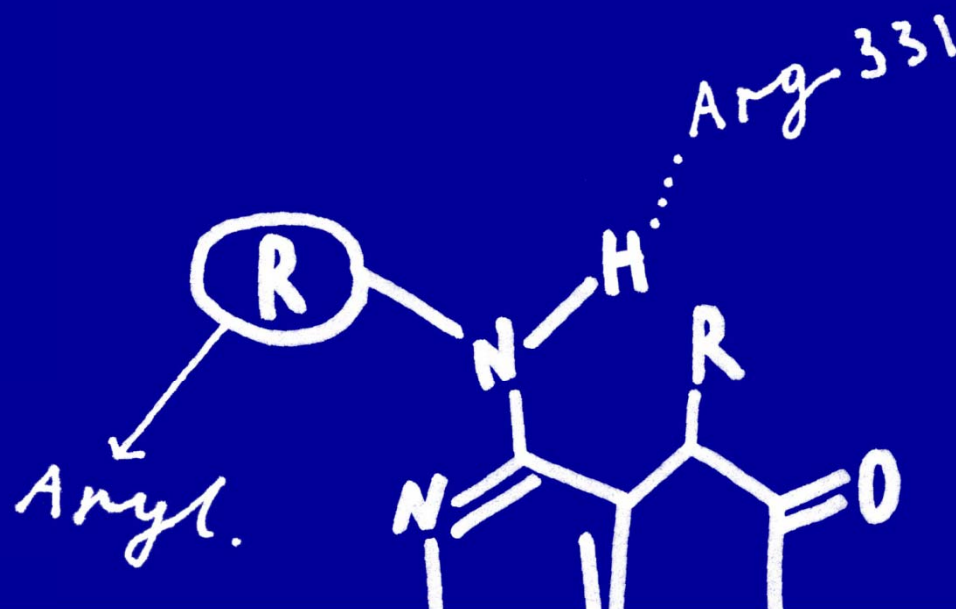


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# Best in Class Drug Discovery - Evotec acquires Kinaxo



## Forward-looking statements

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*Information set forth in this presentation contains forward-looking statements, which involve a number of risks and uncertainties. Such forward-looking statements include, but are not limited to, statements about our expected 2010 financial results and financial growth in 2011, our anticipated financing needs, our ability to deliver on our liquidity guidance, our belief that we are on course to sustainable profitability latest in 2012, our expectations and assumptions concerning regulatory, clinical and business strategies, the progress of our clinical development programmes and timing of the commencement and results of our clinical trials, strategic collaborations and management's plans, objectives and strategies. These 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. In particular, the risks and uncertainties include, among other things: risks that product candidates may fail in the clinic or may not be successfully marketed or manufactured; the risk that we will not achieve the anticipated benefits of our collaborations, partnerships and acquisitions in the timeframes expected, or at all; risks relating to our ability to advance the development of product candidates currently in the pipeline or in clinical trials; our inability to further identify, develop and achieve*

*commercial success for new products and technologies; the risk that competing products may be more successful; our inability to interest potential partners in our technologies and products; our inability to achieve commercial success for our products and technologies; our inability to protect our intellectual property and the cost of enforcing or defending our intellectual property rights; our failure to comply with regulations relating to our products and product candidates, including FDA requirements; the risk that the FDA may interpret the results of our studies differently than we have; the risk that clinical trials may not result in marketable products; the risk that we may be unable to successfully secure regulatory approval of and market our drug candidates; and risks of new, changing and competitive technologies and regulations in the U.S. and internationally.*

*The list of risks above is not exhaustive. Our most recent Annual Report on Form 20-F, filed with the Securities and Exchange Commission, and other documents filed with, or furnished to the Securities and Exchange Commission, contain additional factors that could impact our businesses and financial performance. 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.*

## Expanding leadership in drug discovery

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### Acquisition rational

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- Proprietary technology platform and capabilities for early and best decisions in drug efficacy and safety (discerning compound from target related effects)

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- Key technology for strategic expansion of oncology focused drug discovery alliance business (in preclinical but also clinical settings)

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- Innovative platform and capabilities for translational medicine approach to drug discovery (response prediction)

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- Expected Kinaxo revenues in 2011 ca. € 2.5m; strong revenue growth rate of more than 30% yoy expected

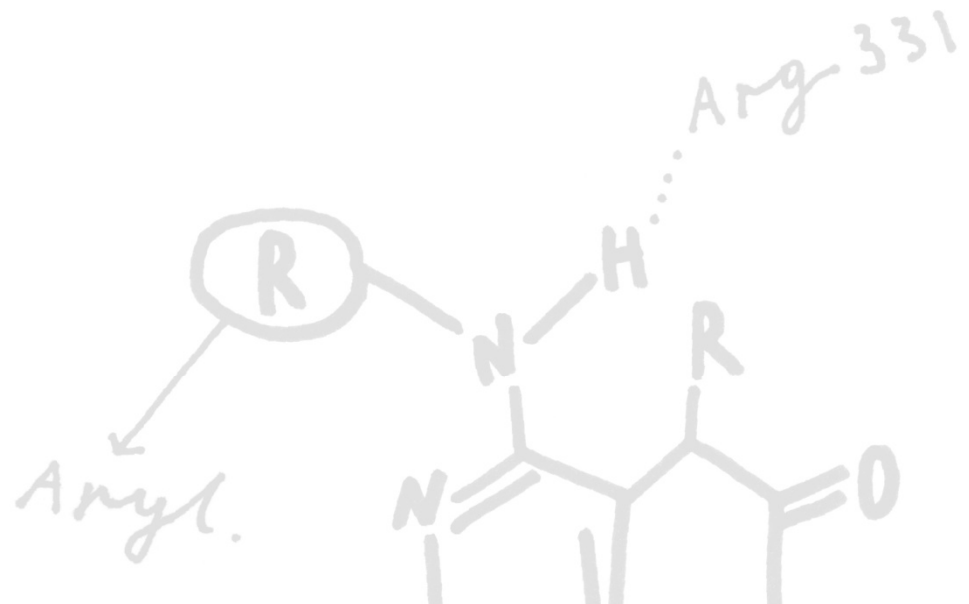
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- Approx. € 12m initial purchase price and € 4m potential performance payment. Financed with € 3m initial cash consideration, 2.6m shares <sup>1)</sup>, up to € 4m earn-out in cash

## Agenda

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- **Strategic Background**
- Integration in Evotec's Drug Discovery alliance business
- Financial implications & Outlook



# Based on technology from Max-Planck

## History of Kinaxo



- Founded in 2005 by Prof. Axel Ullrich, Henrik Daub, Andreas Jenne, and investors
- Based in Martinsried, Munich, Germany
- Based on worldwide, exclusive technology licenses from the Max-Planck Institute

- Private company, significant VC capital and public support raised
- Chemical Proteomics and Phospho-proteomics, offered as services and used in-house for biomarker development

- First long term service collaborations with big pharma
- Contract research to expand company infrastructure in personalized cancer diagnostics
- Three developed technologies, with multiple applications in early discovery, clinical support and repositioning: PhosphoScout®; Cellular Target Profiling® and KinAffinity®

- Today approx. 25 scientists
- Acquisition and Integration into Evotec AG
- Strategy to leverage Kinaxo's world class technology within Evotec's portfolio of drug discovery alliances

## High quality leader in external innovation

General industry trends where Kinaxo supports Evotec's mission

1 Increase capital efficiency with more educated "stop loss" or investment decisions

2 "External innovation" of fully integrated drug discovery projects

3 Discovery in oncology as key growth market

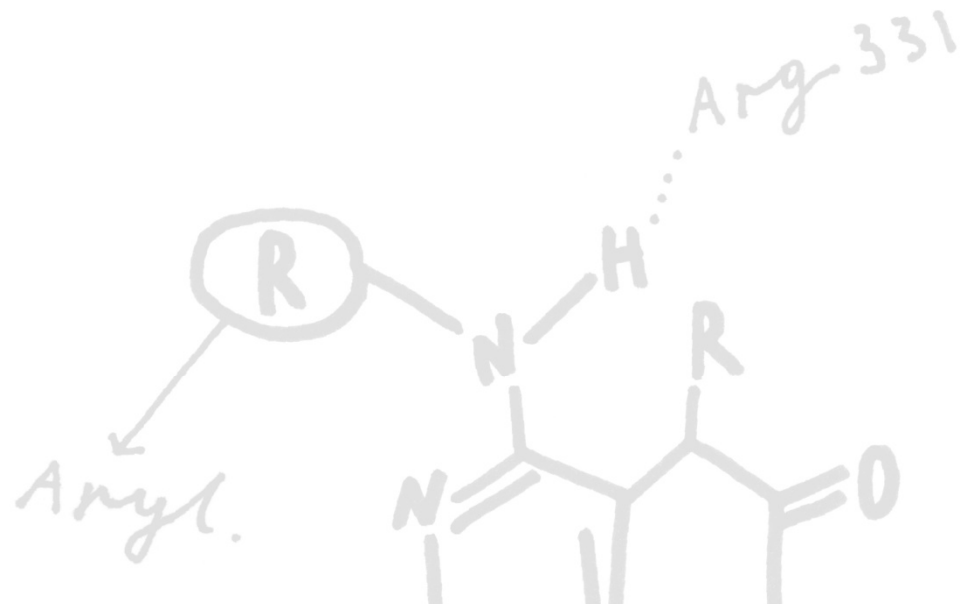
4 Response prediction as a key decision parameter

**Kinaxo strengthens  
Evotec's response  
to current  
challenges in drug  
discovery market**

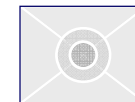
## Agenda

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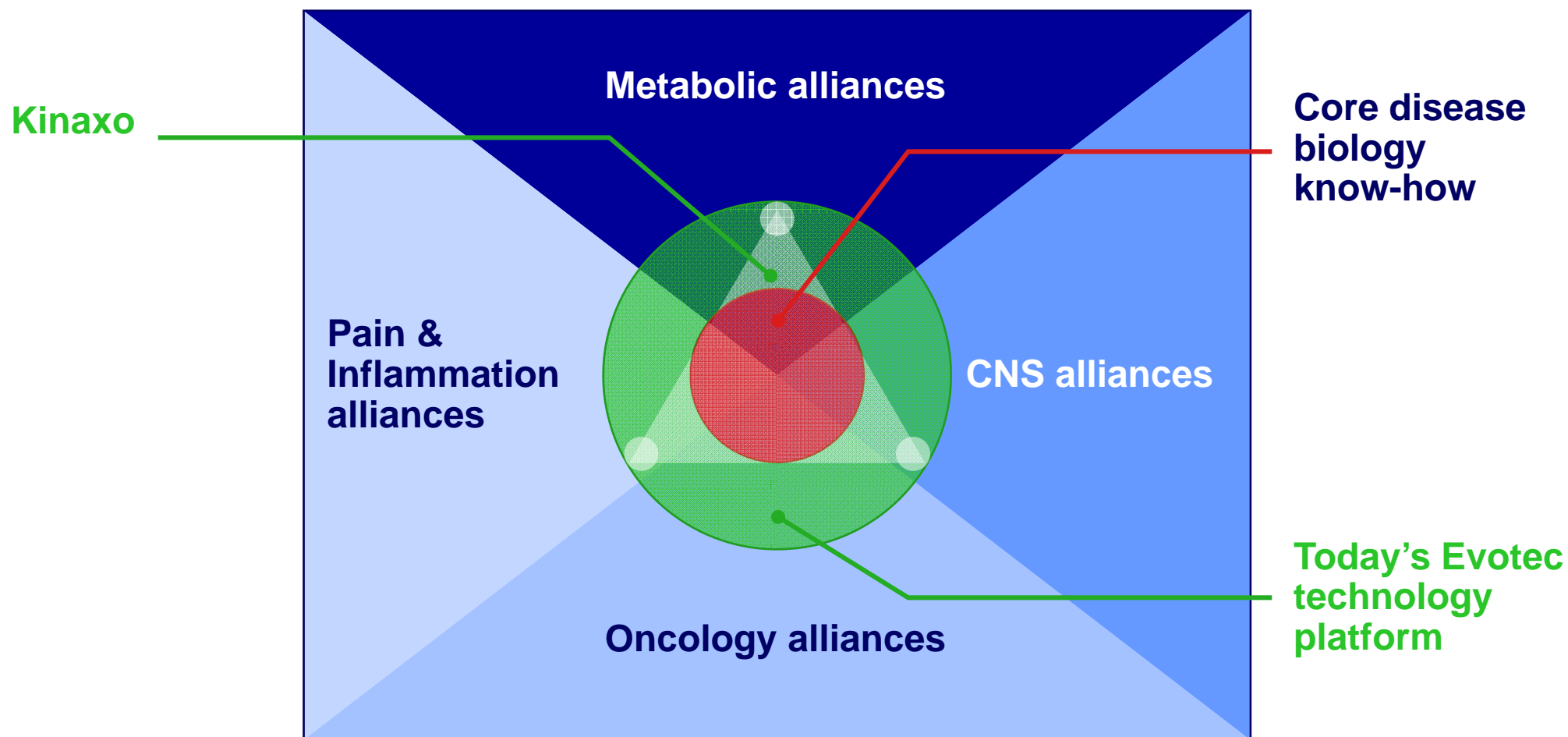
- Strategic Background
- **Integration in Evotec's Drug Discovery Alliance Business**
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# Kinaxo's technologies applicable in all disease areas with focus on oncology




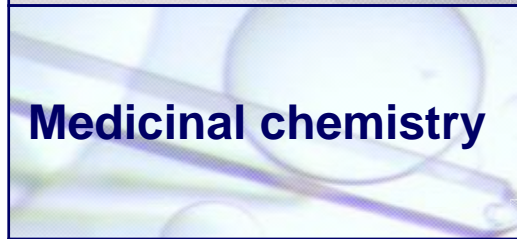


Integration rational





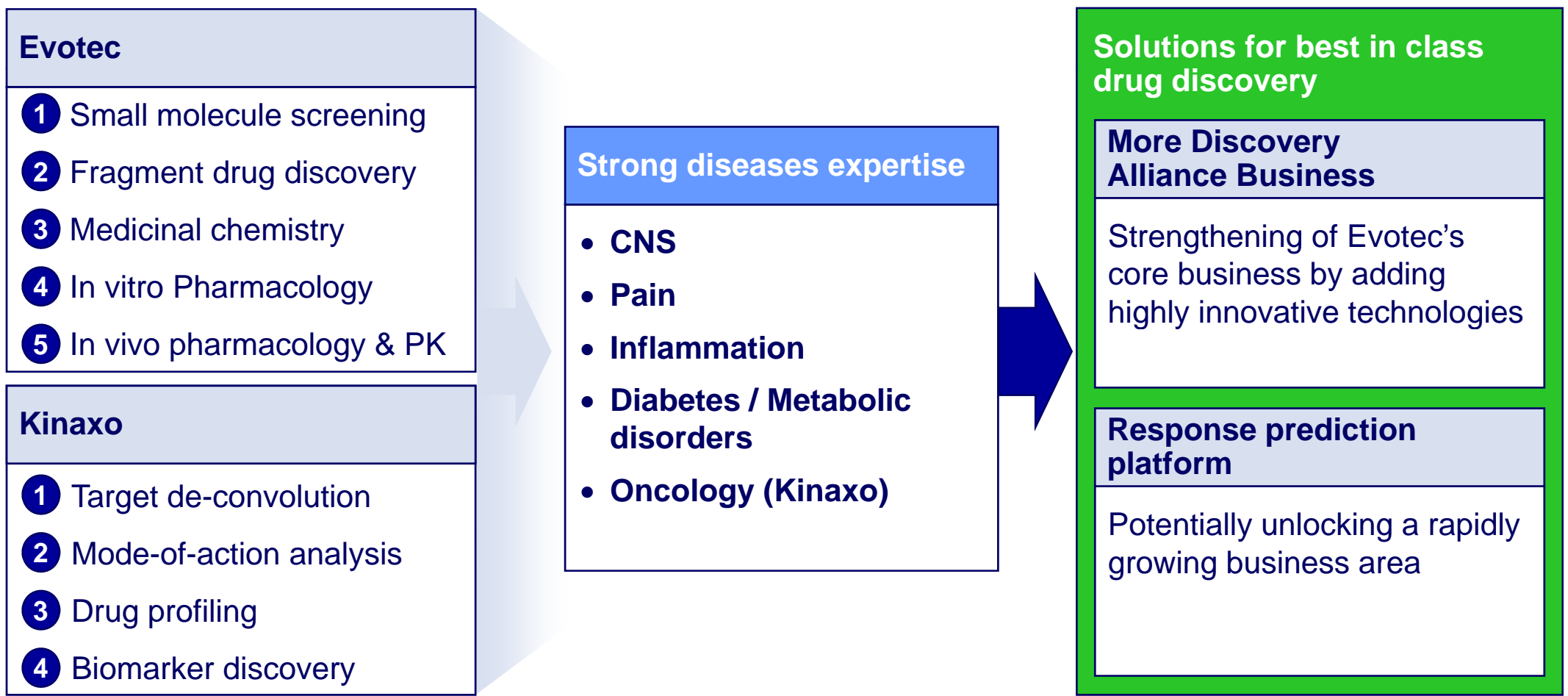
# Today's platforms

## Overview of Evotec technology platforms

 <p><b>HTS</b></p>	<ul style="list-style-type: none"> <li>• Proprietary screening technology for HTS, high content, label free and NMR screening</li> <li>• Best in class set-up for virtual screening</li> <li>• EVOLution™: powerful fragment-based drug discovery platform</li> <li>• Core expertise in assay development and high throughput screening</li> <li>• Unique compound collection differentiated through quality, novelty and diversity</li> </ul>
 <p><b>Medicinal chemistry</b></p>	<ul style="list-style-type: none"> <li>• Expertise and a track record of success in all major therapeutic areas and target classes</li> <li>• Structure-based, rational design expertise or ligand-based design</li> <li>• Fully integrated biology for <i>in vitro</i> and <i>in vivo</i> support</li> </ul>
 <p><b>Computational chemistry &amp; structural biology</b></p>	<ul style="list-style-type: none"> <li>• Integrated computational chemistry and structural biology capabilities</li> <li>• Structure and ligand-based design technologies: homology modeling, scaffold hopping, pharmacophore studies, quantitative structure activity relationship (QSAR)</li> </ul>
 <p><b>Pharmacology &amp; toxicology</b></p>	<ul style="list-style-type: none"> <li>• Leading portfolio of <i>in vitro</i> ADMET assays</li> <li>• Leading zebrafish screening platform for rapid and cost efficient <i>in vivo</i> toxicity, safety pharmacology and access to various disease models</li> <li>• <i>In vivo</i> PK capabilities (rodents), several proprietary animal models</li> </ul>

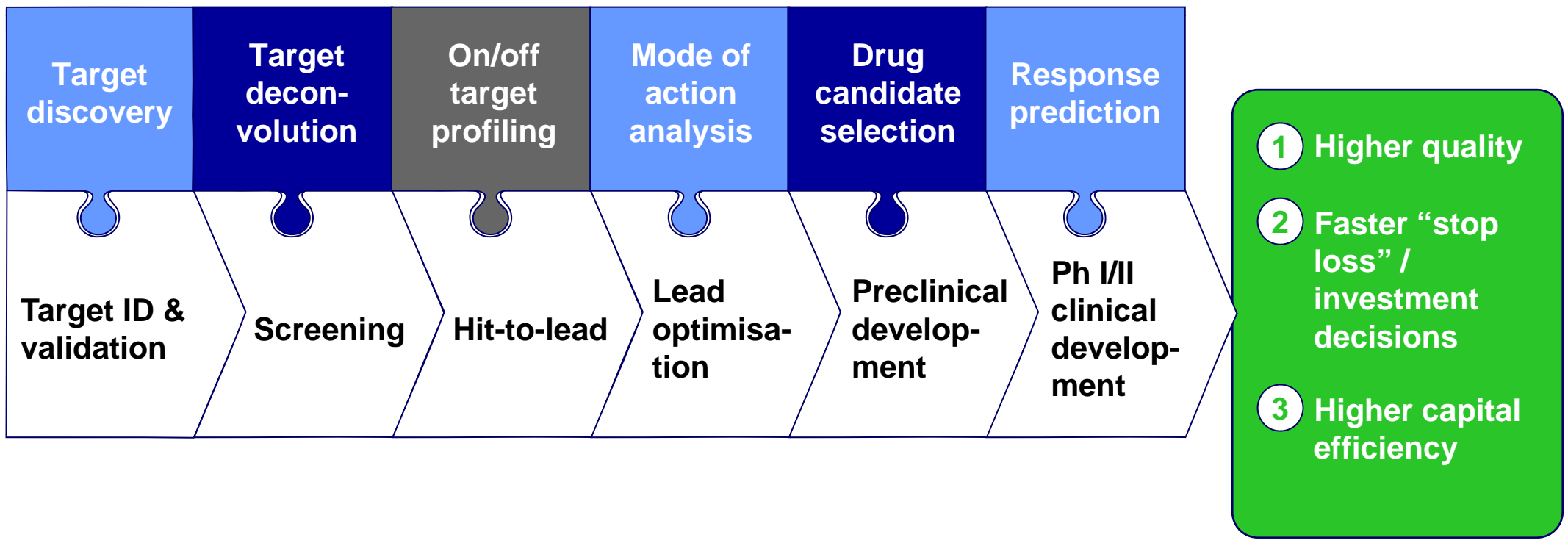
# Broadening drug discovery offering

Platform for the development of better targeted drugs



# Complementary technologies

## Integration of technology in value chain



# Scientifically and commercially proven

High-end mass spectrometry and world-class proteomics expertise

## Cellular Target Profiling®

*Proteome-wide, quantitative drug/target interaction analysis*

**Application:**

- Identification of off-target liabilities
- Clinical candidate selection
- Target de-convolution
- Drug re-profiling

## KinAffinity®

*Profiling of kinase inhibitors within the native kinome*

**Application:**

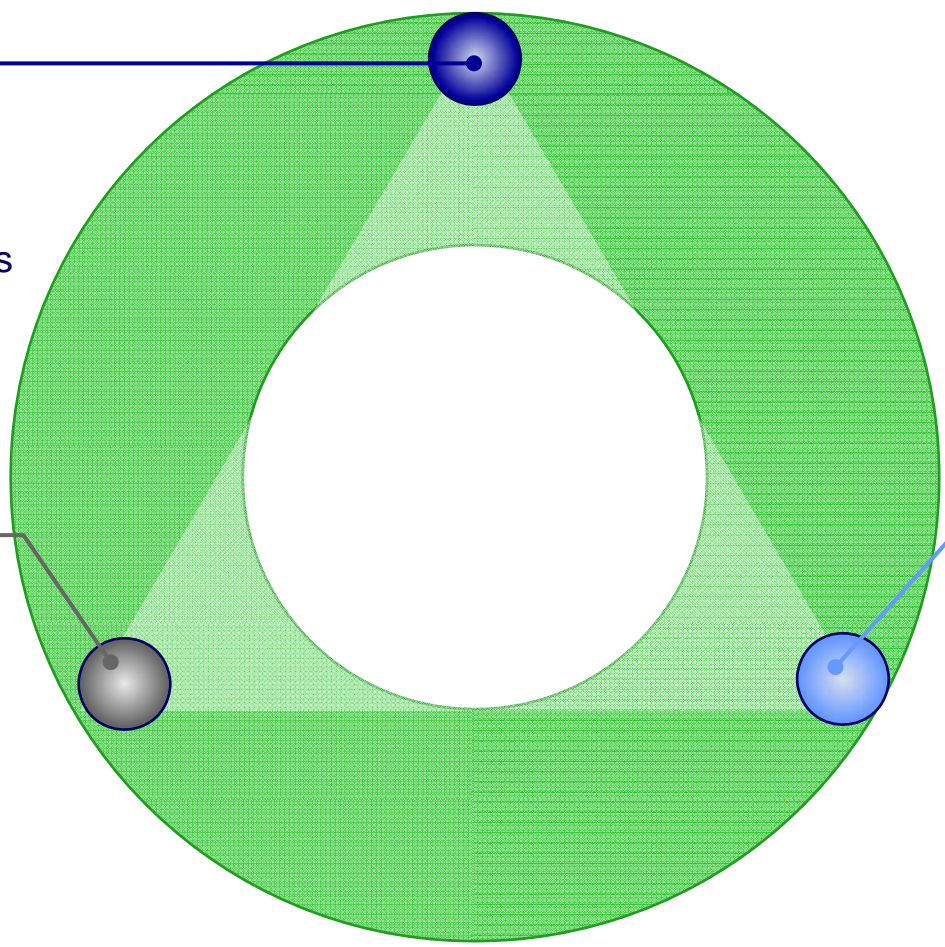
- Identification of on/off-kinase targets
- Clinical candidate selection

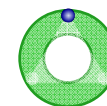
## PhosphoScout®

*Global, quantitative analysis of the cellular phospho-proteome*

**Application:**

- Biomarker discovery
- Drug mode-of-action analysis *in vivo*
- Identification of new drug targets

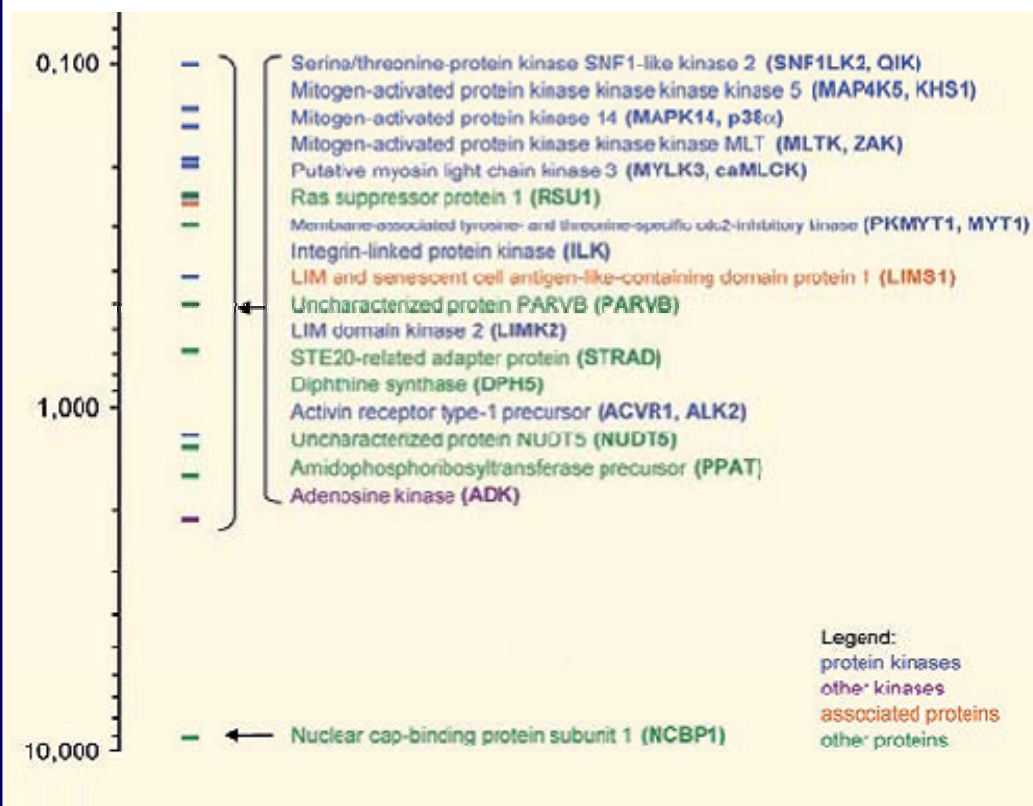


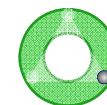


## Overview Cellular Target Profiling®

- Identification of **on/off-target interactions** in any cell type or tissue of choice on a proteome-wide basis
- Determination of a compound's **proteome-wide binding affinities**
- Discrimination between high, medium and low affinity cellular targets
- Profiling against **native**, endogenously expressed, post-translationally modified, full-length proteins
- Assessment of compound/target interactions in the presence of cellular co-factors and native complex partners

### Illustration of Cellular Target Profiling

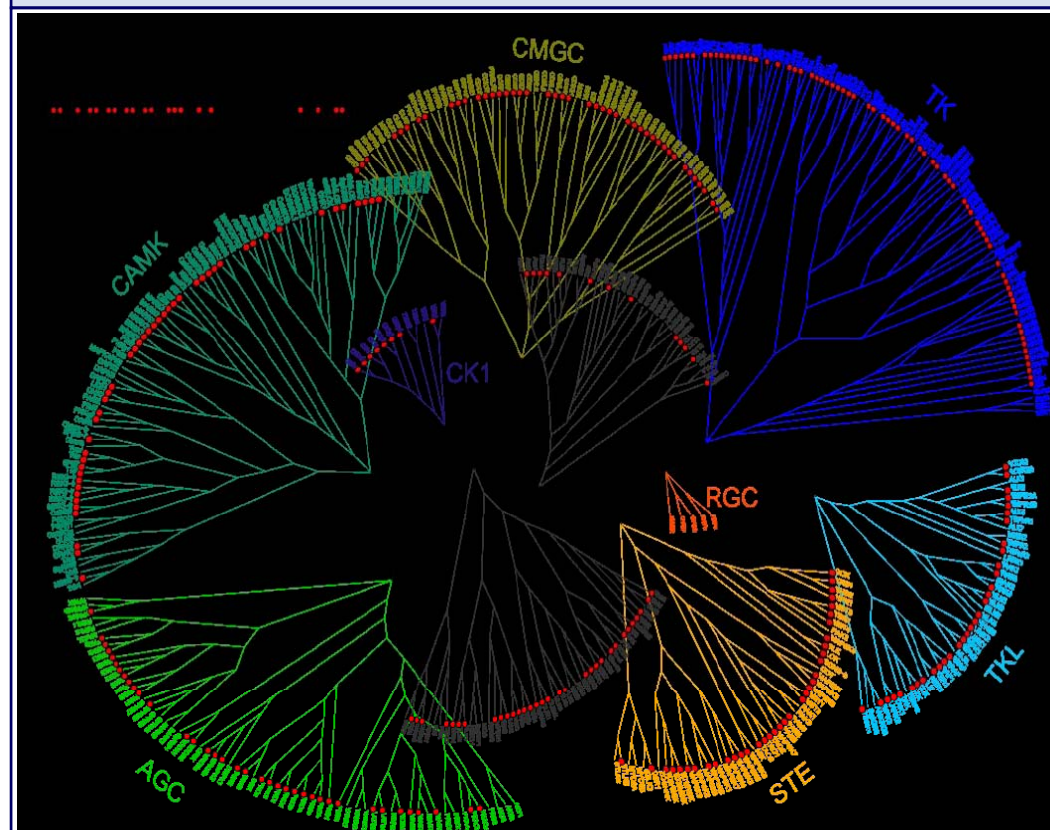




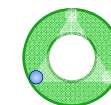
## Overview KinAffinity<sup>®</sup>

- Identification of a kinase inhibitor's binding affinities to **protein kinase targets** expressed in any cell line or tissue
- Profiling of kinase inhibitors against **endogenously expressed** full length proteins in the presence of cellular cofactors and native complex partners
- Revelation of interactions with protein kinases that are not detected by in vitro panel profiling
- Support of decision making in drug discovery to allow for risk assessment in kinase inhibitor selectivity analysis, optimization of lead compounds and selection of clinical candidates

### Illustration of Kinase interactions

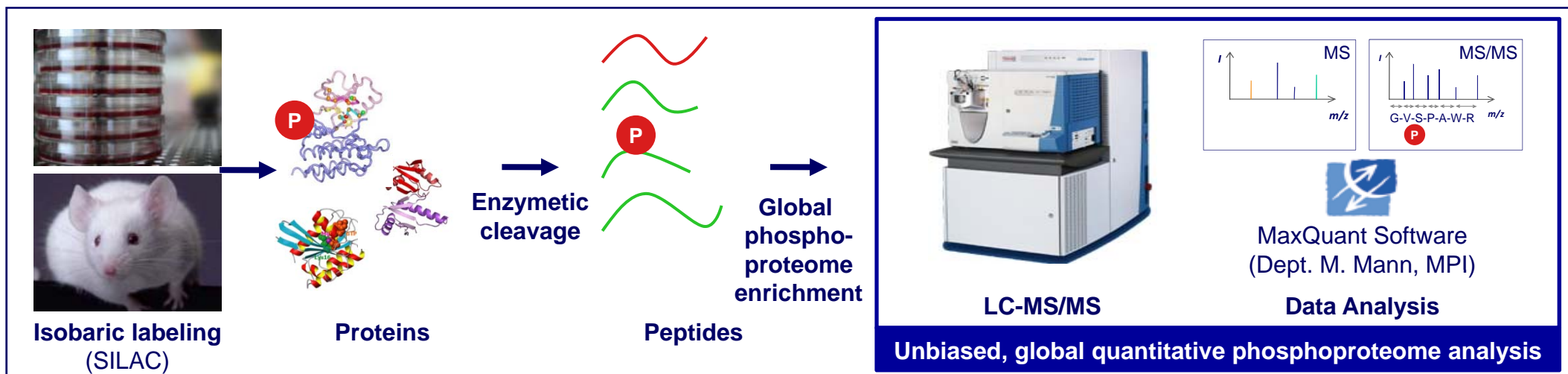


# Quantitative phosphoproteomics – monitor dynamic phosphorylation















## Overview PhosphoScout®

- Allows **global, unbiased** annotation and quantification of regulated phosphorylation sites in living cells, animal models and patient samples
- Currently more than 15,000 phosphorylation sites in living cells, animal models and patient samples
- Applications include **mode of action analysis** of targeted cancer drugs and **biomarker discovery / diagnostics**



# Current customers are a good fit with drug discovery alliances

## Portfolio of discovery alliances & Kinaxo's service partners

Partners	Focus area	Current cash impact	Upside for Evotec
	Oncology / Pain/ Inflammation / Diabetes	+	+++
	Diabetes	+	+++
	CNS	+	+
	Pain	+	++
 <small>A Member of the Roche Group</small>	Undisclosed	+	++
	Anaemia	+	++
	CNS	+	+
    	Various	various	various

### Kinaxo's service partners:

















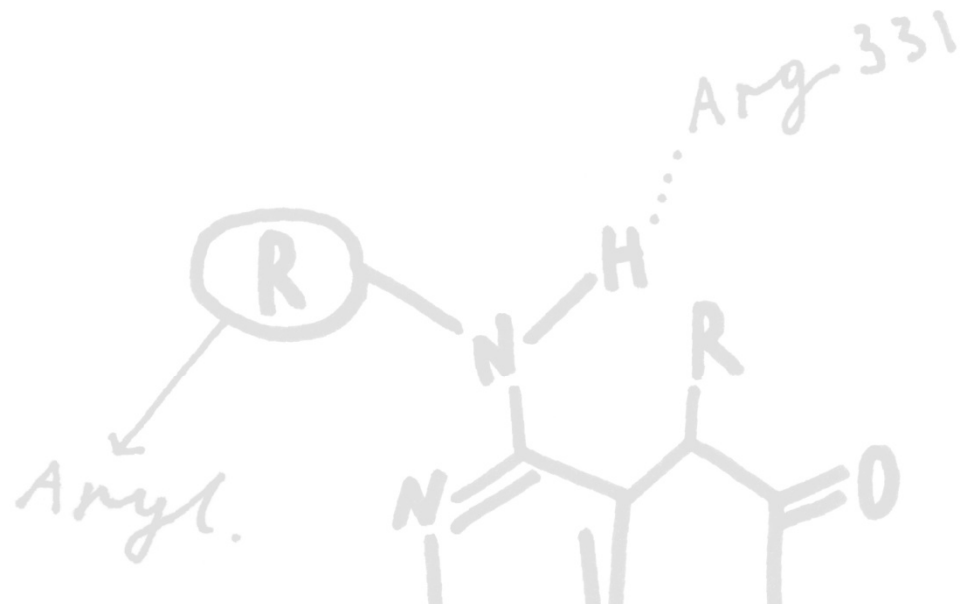




## Agenda

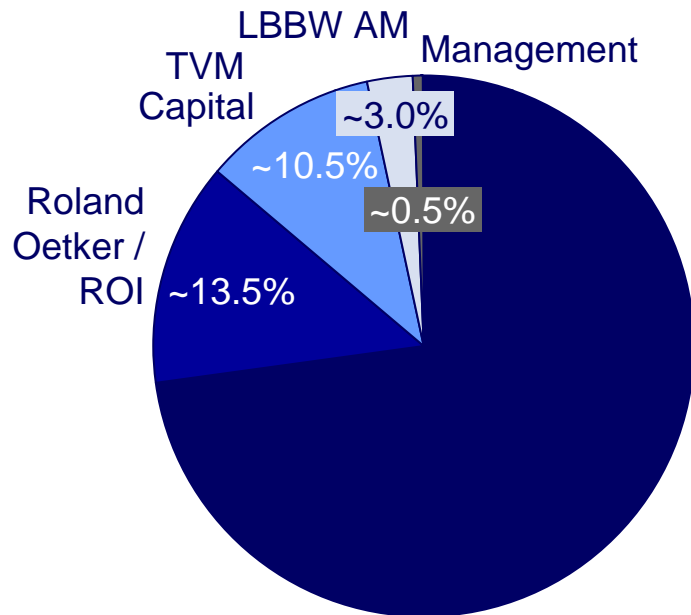
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- Strategic Background
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# Deal terms reflect risk sharing idea and earn-out components

## Overview deal terms

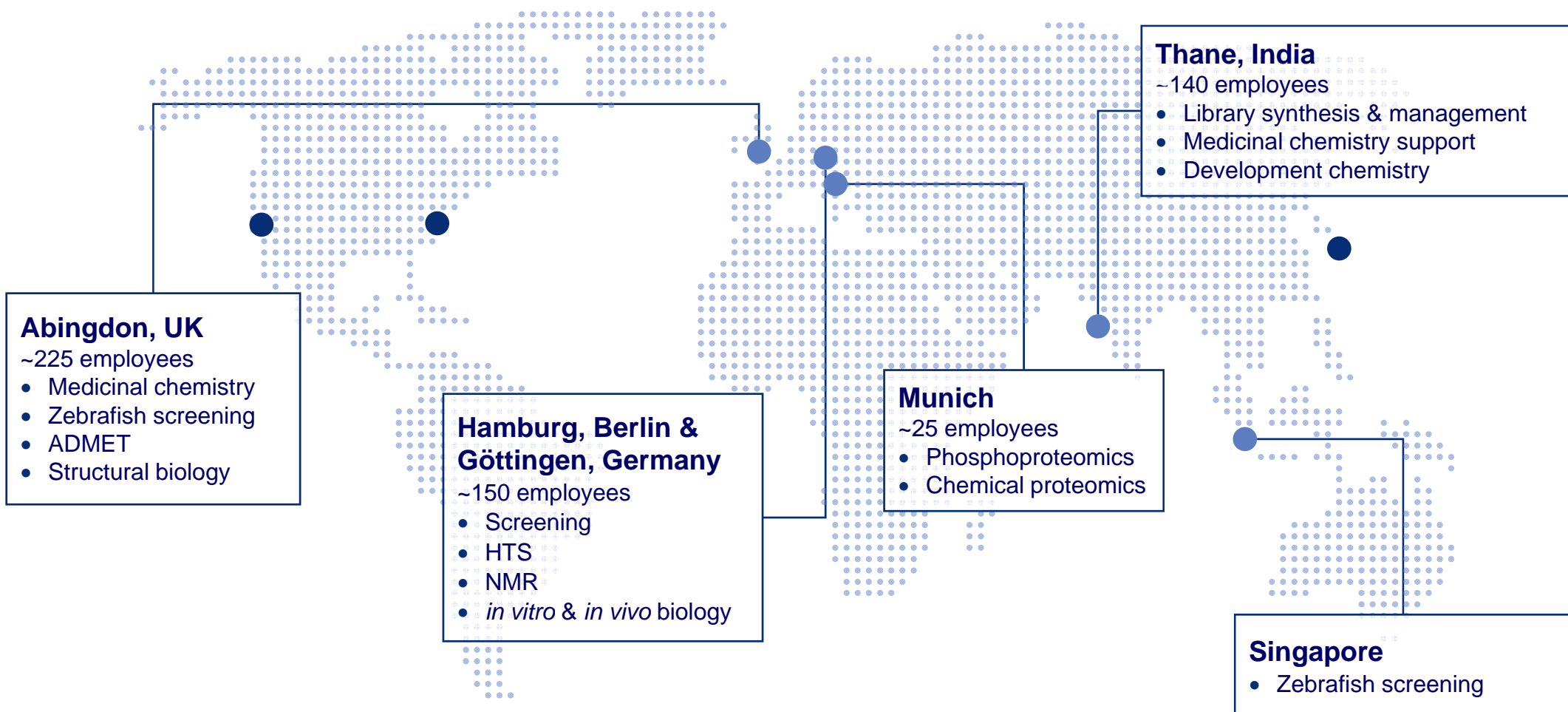


- Evotec acquires 100% of all shares in Kinaxo
- Evotec pays at closing €3m in cash and approx. 2.6m in shares, of which 650T shares are held in escrow for 15 months (reps and warranties)
- Evotec pays up to €4 m to old shareholders in cash if certain events and revenue targets within joint business plan are met
- Custom representations and warranties
- Shares are subject to lock-up provisions
- Only technical closing conditions

- **Number of shares:** 115,6 mio
- **New Number of shares:** 118,2 mio <sup>1)</sup>
- **Listing places:** Frankfurt TecDAX, OTCBB
- **52 week high/low:** €3,47 / €1.81

# Global reach for global projects

Ca. 550 Evotec employees worldwide



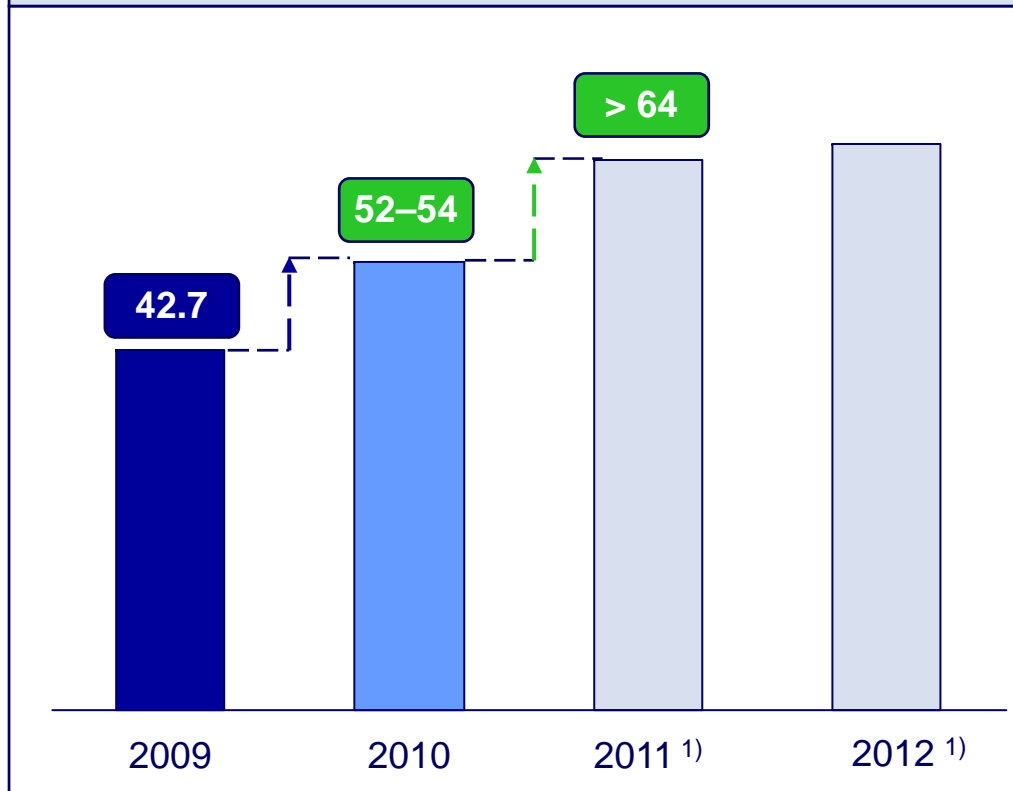
- Sales representation (San Francisco, San Diego, Boston, Tokyo)
- Operations & sales representation

# Strong strategic situation - impact for 2011ff

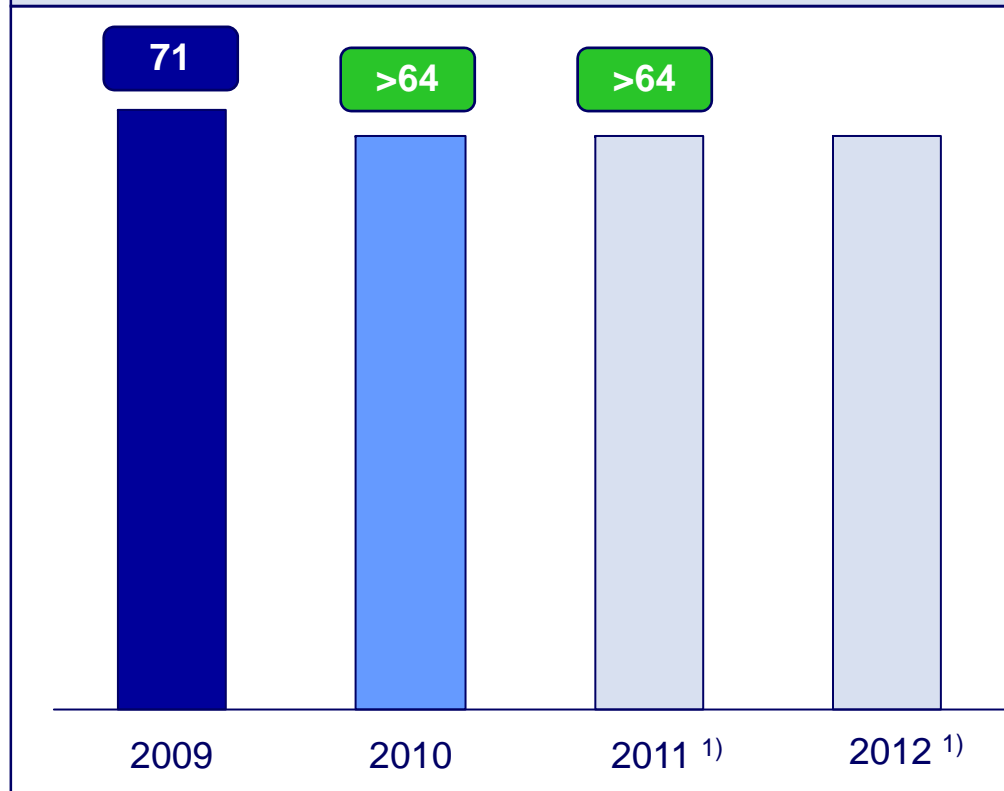
## Key financials – Initial guidance for 2011

in € m

### More than 15% yoy growth – Initial revenue guidance for FY 2011

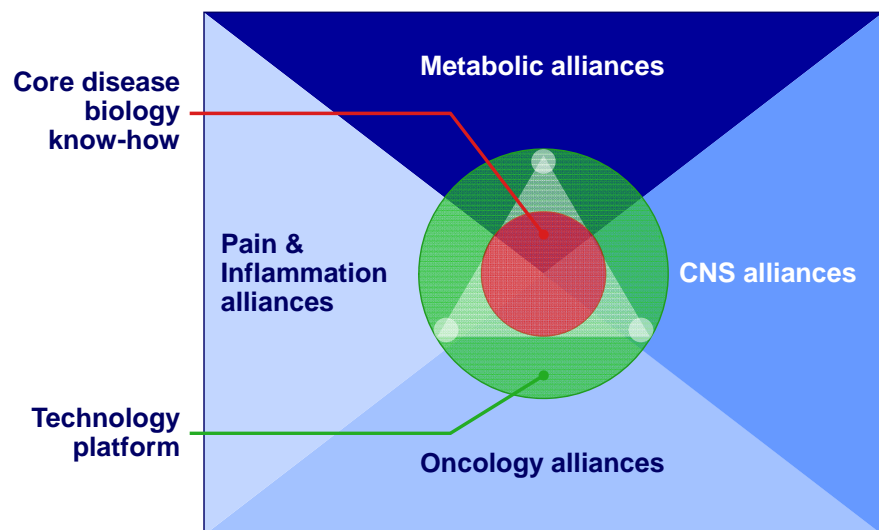


### Cash component of aquisition comfortably financed from own liquidity



# Strategic imperatives for our business model

## Next steps



### Strengthen core business

- Expand quality leadership position in drug discovery
- Invest in highly innovative approaches to open new therapeutic routes in major markets (e.g. beta cell technology, regenerative medicine, oncology, ...)

### Upgrade technology platform

- Invest in best-in-class technologies to accelerate „stop-loss“ or investment decisions in discovery (e.g. HTS, “in vivo models”, ...)

### Even better and more drug discovery alliances & product development partnerships

- Build even stronger portfolio of long-term high-quality partners
- Selectively increase EVT risk component in selected partnerships

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