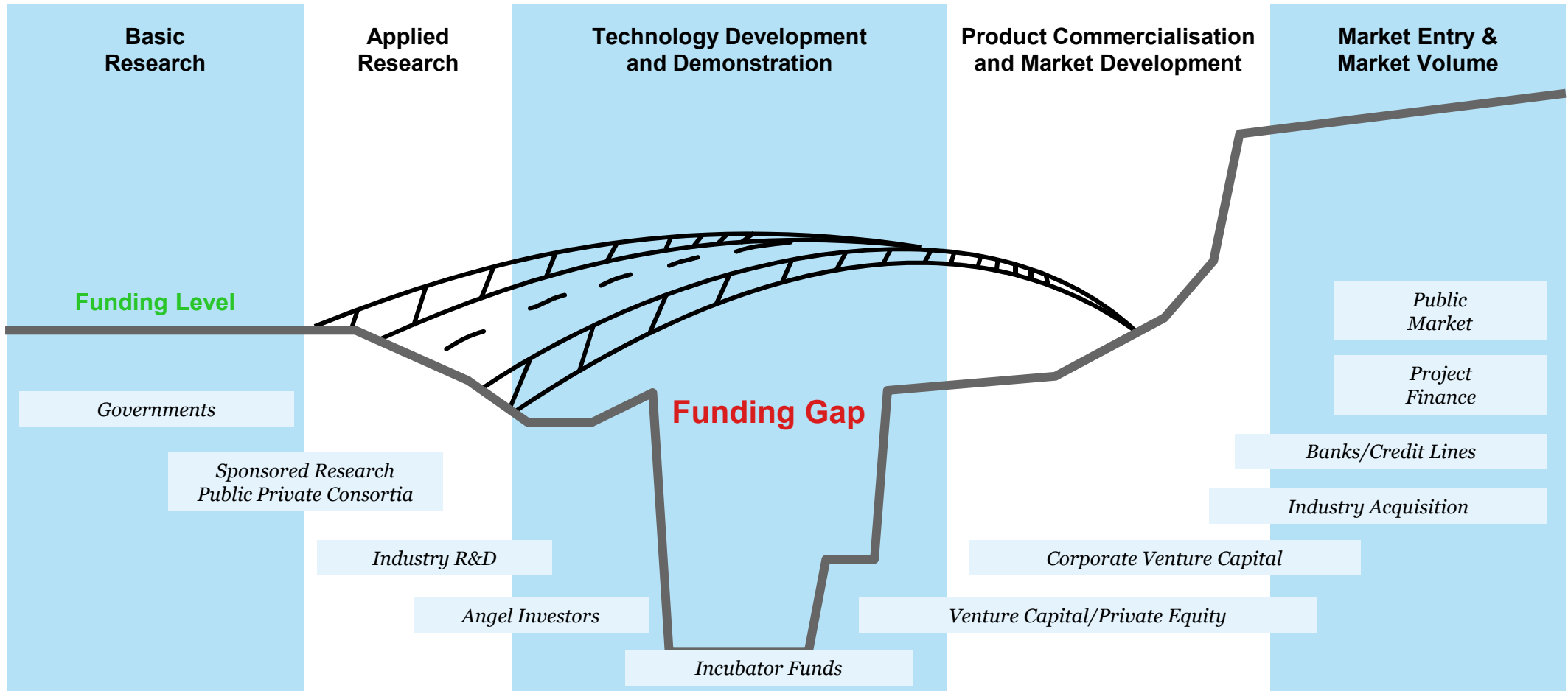
- Cardia hypertrophy / heart failure

Sensory neurons

- Pain
















From the “Valley of death“ to “Spring of life”

BRIDGEs for better academic translation and company building



Long-term optionality with corporate co-ownership

BRIDGEs & Equity participations – *Examples*

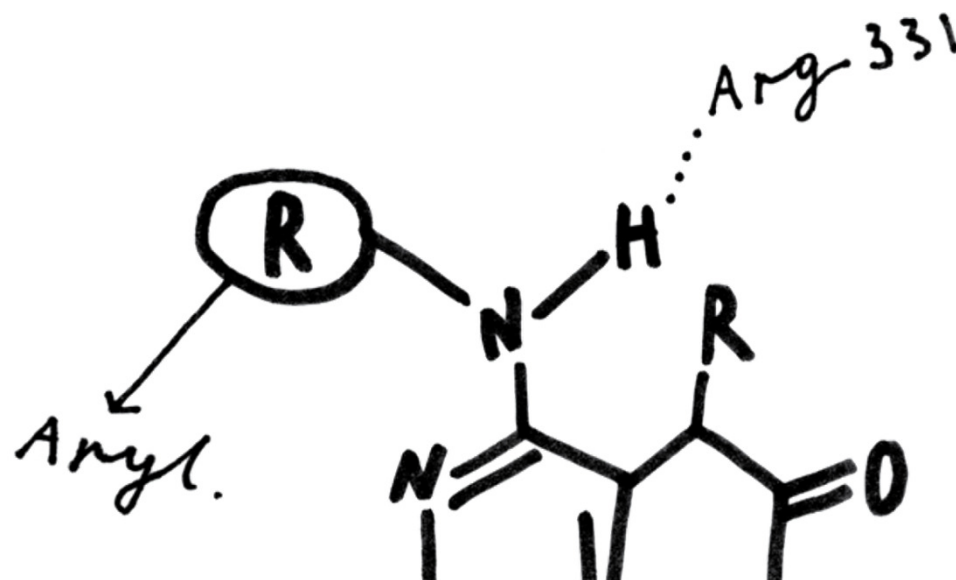
 <p>Equity participation Artificial Intelligence for automated drug design <i>Initiated 2017</i></p>	 <p>Equity participation Facioscapulo-humeral muscular dystrophy <i>Initiated 2017</i></p>	 <p>Equity participation Metabolic disorders <i>Initiated 2016</i></p>	 <p>Equity participation Fibrosis partnership with MaRS Innovation <i>Initiated 2017</i></p>	 <p>Equity participation Targeting metalloenzymes <i>Initiated 2016</i></p>	 <p>Equity participation Innovative molecular pathways in oncology <i>Initiated 2016</i></p>	 <p>Consortium membership Kidney diseases <i>Initiated 2017</i></p>	 <p>Spin-off Nanoparticle-based therapeutics <i>Initiated 2016</i></p>
 <p>Spin-off DNA damage response NEW <i>Initiated 2019</i></p>	 <p>BRIDGE Partnership with Oxford University and OSI¹⁾ <i>Initiated 2016</i></p>	 <p>BRIDGE Partnership with MaRS Innovation <i>Initiated 2017</i></p>	 <p>BRIDGE Partnership with Arix and Fred Hutch <i>Initiated 2018</i></p>	 <p>BRIDGE Partnership with Sanofi <i>Initiated 2018</i></p>	 <p>Digital BRIDGE Partnership with Sensyne Health, Oxford University, OSI¹⁾, OUI²⁾ NEW <i>Initiated 2019</i></p>	 <p>BRIDGE Partnership with Integra Holdings and Yissum NEW <i>Initiated 2019</i></p>	

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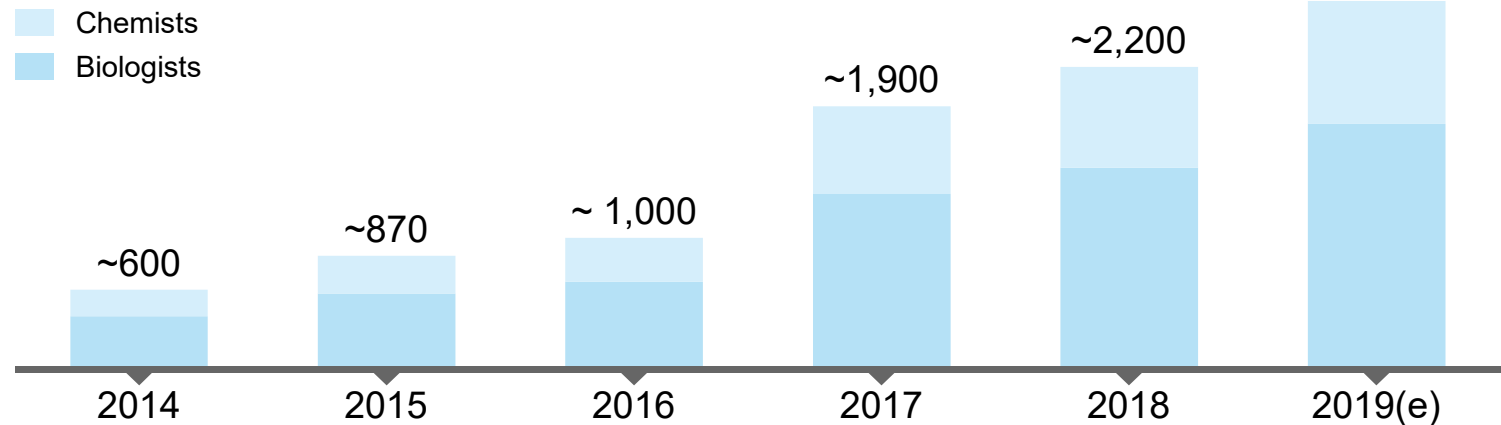


Culture to integrate talent is key for growth

Human Resources



Total operations personnel

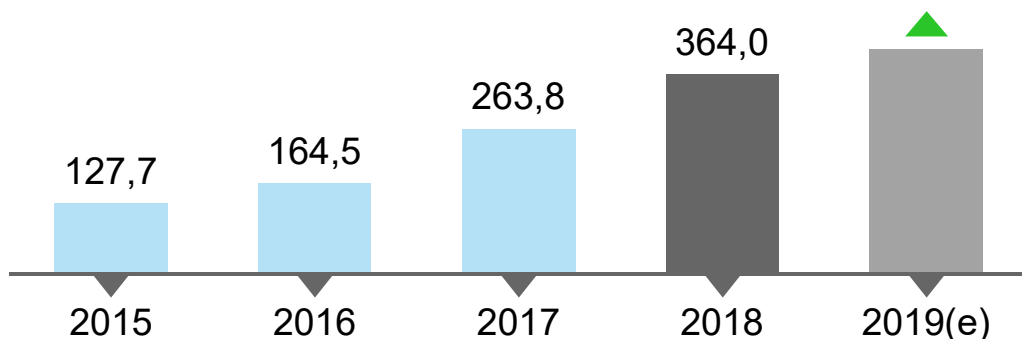


- 2/3 Biologists, 1/3 Chemists
- >70% of employees with at least one academic qualification
- >40% of employees have worked for Evotec >5 years
- >7.9 years on average drug discovery and development experience
- >54% female; >60 nationalities

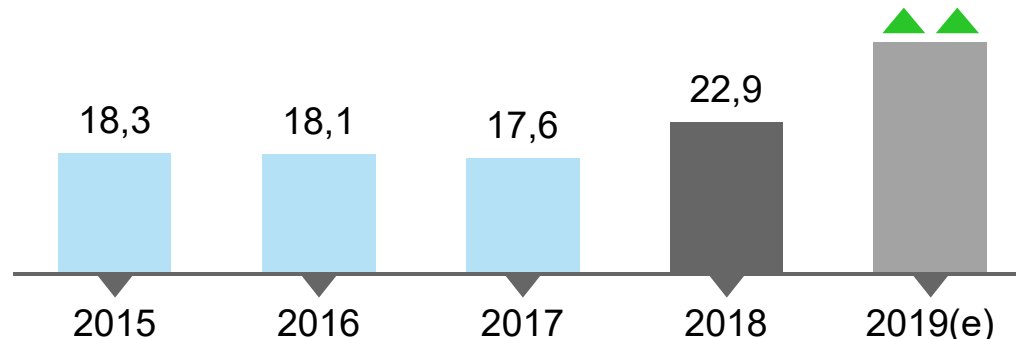
Long-term organic growth expected

Financial history 2015-2019 (e) – Selected performance indicators

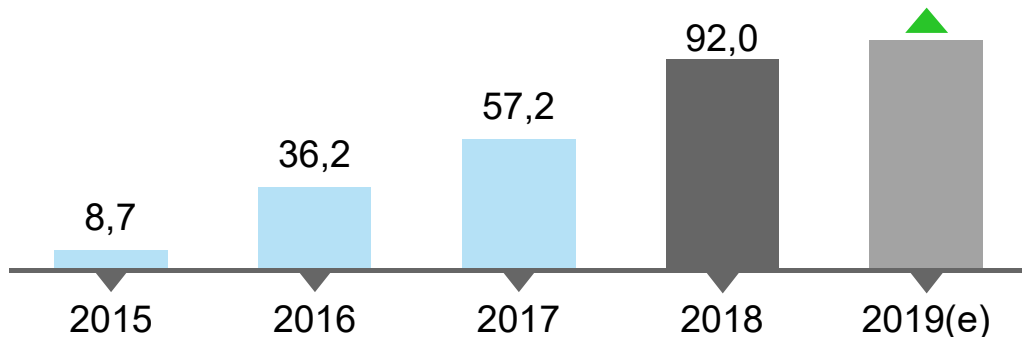
Approx. 15% Group revenue growth¹⁾ (in € m)



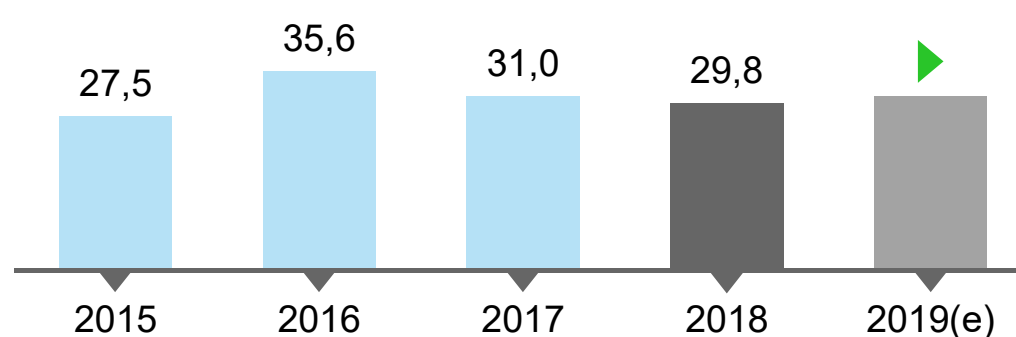
€ 30-40 m unpartnered R&D expenses²⁾ in 2019 (in € m)



>10% adj. Group EBITDA growth³⁾ (in € m)



Strong gross margin⁴⁾ (in %)



¹⁾ 2018 total revenues excluding revenues from recharges according to IFRS 15

²⁾ Evotec focuses its guidance and upcoming reporting during the course of 2019 on the “unpartnered R&D” part. ID expenses will be fully reimbursed by its partner Sanofi (“partnered R&D”); total of R&D expenses in 2018 of € 35,6 m (incl. ID-related expenses)

³⁾ Before contingent considerations, income from bargain purchase and excluding impairments on goodwill, other intangible assets and tangible assets as well as the total non-operating result; 2018 total adjusted Group EBITDA excluding € 3,5 m one-off effects in 2018

⁴⁾ Gross margin in the future may be more volatile due to the dependency of receipt of potential milestone or out-licensing payments, both having a strong impact on the gross margin, also new mix of business through Aptuit

Strong performance across all business lines

Condensed income statement H1 2019 – Evotec SE and subsidiaries

in € m¹⁾

	H1 2019	H1 2018 ³⁾	% vs. 2017
Revenues from contracts with customers	207.1	178.9	16%
<i>Gross margin</i>	30.8%	28.1%	–
• R&D expenses	(29.3)	(10.0)	192%
• SG&A expenses	(29.9)	(27.1)	10%
• Impairment of intangible assets and goodwill	(11.9)	(4.2)	–
• Other op. income (expenses), net	31.3	12.7	–
Operating result	24.0	21.7	11%
Adjusted Group EBITDA²⁾	58.2	38.6	51%
Net income	10.7	17.9	(40)%

- Strong Gross margin reflects capacity utilization and demand
- Increase in R&D as planned
- One-off impairment following termination of SGM-1019 programme
- Other operating income positively impacted by reimbursed partnered R&D and R&D tax credits
- Adjusted Group EBITDA in H1 2019 positively affected by new IFRS 16 (€ 6.4 m)

¹⁾ Differences may occur due to rounding

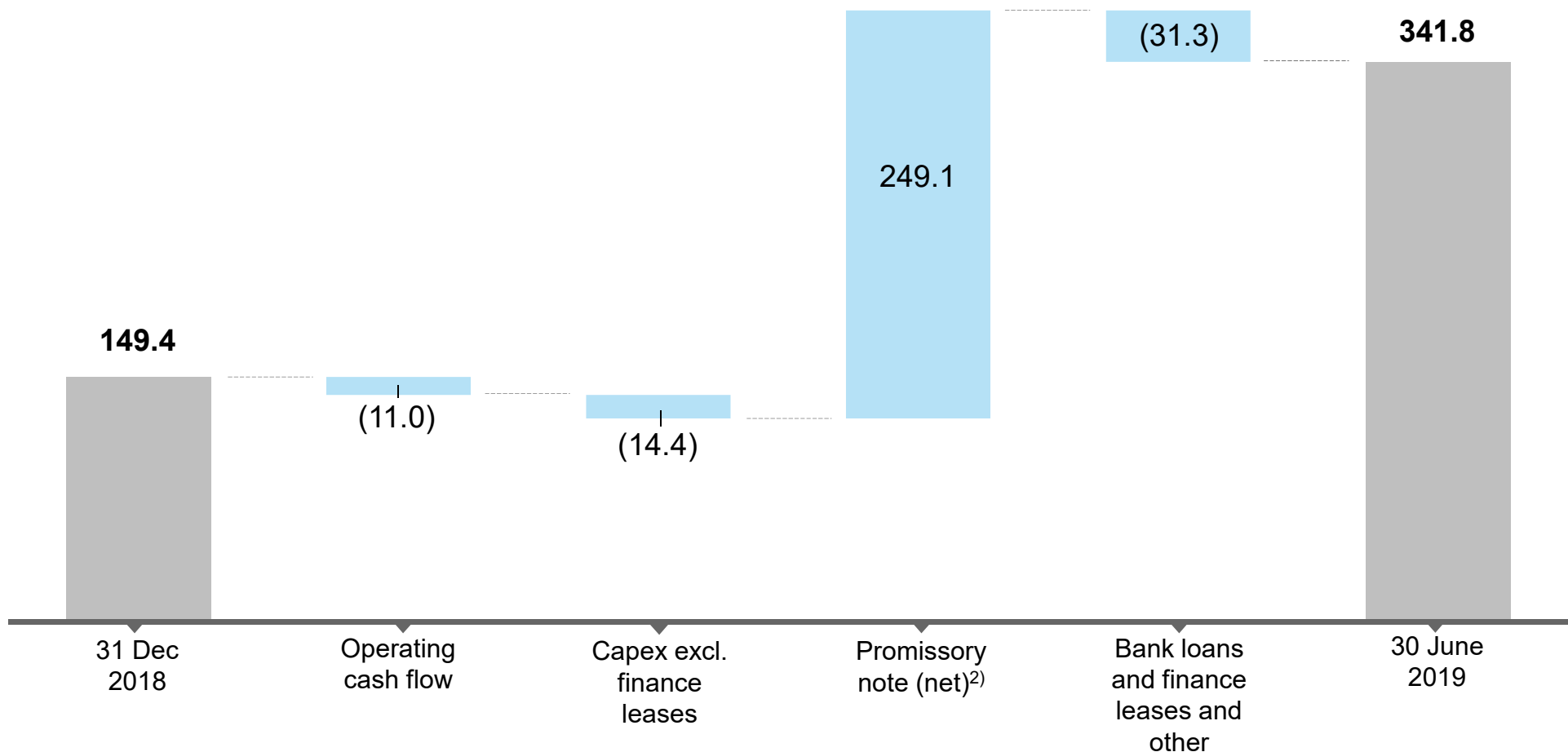
²⁾ Before contingent considerations, income from bargain purchase & excl. impairments on goodwill, other intangible & tangible assets as well as the total non-operating result

³⁾ 2018 data including reclasses of recharges according to IFRS 15

Strong liquidity to support growth and expansion

Liquidity development in H1 2019

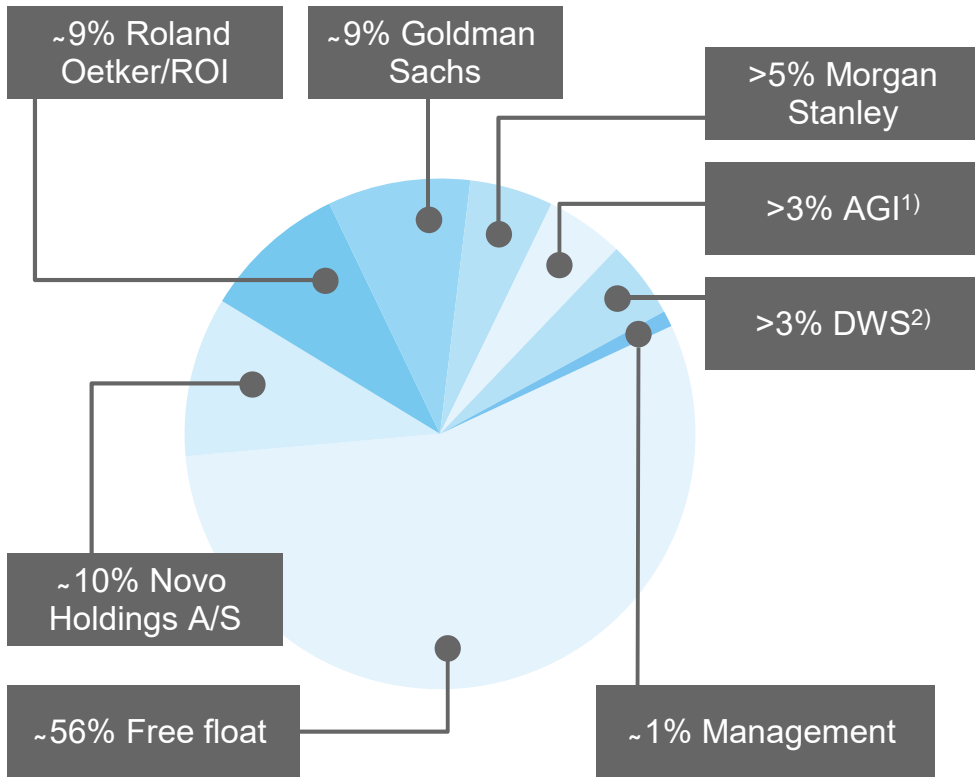
in € m



1) Upfront payment of purchase price for Just.Bio– Evotec Biologics - of € 55.9m / USD 60.0m after period end H1 (July 2019)
 2) Promissory note volume: € 249.1 m net; 3, 5, 7 & 10 years with a fixed and variable interest rate of on average below 1.5%; non-dilutive but debt

Strong team and shareholders for innovation

Management & shareholder structure*



Number of shares: 150.6 m

Listing: Frankfurt Stock Exchange (MDAX, TecDAX), OTCBB

52 week high/low: € 27.29/€ 16.02

Management Board

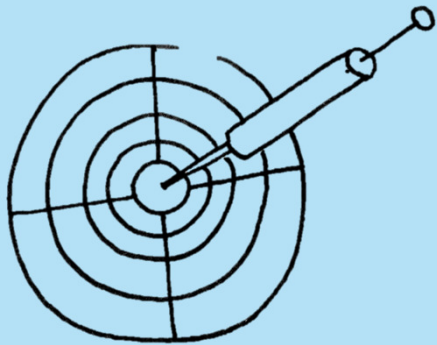
- **Werner Lanthaler (CEO)**
Long-time experience in Pharma & biotech
- **Cord Dohrmann (CSO)**
Long-time experience in drug discovery
- **Craig Johnstone (COO)**
Strong drug discovery and commercial track record
- **Enno Spillner (CFO)**
Long-time experience in finance & biotech

Supervisory Board

- **Wolfgang Plischke**
Ex-Bayer
- **Iris Löw-Friedrich**
UCB
- **Mario Polywka**
Consultant
- **Roland Sackers**
QIAGEN
- **Michael Shalmi**
Consultant
- **Elaine Sullivan**
Carrick Therapeutics

Strong year – and more to come

Expected key milestones 2019



- Continued strong growth and new integrated service alliances ✓
- New co-owned partnerships from own R&D ✓
- New clinical initiations & important progress of co-owned pipeline ✓
- Important milestones from existing alliances ✓
- Initiation of new BRIDGEs ✓
- Corporate investing initiatives ✓

Strong financial performance ahead

Updated Guidance 2019 (14th August 2019)

1	Double-digit top-line growth	<ul style="list-style-type: none"> • Approx. 15% (<i>previously: approx. 10%</i>) growth in Group revenues from contracts with customers without revenues from recharges¹⁾
2	Profitable and growing	<ul style="list-style-type: none"> • Adjusted Group EBITDA²⁾ expected to improve by more than 10% (<i>previously: approx. 10%</i>) compared to € 92.0 m in 2018³⁾
3	Focused unpartnered investments	<ul style="list-style-type: none"> • Unpartnered Group R&D expenses of € 30-40 m⁴⁾

¹⁾ 2018 total revenues excluding revenues from recharges according to IFRS 15: € 364.0 m / Based on current/updated FX rates

²⁾ Before contingent considerations, income from bargain purchase & excl. impairments on goodwill, other intangible & tangible assets as well as the total non-operating result

³⁾ 2018 total adjusted Group EBITDA excluding € 3.5 m one-off effects in 2018: € 92.0 m

⁴⁾ For better comparison to previous years, Evotec focuses its guidance and upcoming reporting during the course of 2019 on the “unpartnered R&D” part. ID-related R&D expenses will be fully reimbursed by its partner Sanofi (“partnered R&D”).

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