Evotec Q1 Summary 2009

May 12, 2009

Forward-looking statements

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 expectations and assumptions concerning regulatory, clinical and business strategies, the progress of our clinical development programs and timing of the 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 the Company may be unable to reduce its cash burn through recent restructuring and cost containment measures; risks that product candidates may fail in the clinic or may not be successfully marketed or manufactured; 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.

Agenda

- Highlights, Lowlights & Operational Update
- Financial Summary
- Outlook & Upcoming News Flow

Highlights & Lowlights

Overview of Events

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- Strong Operational Performance in Discovery Alliance Business (DAB)
- Fast Implementation and Immediate Effects of Restructuring Action Plan “Evotec 2012 – Focus & Grow”
- Re-Engineering of Discovery and Development (Closure of SSF Site)
- New Alliance with Roche Representing a more than $ 300m Opportunity
- Acquisition of Zebrafish Technology
- Solid Liquidity Position

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- Failure of EVT 302 in Smoking Cessation and Failure to Deliver on EVT 201 Partnership
- Delay in Pfizer Alliance on VR1 Triggers Impairment

Despite series of bad news the Company has a strong fundamental business case for its DAB and its development programs

Evotec 2012 – Action Plan to Focus and Grow implemented

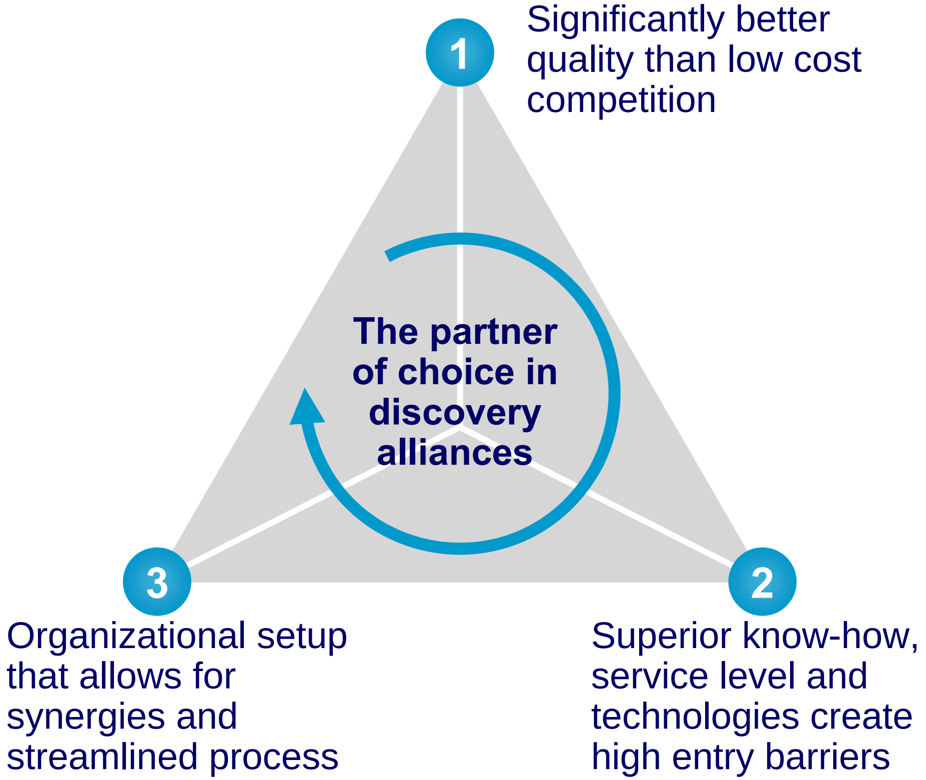
Building Blocks for "Restarting Evotec"

Building Block	Measures	Goal
1 Grow Discovery Alliances Business (DAB)	• Improvement program for technology and service level leadership • Acquisition of zebrafish technology first step to further develop DAB and build on world-class leadership role	Strengthen USP of Evotec's platform Adds revenues and profitability
2 Refocus pipeline on most valuable assets	• Investment focused on core assets • Investment in early programs limited • Focus on one product for potential development up to market	Focus and reduces R&D expenses to < EUR 30 m (2008: EUR 43 m)
3 Building more strategic alliances	• Roche alliance (EVT 100) provides R&D funding, de-risks the portfolio • Strategic partnering process on earlier assets	Provides upfronts, Reduces clinical spend, Keeps product upside
4 Strict cost containment and drastic cost cuts	• Research concentrated on European operations • US operations wound down • Changes in top management and overall organization	SG&A - 20%* R&D - 40%*

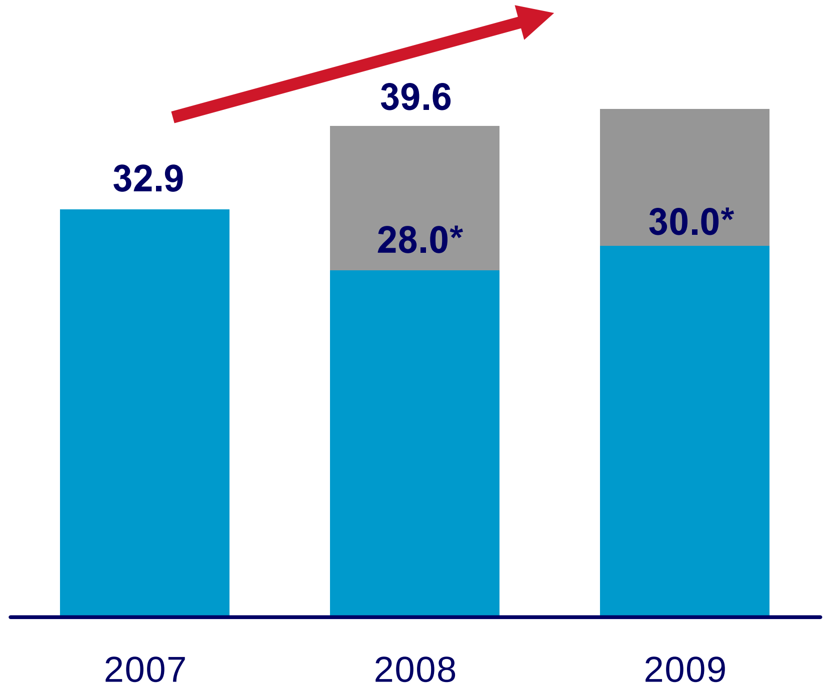
* 2010 ff

Build on unique strengths of Discovery Alliance Business

1 Grow Discovery Alliance Business



Cash generating solid growth business delivers downside protection



Solid business to fund development programs

* As of April already in order book/outlook for the year

Best-in-class services along the value chain

1 Discovery Alliance Business Value Chain

Screening | Hit-to-lead | Lead Optimization | Preclinical Development | Clinical Development

Screening
- Assay development
- (u)HTS
- High content screening
- Electrophysiology
- Virtual screening technologies
- Fragment-based drug discovery
- Library design and synthesis

Hit-to-lead
- Hit expansion
- Focused library synthesis
- Early ADMET
- Protein-ligand crystallography
- Medicinal chemistry
- Biology support
- **Toxicology and safety pharmacology screening**

Lead Optimization
- **Toxicology and safety pharmacology screening**
- Medicinal chemistry
- Structure-based drug design
- ADMET/PK
- Computational chemistry and optimization
- Structural biology
- Biology support/secondary screening
- Disease biology and target class expertise

Clinical failure leads to reduced, but high value early pipeline

evotec

2 Focus Pipeline Programs

Program	Indication	Market opportunity	Next value point	Potential filing
1 EVT 100 S*	TRD; CNS	> € 3bn	PII start 2009	2013
2 $P2X_7$	Rheumatoid arthritis**	> € 3bn	PI data (mid 2009)	2014
3 H_3	Narcolepsy	> € 1bn	PI start (2010)	2015
4 $P2X_3$	Pain	> € 3bn	PI start (2010)	2015
5 EVT 201/ EVT 302	Insomnia/ Smoking cessation***	> € 500m	No near-term partnering to be expected	unlikely

Less is more –

Only core value programs will be fully supported by Evotec

* Partnered with Roche

** Potential other indications to be opened – depending on clinical data; potential target also for other inflammatory diseases

*** No further investments, BD efforts ongoing

High value alliance with ROCHE against depression

3 Build Alliances

Roche

TREATMENT-RESISTANT DEPRESSION

More than 120 million depressed patients; persistent sadness, pessimism; 1/3 of patients treated don't respond to first antidepressant.

USP's of Alliance

- Joint Phase II development of EVT 101 in treatment-resistant depression
- Next generation compound EVT 103 entering Phase I studies
- Roche has buy-back option for entire EVT 100 family post Phase II
- If Roche doesn't exercise the buy-back, Evotec will get rights to all indications under revised terms

Key Commercials

- Potential deal value exceeding $300m
- Roche has committed to fund clinical development of EVT 101 and EVT 103
- $10m received; $65m due with option exercise + up to $220m in development and sales milestones + scalable double-digit commercial payments

Leveraging European infrastructure for higher efficiency

4 Process Improvement

3x Overlapping Processes

Value proposition today

1. Discovery Alliance Business

Screening → Hit to lead → Lead optimi-zation → Pre-clinical → Clinical develop-ment

2. Hamburg Research

Screening → Hit to lead → Lead optimi-zation → Pre-clinical → Clinical develop-ment

3. San Francisco Research

Screening → Hit to lead → Lead optimi-zation → Pre-clinical → Clinical develop-ment

NEW: One Process Value Proposition

Screening → Hit to lead → Lead optimi-zation → Pre-clinical → Clinical develop-ment

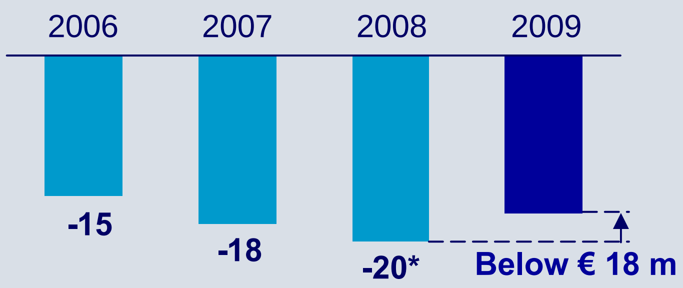
One process providing world class drug discovery and clinical development for partnerships and proprietary development

- Continuing strength of Discovery Alliance Business allows to more efficiently leverage Evotec's infrastructure
- Concentrate operations in Europe and wind down US operations
- Integrate all assets in this one process structure to reduce fixed costs and improve efficiency for R&D and Services
- Make more early assets available for partnering

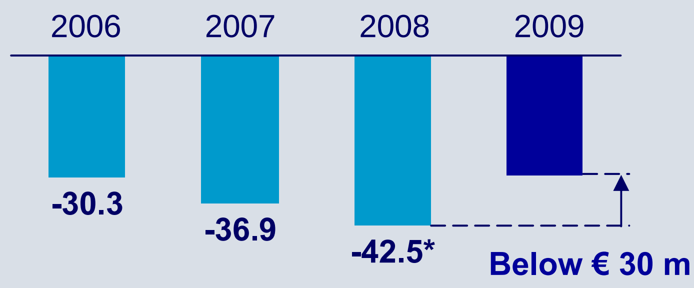
Guidance can be comfortably confirmed for 2009

4 Drastic Cost Cuts

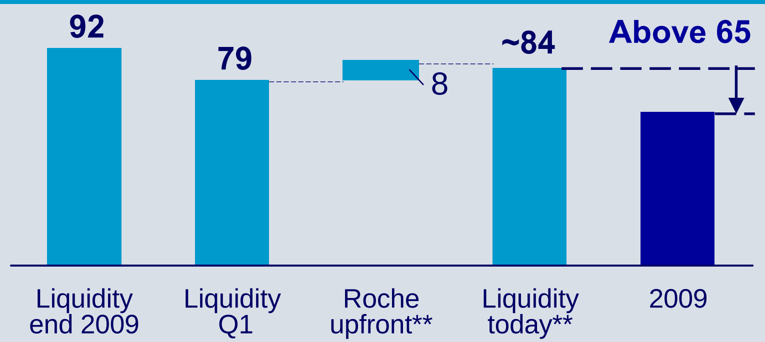
SG&A costs to be reduced



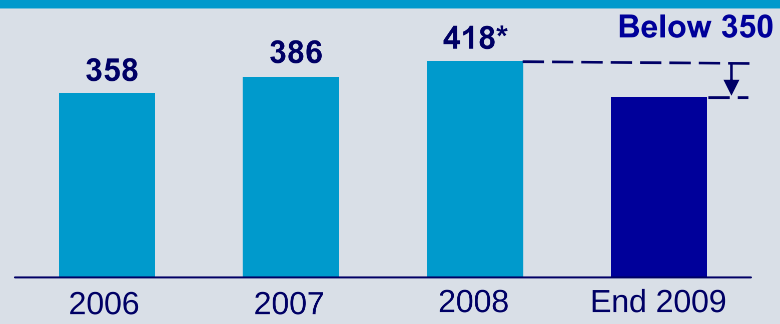
R&D expenses focused on key programs



Solid liquidity position secured beyond 2012



Headcount reduction were necessary



* Renovis acquisition; **after Q1

Evotec 2012 – Key performance indicators

Controlling is Key *

	Key parameters	+2 (Better)	+1	0 (Neutral)	-1	-2 (Worse)
Defend and expand discovery alliances	Overall cost impact	X				
	Status of order book		X			
	Extension of technology offering	X				
	Extension of customer reach and Q			X		
Focus on high value develop-ment programs	Value of supported own programs				X	
	Status of clinical progress					X
	Value of partnered programs				X	
	Number of IND's			X		
Balance risk for sustainable growth	Costs in unpartnered research		X			
	Milestone income			X		
	Potential alliances			X		
	Overall cash reach	X				

* Evaluated versus implementation of "Evotec 2012"

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Strong operational performance - increased operating loss only due to “non cash” impairment

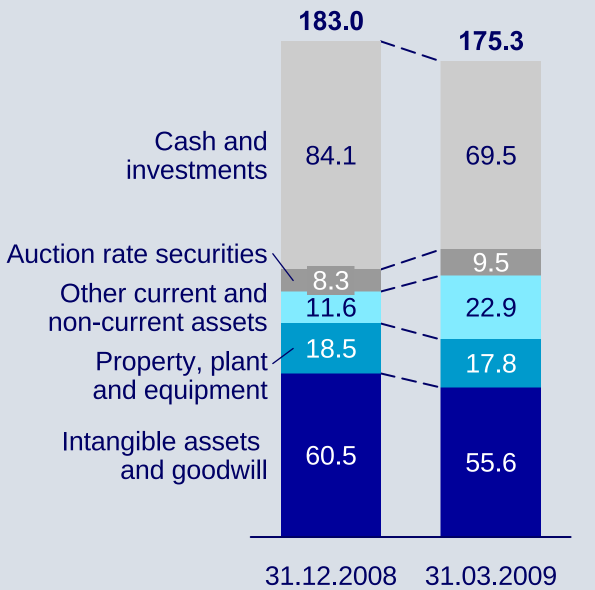
Condensed Profit & Loss Statement (IFRS) in €m

	Q1 2008	Q1 2009	∆ in %
Revenues	7.3	8.2	+13%
Gross margin	29.4%	36.2%	-
• R&D expenses	12.8	10.3	-19%
• SG&A expenses	3.3	4.8	+43%
• Amortization & impairment	0.3	6.7	-
• Restructuring expenses	0.1	1.4	-
• Other operating income (expenses), net	0.04	0.04	-
Operating income (loss)	-14.4	-20.2	-41%
Net income (loss)	**-13.8**	**-21.8**	**-58%**

Strong liquidity position

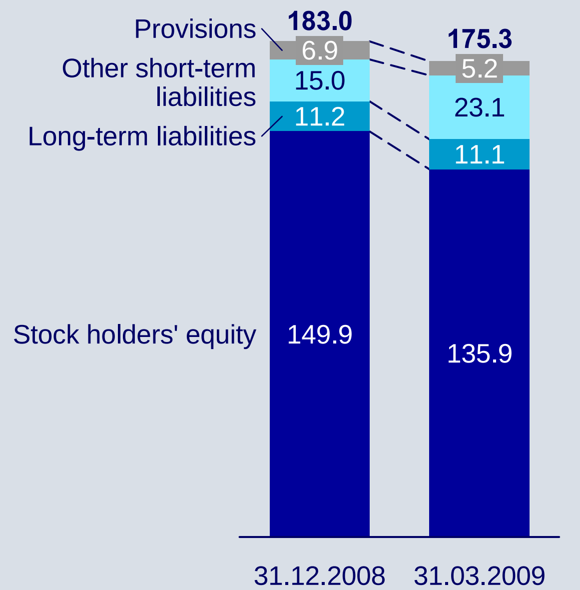
Financial Overview

Balance Sheet – Assets (in €m)



Continued strong liquidity
Cash burn to significantly decrease, deferred revenues from Roche upfront, VR1 impairment

Balance Sheet – Liabilities & stockholders' equity (in €m)



Equity ratio at 77.5%
Roche upfront leads to higher trade accounts receivables

Condensed Cash Flow Statement (IFRS) (in €m)

Three months ended March 31,	2008	2009
Net cash provided by (used in)		
- Operating activities	(15.5)	(17.9)
- Investing activities	3.7	3.6
- Financing activities	(1.4)	(1.0)
Net increase /decrease in cash and cash equivalents	**(13.2)**	**(15.3)**
Exchange rate difference	(0.5)	2.5
Cash and cash equivalents		
- At beginning of period	38.0	55.0
- At end of period	**24.3**	**42.2**
- Short-term investments	48.8	27.3
- Auction rate securities	0.0	9.5
Liquidity at end of period	**73.1**	**79.0**

Strong liquidity provides basis for future growth

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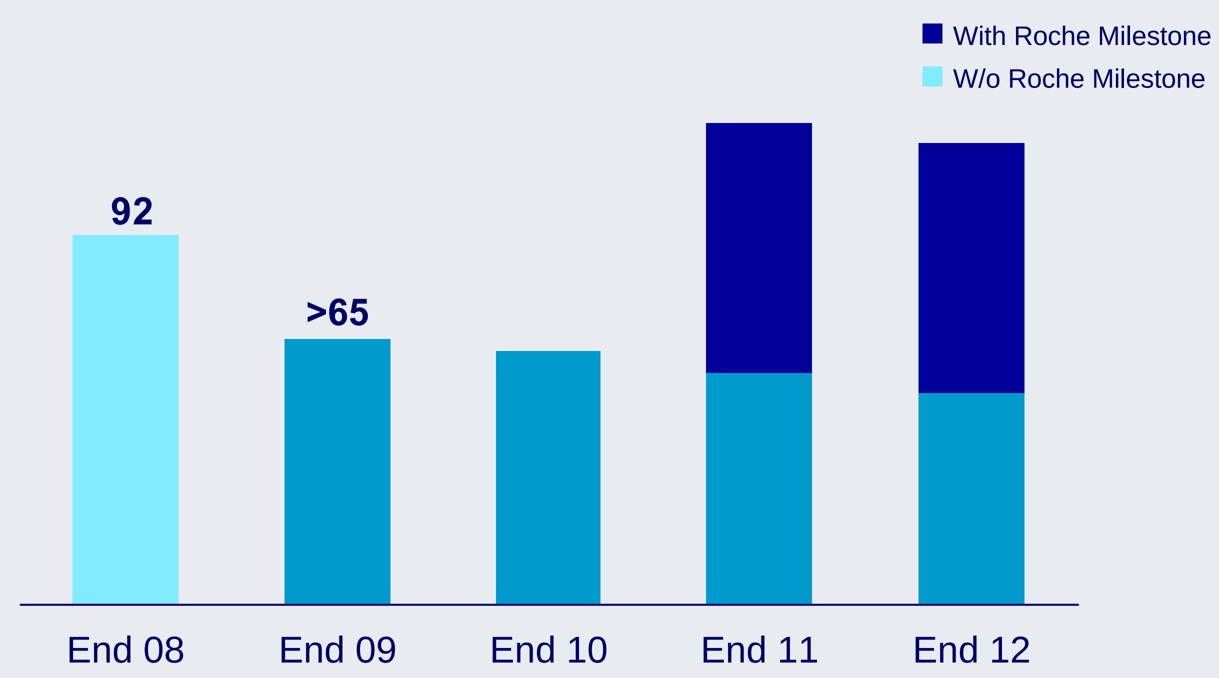
Action Plan 2012 allows for sustainability

Cash Consumption after Restructuring

Assumptions

- Solid growth of Discovery Alliance Business (EUR > 60m revenues in 2011)
- No significant cash generation from clinical assets before 2012
- R&D costs reduced by **40%** p.a
- Enough funding available for external strategic options

Strategy is secured with full Implementation of AP 2012



Why this might be the end of the valley?

Outlook & Next Steps

- Solid liquidity of approx. € 80 million provides solid downside protection
  - Restructuring measures implemented to increase cash reach comfortably beyond 2012
- Planned expansion of Discovery Alliance Business to EUR > 60 million in 2011
- EVT 100 deal – potential $65 million milestone opportunity
- Strength of remaining clinical assets
- Wealth of preclinical assets available for partnering

	Milestone	When
1 Discovery alliances	• New alliances with high value contracts (more milestone based) • Growth in revenues and strategic technology expansion	H2 2009 2009 ff ✓
2 Strategic alliances	• New strategic partnerships • New Development Alliances (Roche)	H2 2009 H1 2009 ✓
3 Clinical mile-stones	• EVT 302 POC in smoking cessation • EVT 101 POC in depression/Roche buy-back • Phase I data P2X7 • Phase I data P2X3 • At least 1 new Phase I program	Q2 2009 ✓ End 2010/2011 Mid 2009 Mid 2010 H1 2010

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