Translation of

Financial Statements as of 31 December 2020 and Management Report

Evotec SE

Evotec SE, Hamburg
Statement of financial position as of 31 December 2020

Assets	31.12.2020 EUR	31.12.2019 EUR
A. Fixed assets		
I. Intangible assets		
Purchased franchises, industrial and similar rights and assets, and licenses in such rights and assets	1.194.857,45	4.082.552,01
II. Property, plant and equipment		
1. Land, land rights and buildings, including buildings on third-party land	1.572.345,71	1.804.727,38
2. Plant and machinery	12.251.848,90	11.732.420,10
3. Other equipment, furniture and fixtures	1.160.417,33	1.035.981,29
4. Prepayments and assets under construction	1.315.392,83	1.118.311,65
	16.300.004,77	15.691.440,42
III. Financial assets		
1. Shares in affiliates	334.222.810,07	334.187.810,07
2. Loans to affiliates	132.335.498,54	
3. Investments	50.728.375,25	34.689.247,68
4. Other loans	1.814.929,51	34.689.247,68
	519.101.613,37	403.566.305,43
	536.596.475,59	388.651.050,18
B. Current assets		
I. Inventories		
1. Raw materials, consumables and supplies	1.452.294,95	741.786,58
2. Work in process	128.288,81	167.428,56
	1.580.583,76	909.215,14
II. Receivables and other assets		
1. Trade receivables	2.212.918,71	5.012.667,41
2. Receivables from affiliates	53.439.074,75	143.025.938,12
3. Other assets thereof for taxes: EUR 1,620,252.24 (prior year: EUR 402,442.34)	30.424.562,15	1.447.655,89
	86.076.555,61	149.486.261,42
III. Securities		
Other securities	33.128.841,88	22.971.455,60
IV. Cash on hand, central bank balances, bank balances and checks	255.662.942,89	105.675.298,99
	376.448.924,14	279.042.231,15
C. Prepaid expenses	1.752.986,52	1.532.167,92
	914.798.386,25	669.225.449,25

Equity and liabilities	31.12.2020 EUR	31.12.2019 EUR
A. Equity		
I. Subscribed capital	163.914.741,00	150.902.578,00
./. nominal value Treasury shares	-249.915,00	-249.915,00
	163.664.826,00	150.652.663,00
II. Capital reserves	482.139.820,51	243.587.164,27
III. Reserve for treasury shares	249.915,00	249.915,00
IV. Accumulated loss	-100.132.424,27	-75.948.394,50
	545.922.137,24	318.541.347,77
B. Provisions		
1. Provisions for pensions and similar obligations	169.091,00	166.780,00
2. Other provisions	13.071.276,91	10.685.396,15
	13.240.367,91	10.852.176,15
C. Liabilities		
1. Liabilities to banks	346.829.808,81	331.004.024,24
2. Prepayments received on account of orders	0,00	171.941,87
3. Trade payables	3.056.550,87	3.861.859,99
4. Liabilities to affiliates	265.999,29	1.150.328,23
5. Other liabilities thereof for taxes: EUR 2,557,906.68 (prior year: EUR 916,857.49)	3.793.967,81	1.604.460,47
	353.946.326,78	337.792.614,80
D. Deferred income	1.689.554,32	2.039.310,53
	914.798.386,25	669.225.449,25

Exhibit 2

Evotec SE, Hamburg
Income statement for the period from 1 January 2020 to 31 December 2020

		2020 EUR	2019 EUR
1.	Revenues	78.489.394,38	80.332.298,05
2.	Increase or decrease in finished goods and work in process	39.139,75	100.716,56
3.	Other operating income thereof income from currency translation: EUR 2,376,686.32 (prior year: EUR 3,468,010.55)	4.393.093,14	29.122.243,12
		82.921.627,27	109.555.257,73
4.	Cost of materials		
	a) Cost of raw materials, comsumables and supplies and of purchased merchandise	12.446.272,50	11.150.489,17
	b) Cost of purchased services	7.529.000,73	19.691.769,80
5.	Personnel expenses		
	a) Wages and salaries	32.176.571,91	27.372.252,45
	b) Social security, pension and other benefit costs thereof for old-age pensions: EUR 8,163.66 (prior year: EUR 20,194.05)	5.202.130,04	4.369.169,60
6.	Amortization, depreciation and write-downs		
	a) of intangible assets and property, plant and equipment		3.721.182,66
	b) on current assets to the extent that it exceeds the usual depreciations in the	7.268.828,26	
	corporation	0,00	700.000,00
7.	Other operating expenses thereof expenses from currency translation: EUR 22,301,972.60 (prior year: EUR 3,172,448.36)	48.133.107,68	27.813.896,46
		112.755.911,12	94.818.760,14
8.	Income from equity investments	5.000.000,00	18.044.634,76
9.	Other interest and similar income thereof from affiliates: EUR 4,530,574.23 (prior year: EUR 2,780,645.71)	5.454.740,34	3.843.862,05
10.	Write-downs of financial assets and securities classified as current assets	132.082,54	4.589.917,04
11.	Interest and similar expenses thereof to affiliates: EUR 0,00 (prior year: EUR 479,536.64)	4.447.638,84	4.365.419,81
		5.875.018,96	12.933.159,96
12.	Income taxes	224.764,88	106.914,00
		224.764,88	106.914,00
13.	Income after tax/net income	-24.184.029,77	27.562.743,55
14.	Net loss carried forward	75.948.394,50	103.511.137,67
15.	Accumulated loss	-100.132.424,27	-75.948.394,12

Evotec SE, Hamburg

Notes to the Financial Statements 2020

I. General Information

Evotec SE, hereinafter referred to as „Evotec" or „the company", is classified as a large company according to section 267 paragraph 3 German Commercial Code ("Handelsgesetzbuch" or "HGB").

With regards to financial reporting and valuation practices, the company complies with sections 242 et seq. HGB, with sections 264 et seq. HGB (which specifically apply to incorporated firms) as well as to the regulations of the German Stock Corporation Act („Aktiengesetz" or "AktG").

The income statement is presented according to the total cost method (section 275 paragraph 2 HGB).

The company is listed on TecDAX since 28th of October 2009 and additionally on the MDAX of the Frankurt Stock Exchange since 24th of September.

To improve the clarity of the statement, we summarized particular items of the balance sheet and the income statement. These items are disclosed and commented separately in the notes. For the same reason, we also indicate in the notes whether individual items are related to other balance sheet accounts and "thereof" items.

II. Register information

The company registered under the commercial firm name Evotec with place of business in Hamburg in the Commercial Registry of Hamburg with HRB 156381.

III. Basis of Presentation, Accounting and Valuation Practices

The presentation system applied for the income statement and for the balance sheet of the preceding financial year has been maintained.

Intangible assets and Property, plant and equipment are recorded at historical cost or manufacturing cost less scheduled straight-line depreciation or amortization over their useful lives. Respective assets are depreciated from the point in time they are available for use in operations. Fixed assets are depreciated on a monthly basis. Assets which are not yet available for operational use and have a presumably lasting decrease in their fair values will be impaired as of the closing date.

Exhibit 3

Low value assets which were acquired after 1 January 2008 are depreciated by 20% in the year of the acquisition and the next four years.

The useful lives are applied as follows:

	Years
Buildings	10-15
Technical equipment and machinery	5-10
Factory and office equipment	5-10
Intangible assets	2-10
Computer equipment and software	3

Tenant fixtures are depreciated over the period of the lease contract at the most.

Financial assets are recorded at historical cost less impairment plus appreciation.

Inventories are recorded at historical cost or manufacturing cost less purchase price reductions, taking into account the lower of cost or market principle. All recognizable risks in the inventory due to surpassing turnover rate, lower usability and lower replacement costs are considered in reasonable devaluation.

Accounts receivable and other current assets are recorded at nominal value or at lower attributable value. Foreign currency assets, all of which are short-term, are converted at period-end exchange rates.

Other securities are recorded at historical cost in accordance with the lower of cost or market principle. Trade securities held in foreign currency are converted at period-end exchange rates.

Cash and cash equivalents are recorded at a nominal value.

Treasury shares are shown separately from the share capital with their nominal value. Since the company does not account for any free reserves the difference between the purchase price less EUR 1.00 and the nominal value was recognized within the profit and loss. In the amount of treasury shares the company booked a reserve.

Provision for pension accruals and similar obligations have been estimated using the Projected Unit Credit-method with an interest rate of 2.31 % p. a. (2019: 2.72 % p. a.) and under consideration of Prof. Dr. Klaus Heubeck's reference tables ("Richttafeln") issued in July 2018. The interest rate is equivalent to an average market interest rate over the last ten years considering a maturity of 15 years. This interest rate is determined on the interest rates published by the Deutsche Bundesbank. Pension progression was considered at a rate of 1.5% (2019: 1.5%).

Other provisions and tax provisions make allowance for all risks and contingent liabilities that are identifiable with sound business judgement. Future increases in price and costs are also considered according to section 253 paragraph 1 HGB. According to section 253 paragraph 2 HGB, accruals with a maturity of more than one year are discounted using a discount rate, which is equivalent to a market interest rate over the last seven years.

Liabilities are recorded at the amount repayable. Foreign currency liabilities are converted at period-end exchange rates.

Prepaid expenses and deferred income are expenses and income before the closing date as far as they represent expenses and income for a specified time after this date.

Future taxable temporary differences which lead to **deferred tax liabilities** between commercial law valuation of assets, liabilities and accrual and their taxable valuation or due to tax loss carry forward do not exist. **Deferred tax asset** for future taxable differences in accruals, liabilities and losses carried forward have been calculated using a combined tax rate of 32.28% and have not been capitalized according to section 274 paragraph 1 sentence 2 HGB.

The thereof-comments declared in the Statement of Operations relating to **currency results** include both realized and unrealized foreign exchange effects.

IV. Comments on the Balance Sheet

1. Intangible and fixed assets

The development of the fixed assets is specified on a gross basis in the statement of changes in fixed assets (see page 6) and includes historic cost and manufacturing cost of assets and the respective accumulated depreciations.

There was an extraordinary adjustment on intangible assets due to a prospective impairment of 3.245 k €.

2. Financial assets

As at the balance sheet date of 31 December 2020, Evotec held equity investments in the following companies:

		Total equity	Share in the business	Overall result of the year
		EUR'000	%	EUR'000
1.	Evotec (Hamburg) GmbH, Hamburg*	12,674	100.00	-2
2.	Evotec International GmbH, Hamburg (mittelbar über 1.)	-8,854	100.00	27,472
3.	Evotec (UK) Ltd., Abingdon, UK	42,392	100.00	-3,562
4.	Evotec (US) Inc., Princeton, USA*	-16,577	100.00	-5,646
5.	Just-Evotec Biologics Inc., Seattle, USA (mittelbar über 4.)*	3,193	100.00	-6,602
6.	J.POD-Evotec Biologics Inc., Seattle, USA (mittelbar über 4.)*	2,800	100.00	3,187
7.	Evotec (India) Private Limited, Maharashtra (Thane), Indien *,**	-138	100.00	-54
8.	Evotec (München) GmbH, München*	3,224	100.00	635
9.	Evotec (France) SAS, Toulouse, Frankreich	106,626	100.00	6,282
10.	Evotec ID (Lyon) SAS, Marcy l'Étoile, Frankreich*	29,977	100.00	5,477
11.	Cyprotex Ltd., Manchester, UK*	390	100.00	4,004

Exhibit 3

12.	Cyprotex Discovery Limited, Manchester, UK (mittelbar über 11.)*	17,278	100.00	2,843
13.	Cyprotex US LLC, Watertown, USA (mittelbar über 11.)*	-3,475	100.00	-1,125
14.	Aptuit Global LLC, Princeton, USA*	29,228	100.00	-238
15.	Aptuit (Switzerland) AG i.L., Basel, Schweiz*,**	76	100.00	-147
16.	Aptuit (Potters Bar) Limited, Abingdon, UK*	3,765	100.00	783
17.	Aptuit (Verona) SRL, Verona, Italien (mittelbar über 14.)	63,821	100.00	11,078
18.	Aptuit (Oxford) Ltd., Abingdon, UK (mittelbar über 14.)*	8,521	100.00	-1,801
19.	Evotec GT GmbH, Orth an der Donau, Österreich*	-2,223	100.00	-2,258
20.	Eternygen GmbH, Berlin*	-951	24.97	-936
21.	FSHD Unlimited Coorp, Leiden, Niederlande*	5,578	21.12	-5,236
22.	ExScientia Ltd., Dundee, UK*	66,334	23.21	-24,071
23.	Breakpoint Therapeutics GmbH, Hamburg*	3,569	48.60	-8,231
24.	Carrick Therapeutics Ltd., Dublin, Irland*	-69,154	4.45	-14,094
25.	Immunitas Therapeutics Inc., Waltham, USA*	21,278	7.29	-9,594
26.	Quantro Therapeutics GmbH, Wien, Österreich*	1,343	24.99	-705
27.	Mission BioCapital V LP, Cambridge, USA*	4,011	7.22	1,751
28.	Cajal Neuroscience Inc., Seattle, USA*	15,482	1.82	-2,367
29.	Leon Nanodrugs GmbH, München*	1,939	7.82	2,707

* unauditied

** in Liquidation

With regard to companies whose annual statements were set up in a foreign currency, the exchange rate on balance sheet date was used for equity and the average exchange rate of 2020 for the annual profit or loss statement.

3. Inventories

	kEUR 31.12.2020	kEUR 31.12.2019
Raw materials, consumables and supplies	1,452	742
Work in progress	128	167
	1,580	909

The raw materials mainly include compound libraries amounting to kEUR 945 (2019: kEUR 569) as at 31 December 2020.

The work in progress essentially consists of order based research and development work.

Evotec SE

Statement of changes in fixed assets for the fiscal year 2020

	Acquisition and production cost					Accumulated amortization, depreciation and write-downs				Net book values	
	1 Jan 2020	Additions	Disposals	Reclassifications	31 Dec 2020	1 Jan 2020	Additions	Disposals	31 Dec 2020	31 Dec 2020	31 Dec 2019
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	kEUR
I. Intangible assets											
Purchased franchise, industrial and similar rights and assets and licenses in such rights and assets	9.939.491,70	758.048,05	310.656,53	0,00	10.386.883,22	5.856.939,69	3.645.728,83	310.642,75	9.192.025,77	1.194.857,45	4.083
II. Property, plant and equipment											
1. Land, land rights and buildings, including buildings on third-party land	4.034.623,32	163.275,96	0,00	0,00	4.197.899,28	2.229.895,94	395.657,63	0,00	2.625.553,57	1.572.345,71	1.805
2. Plant and machinery	30.943.059,69	1.960.612,75	152.231,97	883.909,91	33.635.350,38	19.210.639,59	2.311.129,26	138.267,37	21.383.501,48	12.251.848,90	11.732
3. Other equipment, furniture and fixtures	5.727.950,69	1.036.567,85	719.528,61	5.218,79	6.050.208,72	4.691.969,40	916.312,54	718.490,55	4.889.791,39	1.160.417,33	1.036
4. Prepayments and assets under construction	1.118.311,65	1.183.628,35	97.418,47	-889.128,70	1.315.392,83	0,00	0,00	0,00	0,00	1.315.392,83	1.118
	41.823.945,35	4.344.084,91	969.179,05	0,00	45.198.851,21	26.132.504,93	3.623.099,43	856.757,92	28.898.846,44	16.300.004,77	15.691
III. Financial assets											
1. Shares is affiliates	344.939.657,06	35.000,00	0,00	0,00	344.974.657,06	10.751.846,99	0,00	0,00	10.751.846,99	334.222.810,07	334.188
2. Loans to affiliates	0,00	132.335.498,54	0,00	0,00	132.335.498,54	0,00	0,00	0,00		132.335.498,54	0
3. Investments	34.689.247,68	16.039.127,57	0,00	0,00	50.728.375,25	0,00	0,00	0,00	0,00	50.728.375,25	34.689
4. Other loans	0,00	1.814.929,51	0,00	0,00	1.814.929,51	0,00	0,00	0,00		1.814.929,51	0
	379.628.904,74	150.224.555,62	0,00	0,00	529.853.460,36	10.751.846,99	0,00	0,00	10.751.846,99	519.101.613,37	368.877
	431.392.341,79	155.326.688,58	1.279.835,58	0,00	585.439.194,79	42.741.291,61	7.268.828,26	1.167.400,67	48.842.719,20	536.596.475,59	388.651

4. Trade receivable and other assets

Trade receivables

As in the previous year, the accounts receivable are completely due within one year.

Accounts Receivables from affiliates

	Term of Maturity					
	< 1 year	> 1 year 31.12.2020	total	< 1 year	> 1 Jahr 31.12.2019	total
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Evotec (India) Private Ltd.	311	0	311	561	0	561
Evotec International GmbH	4,165	18,180	22,345	5,640	25,180	30,820
Evotec (München) GmbH	0	2,188	2,188	41	0	41
Evotec (US) Inc.	4,245	0	4,245	5,354	69,637	74,991
Evotec UK Ltd.	91	0	91	0	0	0
Evotec France (SAS)	0	0	0	174	0	174
Evotec ID (Lyon) SAS	0	0	0	69	0	69
Evotec GT GmbH	95	3,000	3,095			
Cyprotex Ltd.	21	3,499	3,520	0	8,037	8,037
Cyprotex Discovery Ltd.	0	0	0	59	0	59
Cyprotex LLC	0	0	0	8	0	8
Just- Evotec Biologics	211	4,075	4,286	75	4,394	4,469
JPod-Evotec Biologics	799	0	799	10	9,106	9,116
Aptuit (Verona) SRL	513	0	513	177	0	177
Aptuit Global LLC	254	2,703	2,957	161	3,516	3,677
Aptuit (Oxford) Ltd.	0	9,084	9,084	793	9,028	9,821
Aptuit (Switzerland) AG i.L.	4	0	4	1,000	0	1,000
Aptuit (Potters Bar) Ltd.	1	0	1	6	0	6
	10,710	42,729	53,439	14,128	128,898	143,026

Accounts Receivables from affiliates include trade receivables in an amount of kEUR 10,461 (2019: kEUR 7,488). The previous year include here as well receivables due to taxes of kEUR 1,073 against Evotec International GmbH. The remaining kEUR 175,464 (2019: kEUR 134,465) include loans which were granted by Evotec.

Receivables against Aptuit (Switzerland) AG were depreciated by kEUR 150 (2019: kEUR 700).

Other assets

With the exception of deposits of kEUR 423 (2019: kEUR 427), the other assets have a remaining maturity of less than one year. Other assets include short term investments of kEUR 15,224 and bonds of kEUR 10,000.

5. Other securities

The other securities include shares from listed investment funds, which were used as a short-term liquidity reserve. The company only invested in shares denominated in Euro and USD. These shares serve as short-term liquidity reserve. They will not be used for permanent business operation purposes.

6. Cash and cash equivalents

As of 31th of December 2020 cash on hand was kEUR 3 (2019: kEUR 1). Cash equivalents represented kEUR 255,663 (2019: kEUR 105.674) - thereof kEUR 60,127 (2019: kEUR 86,339) in US-Dollar und kEUR 18,255 (2019: kEUR 3,883) in Pound Sterling.

7. Equity

The share capital of the company is classified into 163,914,741 shares with a par value of EUR 1.00 made out to bearer.

An increase of nominal capital occurred due to the exercise of stock options of EUR 1,839,784.00 during 2019 and was registered in the Commercial Registry in 2020. The nominal capital increased due to the exercise of stock options of EUR 1,533,848.00 during 2020. This entry in the Commercial Registry will be made in 2021. In addition to this an increase in the nominal capital occured by EUR 11,478,315 with shares to Mubadala Investment Company, a sovereign wealth fund fully owned by the government of Abu Dhabi, Abu Dhabi/UAE and Novo Holdings A/S, Hellerup/DK.

Additionally the company held, due to the authorisation of the Annual General Meeting on the 16 June 2011 and according to section 71 paragraph 1 no. 8 AktG, own shares. On 12 March 2012, 1,328,624 own former Renovis Inc., South San Francisco/USA transferred shares with a nominal value of EUR 1,328,624.00. These shares represented 1.12% of the share capital. Of these shares, 530,353 were used for servicing employee stock options in 2012, 459,456 in 2013, 66,500 in 2014 and 22,400 in 2015, all with an identical nominal value. In 2017, the shares represented 0.02% of the share capital. As at 31 December 2020, Evotec held 249,915 own shares with a nominal value of EUR 249,915.00. Respective shares are shown separately from the share capital pursuant to section 272 paragraph 1a HGB. Hence, the nominal value of the share capital amounted to EUR 163,664,826.00 including the capital increases and excluding the own shares. As of 31th of December 2020, these shares presented 0.15% of the share capital.

The remaining approved capital amounted to EUR 17,854,142.00 equal to 17,854,142 shares as of 31 December 2020.

The conditional capital as of 31 December 2020 consists of 8,478,167 shares available with respect to the share performance plan and the stock option plans and 29,959,289 shares available to issue no-par-value bearer shares to owners or creditors of convertible bonds and/or warrant-linked bonds, participation rights and/or income bonds (or a combination of such instruments). Consequently, the remaining conditional capital as of 31 December 2020 amounts to 38,437,456 shares.

The accumulated loss represents EUR 100,132,424.27 on 31 December 2020.

The capital reserves rose due to issued capital and the exercised stock options to EUR 482,139,820.51

According to law, investors whose share of voting rights exceeds a specified threshold are obliged to notify the company.

According to section 33 WpHG Evotec has received the following voting rights notifications in the expired financial year.

Date	Notifier	Triggering event	Treshold crossed or reached	Total amount of voiting rights
07.01.2020	Goldman Sachs Group, Inc., Wilmington, Delaware, USA	Acquisition/Disposal of instruments	None	5.17%
09.01.2020	Goldman Sachs Group, Inc., Wilmington, Delaware, USA	Acquisition/Disposal of instruments	5%	4.99%
10.01.2020	Goldman Sachs Group, Inc., Wilmington, Delaware, USA	Acquisition/Disposal of instruments	5%	5.05%
20.01.2020	Goldman Sachs Group, Inc., Wilmington, Delaware, USA	Acquisition/Disposal of instruments	None	5.04%
22.01.2020	T. Rowe Price Group, Inc., Baltimore, Maryland, USA	Acquisition/Disposal of shares	None	6.20%
27.01.2020	Morgan Stanley, Inc., Wilmington, Delaware, USA	Acquisition/Disposal of instruments, other reasons	None	11.72%
27.01.2020	T. Rowe Price Group, Inc., Baltimore, Maryland, USA	Acquisition/Disposal of shares, acquisition/disposal of instruments	None	6.24%
29.01.2020	Morgan Stanley, Inc., Wilmington, Delaware, USA	Acquisition/Disposal of instruments, other reasons	None	11.73%
31.01.2020	Morgan Stanley, Inc., Wilmington, Delaware, USA	Acquisition/Disposal of instruments, other reasons	None	11.66%

Exhibit 3

Date	Notifier	Triggering event	Treshold crossed or reached	Total amount of voiting rights
04.02.2020	Morgan Stanley, Inc., Wilmington, Delaware, USA	Acquisition/Disposal of instruments, other reasons	None	11.74%
05.02.2020	Morgan Stanley, Inc., Wilmington, Delaware, USA	Acquisition/Disposal of instruments, other reasons	None	11.67%
06.02.2020	Morgan Stanley, Inc., Wilmington, Delaware, USA	Acquisition/Disposal of instruments, other reasons	None	11.70%
10.02.2020	Goldman Sachs Group, Inc., Wilmington, Delaware, USA	Acquisition/Disposal of instruments	5%	4.86%
12.02.2020	Goldman Sachs Group, Inc., Wilmington, Delaware, USA	Acquisition/Disposal of instruments	5%	5.67%
12.02.2020	T. Rowe Price Group, Inc., Baltimore, Maryland, USA	Acquisition/Disposal of shares	None	7.17%
13.02.2020	Morgan Stanley, Inc., Wilmington, Delaware, USA	Acquisition/Disposal of instruments, other reasons	10%	6.52%
26.02.2020	Morgan Stanley, Inc., Wilmington, Delaware, USA	Acquisition/Disposal of shares	10%	11.57%
27.02.2020	Morgan Stanley, Inc., Wilmington, Delaware, USA	Acquisition/Disposal of shares	10%	6.37%
04.03.2020	Morgan Stanley, Inc., Wilmington, Delaware, USA	Acquisition/Disposal of instruments struments	10%	11.24%
05.03.2020	Morgan Stanley, Inc., Wilmington, Delaware, USA	Acquisition/Disposal of shares	10%	6.09%
15.03.2020	Morgan Stanley, Inc., Wilmington, Delaware, USA	Acquisition/Disposal of shares, acquisition/disposal of instruments	10%	11.21%
17.03.2020	Morgan Stanley, Inc., Wilmington, Delaware, USA	Acquisition/Disposal of shares	10%	6.06%
24.03.2020	Goldman Sachs Group, Inc., Wilmington, Delaware, USA	Acquisition/Disposal of instruments, other reasons	5%	4.78%
06.04.2020	Allianz Global Investors GmbH, Frankfurt, Deutschland	Acquisition/Disposal of shares	5%	5.05%

Date	Notifier	Triggering event	Treshold crossed or reached	Total amount of voiting rights
14.04.2020	Morgan Stanley, Inc., Wilmington, Delaware, USA	Acquisition/Disposal of instruments, other reasons	None	5.76%
15.04.2020	Morgan Stanley, Inc., Wilmington, Delaware, USA	Acquisition/Disposal of shares, acquisition/disposal of instruments	10%	10.84%
16.04.2020	Morgan Stanley, Inc., Wilmington, Delaware, USA	Acquisition/Disposal of instruments, other reasons	None	10.98%
20.04.2020	Morgan Stanley, Inc., Wilmington, Delaware, USA	Acquisition/Disposal of instruments, other reasons	None	10.89%
21.04.2020	Morgan Stanley, Inc., Wilmington, Delaware, USA	Acquisition/Disposal of shares	10%	5.76%
22.04.2020	Morgan Stanley, Inc., Wilmington, Delaware, USA	Acquisition/Disposal of shares	10%	10.77%
23.04.2020	Morgan Stanley, Inc., Wilmington, Delaware, USA	Acquisition/Disposal of shares	10%	5.76%
24.04.2020	Morgan Stanley, Inc., Wilmington, Delaware, USA	Acquisition/Disposal of shares	10%	10.88%
27.04.2020	Morgan Stanley, Inc., Wilmington, Delaware, USA	Acquisition/Disposal of shares. Other reasons	None	10.85%
04.05.2020	Morgan Stanley, Inc., Wilmington, Delaware, USA	Acquisition/Disposal of instruments, other reasons	None	10.65%
05.05.2020	Morgan Stanley, Inc., Wilmington, Delaware, USA	Acquisition/Disposal of shares, acquisition/disposal of instruments, other reasons	None	11.67%
16.06.2020	BlackRock, Inc., Wilmington, Delaware, USA	Acquisition/Disposal of shares	None	3.51%
17.06.2020	BlackRock, Inc., Wilmington, Delaware, USA	Acquisition/Disposal of shares	None	3.21%
30.06.2020	T. Rowe Price Group, Inc., Baltimore, Maryland, USA	Acquisition/Disposal of shares	10%	10.03%

Exhibit 3

Date	Notifier	Triggering event	Treshold crossed or reached	Total amount of voiting rights
20.07.2020	BlackRock, Inc., Wilmington, Delaware, USA	Acquisition/Disposal of shares	None	3.88%
21.07.2020	BlackRock, Inc., Wilmington, Delaware, USA	Acquisition/Disposal of shares	None	3.63%
23.07.2020	BlackRock, Inc., Wilmington, Delaware, USA	Acquisition/Disposal of shares	None	3.73%
31.07.2020	BlackRock, Inc., Wilmington, Delaware, USA	Acquisition/Disposal of shares	None	3.46%
18.09.2020	DWS Investment GmbH, Frankfurt, Deutschland	Acquisition/Disposal of shares	None	4.98%
01.10.2020	Morgan Stanley, Inc., Wilmington, Delaware, USA	Acquisition/Disposal of shares	15%	15.11%
02.10.2020	Morgan Stanley, Inc., Wilmington, Delaware, USA	Other reasons	None	14.57%
05.10.2020	Morgan Stanley, Inc., Wilmington, Delaware, USA	Other reasons	None	14.21%
08.10.2020	BlackRock, Inc., Wilmington, Delaware, USA	Acquisition/Disposal of shares	None	3.51%
08.10.2020	Morgan Stanley, Inc., Wilmington, Delaware, USA	Acquisition/Disposal of shares, acquisition/disposal of instruments, other reasons	None	14.40%
09.10.2020	Morgan Stanley, Inc., Wilmington, Delaware, USA	Acquisition/Disposal of shares, acquisition/disposal of instruments, other reasons	None	14.50%
23.10.2020	BlackRock, Inc., Wilmington, Delaware, USA	Acquisition/Disposal of shares	None	3.28%
26.10.2020	Morgan Stanley, Inc., Wilmington, Delaware, USA	Other reasons	None	13.35%
26.10.2020	Mubadala Investment Company, Abu Dhabi, VAE	Acquisition/Disposal of shares	5%	5.62%
27.10.2020	Morgan Stanley, Inc., Wilmington, Delaware, USA	Acquisition/Disposal of shares. Other reasons	None	13.02%
28.10.2020	Morgan Stanley, Inc., Wilmington, Delaware, USA	Acquisition/Disposal of shares. Other reasons	10%	8.00%
02.11.2020	Morgan Stanley, Inc., Wilmington, Delaware, USA	Acquisition/Disposal of shares. Other reasons	10%	13.33%
03.11.2020	Morgan Stanley, Inc., Wilmington, Delaware, USA	Acquisition/Disposal of shares. Other reasons	None	13.14%

Date	Notifier	Triggering event	Treshold crossed or reached	Total amount of voiting rights
04.11.2020	Morgan Stanley, Inc., Wilmington, Delaware, USA	Acquisition/Disposal of shares. Other reasons	None	13.26%
05.11.2020	Morgan Stanley, Inc., Wilmington, Delaware, USA	Acquisition/Disposal of shares. Other reasons	None	13.23%
10.11.2020	Morgan Stanley, Inc., Wilmington, Delaware, USA	Acquisition/Disposal of shares, acquisition/disposal of instruments, other reasons	None	13.25%
11.11.2020	Morgan Stanley, Inc., Wilmington, Delaware, USA	Acquisition/Disposal of shares, acquisition/disposal of instruments, other reasons	None	14.17%
02.12.2020	Morgan Stanley, Inc., Wilmington, Delaware, USA	Other reasons	None	13.10%
07.12.2020	Morgan Stanley, Inc., Wilmington, Delaware, USA	Acquisition/Disposal of shares, acquisition/disposal of instruments, other reasons	None	13.71%
29.12.2020	Morgan Stanley, Inc., Wilmington, Delaware, USA	Acquisition/Disposal of instruments, other reasons	None	12.89%
30.12.2020	Morgan Stanley, Inc., Wilmington, Delaware, USA	Acquisition/Disposal of shares. Other reasons	10%	7.73%

8. Provisions for pensions and similar obligations

Pension accruals were set up according to a valuation by Mercer Germany GmbH, Hamburg and pertain to a former director of Evotec Biosystems GmbH, of which Evotec is the successor in title. The amount of this liability is kEUR 169 as of 31th of December 2020 (2019: kEUR 167).

The difference according to section 253 paragraph 3 HGB amounts kEUR 15 and is subject to a restriction in profit distribution.

Exhibit 3

9. Other provisions

	31.12.2020	31.12.2019
	TEUR	TEUR
Bonus	3,159	3,247
Outstanding invoices	1,955	2,229
Interest	1,139	1,144
Currency derivatives	3,845	864
Unclaimed vacation	996	651
Interest derivatives	502	612
Supervisory board remuneration	475	480
Severance payment	0	242
Overtime Hours	531	236
Partial retirement	202	111
Year-End audit expenses	90	81
Others	177	788
	13,071	10,685

10. Liabilities

Liabilities to banks

As of 31 December 2020 the liabilities to banks amount to kEUR 346,830 (2019: kEUR 331,004). None of the loans are secured.

Maturity							
31.12.2020				31.12.2019			
< 1 year	1 to 5 years	> 5 years	total	< 1 year	1 to 5 years	> 5 years	total
kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
15,178	177,284	154,368	346,830	5,535	162,266	163,203	331,004

Liabilities to banks include a promissory note of kEUR 250,000 effective from 2019 on. This is Evotec SE's first promissory note, which was issued in June 2019. The bond has a fixed and variable interest rate, with an average interest rate of less than 1.5%. The promissory note is divided into four tranches, with terms of 3, 5, 7 and 10 years.

Trade payables

As in 2019, the trade payable are completely due within one year.

Liabilities to affiliates

As of 31 December 2020 liabilities to affiliates result from trade payables with kEUR 199 and tax payables with kEUR 66 (2019: kEUR 1,150). None of the Liabilities are due more than 5 years.

Other Liabilities

Other liabilities mainly consist of a wage tax liability to the amount of kEUR 2,558 (2019: kEUR 917). As in prior years are all other liabilities due within one year.

11. Deferred revenue

Deferred revenue mainly relate to current customer projects.

V. Comments on the Statement of Operations

1. Revenues

The company recorded revenues of kEUR 78,489 (2019: kEUR 80,332) through research and development services, thereof kEUR 57,429 with affiliated companies (2019: kEUR 48,409).

The external revenues amounted to kEUR 21,061 (2019: kEUR 31,923) including revenues from milestones of kEUR 2,000 (2019: kEUR 3,000) and rental income of kEUR 218 (2019: kEUR 320).

Revenues with third parties can be spread based on customers' locations, in the following geographical regions:

	2020 kEUR	2019 kEUR
United States of America	17,069	26,648
Germany	3,646	4,329
Denmark	99	62
Switzerland	27	103
Austria	0	45
Belgium	0	17
Rest of Europe	169	586
Rest of World	51	133
Total	21,061	31,923

2. Other operating income

	2020 kEUR	2019 kEUR
Currency gains	2,377	3,468
Income from reversal of accruals	955	184
Appreciation in value receivables loan	550	25,180
Subsidies	25	88
Others	486	202
	4,393	29,122

Exhibit 3

The other operating income includes income for other accounting periods to the amount of kEUR 1,505, which are mainly related to the appreciation in value of receivable loan.

3. Cost of material

The cost of material for this business year showing an amount of kEUR 19,975 (2019: kEUR 30,842), mainly resulting from cost of purchased services with affiliated companies to the amount of kEUR 6,975 (2019: 19,110).

4. Other operating expenses

	2020 kEUR	2019 kEUR
Currency translation adjustment	22,302	3,172
Legal and consultancy expenses	4,249	3,476
Rental expenses including related costs	3,863	3,447
Incidental wage costs	2,886	3,128
Royalty expense	1,980	781
Service and maintenance	1,834	1,393
Reconstruction / moving expenses	1,564	1,071
IT consumables and software	1,497	1,658
Cleaning expense	852	443
Cost for services	668	600
Supervisory board remuneration	475	480
Insurance	477	475
Recruiting costs	448	752
Bank fees	220	875
Marketing expense	186	421
Write down of account receivables	0	1,092
Others	4,632	4,550
	48,133	27,814

5. Currency result

The company recorded no positive effect to unrealised FX effects during this business year (2019: kEUR 1,144). There are unrealized foreign exchange expense of kEUR 17,319 (2019: kEUR 129) included.

VI. Other Information

Audit Fees

Concerning the audit fees, reference is made to the consolidated financial statements of Evotec.

Transactions with affiliated companies

There are no transactions with affiliated companies, which are not made in usual accordance market terms.

Employee Information

The average number of people employed by the company in 2020 was 482 (2019: 408). Thereof 122 employees serve in sales and administration functions (2019: 88).

Other financial obligations

The other financial obligations for 2020 mainly relate to obligations from service contracts, rent and leasing and add up to kEUR 20,692. The total amount of all existing obligations for the period 2021 to 2025 is kEUR 16,054. The other obligations for later periods add up to kEUR 4,638.

As agreed in the acquisition of the former DeveloGen AG (Evotec International GmbH) the company is obliged to make an earn-out payment to the former shareholders of 30% of the net income from certain licence and cooperation contracts after the receipt of the payment.

As agreed in the acquisition of Kinaxo (Evotec (München) GmbH) the company is obliged to make earn-out payments to the former shareholders. These payments depend on the achievement of particular revenues and the continuation of a customer project.

Furthermore, the company agreed with third parties of granting access to their technology and Know-how for Evotec’s business or cooperation’s. Based on this the company is obligated to share the turnover with these third parties.

Evotec has signed a loan agreement with the European Investment Bank (EIB). In addition to fixed interest payments, the EIB will participate in potential future earnings from co-financed projects in the ten-year period from January 1, 2024 to December 31, 2033. The liability for performance-based remuneration had not yet arisen on the reporting date. As of December 31, 2020, there was no value to it.

Exhibit 3

Derivative financial instruments

	Nominal amount kEUR	Fair value kEUR	Book value kEUR	Balance sheet item
Interest rate transactions	56.250	-502	-502	Other Provisions
Currency transactions with 3rd parties	57.453	3,845	n.a.	n.a.
Currency transactions with affiliates	57.453	-3,845	-3,845	Other Provisions

The interest rate transactions relate solely to interest rate swaps. The currency transactions comprise forward exchange contracts in USD and GBP.

A provision for potential losses of kEUR 4,347 (2019: kEUR 1,476) was recognized for open positions.

The fair values were measured based on input factors that are not quoted prices, but which are observed for the asset or liability either directly (i.e. as a price) or indirectly (i.e. derived from prices).

Guarantees and Other Commitments

In order to mitigate the legal consequence of over-indebtedness of Evotec International GmbH (kEUR 8,854) Evotec issued a letter of comfort. The company does not expect this liability to be claimed either, since the over-indebtedness materially relates to a loan liability in favour of Evotec.

Corporate Governance Code

Both the Management Board and the Supervisory Board have issued a statement in accordance with section 161 AktG, which has been made permanently available to all shareholders on Evotec's website www.evotec.com.

Management Board

Dr Werner Lanthaler; Business Executive, Hamburg (Chief Executive Officer);

Enno Spillner, Business Executive, Hamburg (Chief Financial Officer);

Dr Cord Dohrmann; Biologist, Göttingen (Chief Scientific Officer);

Dr Craig Johnstone, Chemist, Castillon-Savès, France (Chief Operating Officer)

The remuneration paid to the members of the Management Board in the financial year of 2020 totalled kEUR 5,009 (2019: kEUR 3,930) of which kEUR 1,311 (2019: kEUR 903) is a variable remuneration and of which kEUR 1,930 (2019: kEUR 1,323) is a remuneration with long-term incentive effect. The remuneration to board members includes kEUR 929 Dr. Craig Johnstone, which were not paid by the company, but are passed on as a management contribution by a group company. In 2020 kEUR 1,902 (2019: kEUR 1,465) from Share Performance Awards was recorded as current service costs. Fixed remuneration includes base salaries, contributions to personal pension plans, insurance premiums as well as the benefit derived from the use of company cars. The variable remuneration of the Management Board is based on a bonus scheme designed by the Remuneration Committee of the Supervisory Board. The Supervisory Board approved respective scheme.

In addition to their fixed and variable remuneration, the members of the Management Board received 77,214 Share Performance Awards (SPA) in 2020 under the Company's share performance plan (2019: 86,283). These Share Performance Awards vest after four years according to achievement versus defined key performance indicators over a three-year performance measurement period. The fair values of all Share Performance Awards granted as of the grant date amounted to a total of kEUR 1,752 (2019: kEUR 1,323).

In accordance with section 4.2.3 of the German Corporate Governance Code, in case of an early termination of their respective Service Agreement in the absence of a change-of-control situation, payments to the members of the Management Board shall not exceed the amount of two annual remunerations and shall not exceed the amount of remuneration that would be due until the expiration date of the Service Agreement.

The company has a Directors and Officers (D&O) insurance policy in place for the Management Board, the Supervisory Board, the executive management and the managers of subsidiary companies. The insurance expenses amounted to kEUR 138 in 2020 (2019: kEUR 132) and were paid by the company.

Evotec accounted for a liability in favour of a former manager of the Evotec Biosystems GmbH for which Evotec is the legal successor, which is explained in more detail in the management report.

Dr Werner Lanthaler is Non-Executive Member of the Board of Directors and Chairman of the Audit Committee of arGEN-X, Breda, the Netherlands, Non-Executive Member of the Board of Directors of AC Immune SA, Lausanne, Switzerland and Member of the Supervisory Board of Topas Therapeutics GmbH, Hamburg, Germany.

Dr Cord Dohrmann is Member of the Supervisory Board of Eternygen GmbH, Berlin, Germany and Non-Executive Member of the Board of Directors of FSHD Unlimited Coorp, Leiden, Netherlands.

Enno Spillner is Non-Executive Member of the Board of Directors und Chairman of the Audit Committee of Nanobiotix SA, Paris, France and Member of the Supervisory Board of Leon Nanodrugs GmbH, Munich, Germany.

Supervisory Board

Prof Dr Wolfgang Plischke, Aschau im Chiemgau, GER, former Member of the Management Board of Bayer AG (Chairman of the Supervisory Board);

Prof Dr Iris Löw-Friedrich, Ratingen, GER, Chief Medical Officer of UCB S.A. (Deputy Chairwoman of the Supervisory Board);

Exhibit 3

Michael Shalmi, Hellerup, DK, Advisor (until June 2020)

Dr Elaine Sullivan, London, UK, Chief Executive Officer der Curadh Pharmaceuticals Ltd., Galway/IRL, Advisor;

Dr Mario Polywka, Oxfordshire, UK, Advisor;

Roland Sackers, Köln, GER, CFO and Management Director of QIAGEN N.V.

Kasim Kutay, Hellerup, DK, Chairman Novi Holdings A/S (since June 2020).

The remuneration paid to the members of the Supervisory Board in the financial year amounted to kEUR 475 (2019: kEUR 480). The members of the Supervisory Board were members of the following other Supervisory Boards, Committees and Bodies according to section 125 paragraph 1 sentence 5 AktG.

Prof. Dr. Wolfgang Plischke

Member of the Supervisory Board

Bayer AG, Leverkusen/GER

Prof. Dr. Iris Löw-Friedrich

Member of the Supervisory Board

Fresenius SE & Co. KGaA, Bad Homburg/GER

TransCelerate BioPharma Inc, King of Prussia/US

Member of the Board of Directors:

PhRMA Foundation, Washington DC/USA (seit April 2019)

Michael Shalmi

Member of the Board of Directors:

Momentum Gruppen A/S, Roskilde/DK

Active Biotech AB, Malmö/S

Momentum Energy Group A/S, Roskilde/DK

Dr. Elaine Sullivan

Member of the Supervisory Board:

IP Group plc, London/UK

Open Orphan plc., London/UK (since November 2020)

Dr. Mario Polywka

Member of the Board of Directors:

Forge Therapeutics Inc., San Diego/USA

Blacksmith Medicines Inc., San Diego/USA

Exscientia Ltd., Oxford/UK

Orbit Discovery Ltd., Oxford/UK

Roland Sackers

Member of the Board of Directors:

BIO Deutschland e.V., Berlin/GER

Kasim Kutay

Member of the Supervisory Board:

Novo Nordisk A/S, Hellerup/DK

Novozymes A/S, Bagsvaerd/DK

Subsequent events

No subsequent events occurred that require recognition or disclosure in the financial statements.

More detailed information on the effects of Covid-19 can be found in the management report in the chapters “V. Risk and opportunities management” and in “VI. Outlook ".

Other

The company has prepared Consolidated Financial Statements that qualify as statutory obligatory Consolidated Financial Statements pursuant to section 315a paragraph 1 HGB which will be published in the electronic German Federal Official Gazette (“Bundesanzeiger“). The company prepares Consolidated Financial Statements for the largest and smallest possible number of companies.

Hamburg, 16 March 2021

Dr. Werner Lanthaler Dr. Cord Dohrmann Dr. Craig Johnstone Enno Spillner

Evotec SE

Management Report for the

Financial Year 2020

Evotec SE Management Report for 2020

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I. Operations and business environment

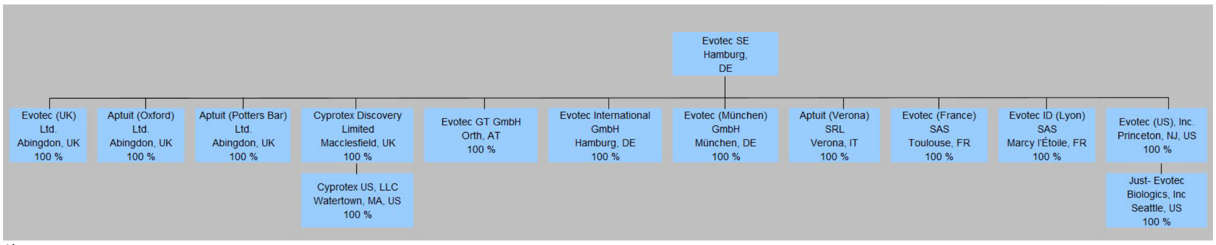
Organisational structure and business activities

Founded in 1993, Evotec AG is a publicly listed stock corporation operating under German law. Evotec AG was converted to Evotec SE on 1 April 2019 based on a decision taken at the Annual General Meeting in 2018. The Company is registered under the name Evotec SE under the commercial register number HRB 156381. Its headquarters are in Hamburg.

Evotec SE (with its fully consolidated subsidiaries "Evotec Group" or "Group") is the parent company of the Group.

The wholly-owned subsidiary Just – Evotec Biologics (the former Just Biotherapeutics, Inc.), based in Seattle, has been part of the Evotec Group since July 2019. In late 2019, Just – Evotec Biologics founded the wholly-owned group subsidiary J.POD – Evotec Biologics, which is also based in Seattle. J.POD – Evotec Biologics, Inc. is building its first J.POD®, a modular third-generation production facility for late-stage and commercial production of biologics. The site is expected to be put into operation in the second half of 2021. It is therefore not yet included in the overview of major operating entities below.

Major operating entities[1)] as of 31 December 2020



1) Indirect and direct holdings

– Business model

Evotec is a global provider of drug discovery and development solutions. By leveraging its state-of-the-art multimodality research platform, Evotec enters into discovery and development alliances and partnerships applying innovative methods for the development of new or better pharmaceutical products. Its network of alliances includes leading pharmaceutical companies, small and large biotechnology companies, academic institutions, patient advocacy groups as well as venture capitalists and up to foundations and not-for-profit organisations. Evotec creates and connects innovative, proprietary technology platforms to identify and develop so-called best-in-class and first-in-class therapeutics both for the development pipelines of collaborators and for the set-up of a co-owned, alliance-based pipeline. The aim is to develop causal treatments for a large number of currently more than 3,300 diseases that are not yet curable.

Thanks to the development of its business model in the last few years, which aims to develop the industry's largest partnered ("co-owned") pipeline based on a fully integrated multimodality platform, Evotec acts as a service provider for the life science industry (EVT Execute) and runs its own discovery and development projects which can be converted into "co-owned" collaborations with performance-based revenue sharing (EVT Innovate). Both segments operate on the same technological infrastructure, which is suitable for all modalities.

In addition, Evotec promotes new, innovative business methods such as by spinning off novel treatment approaches and platforms whilst retaining an equity interest. In this scenario, Evotec acts as "operational" venture capital provider, which means that in addition to capital, it also provides execution infrastructure to generate reproducible, high-quality data for the spin-out, significantly increasing the quality and value of the data generated. In this way, Evotec expects the probability to increase the value of such equity participations to at least meet or even exceed common expectations of return in the venture capital sector. In addition, as part of this operational venture capital strategy, Evotec also invests in innovative early-stage companies that are developing promising product candidates or technology platforms, usually with an operational interaction with the target companies beyond the equity investment.

Aside from spinning off its own developments in order to drive forward innovative approaches, Evotec also uses its BRIDGE model as a starting point for participations. As part of this co-ownership strategy, Evotec participates in financing rounds of companies and start-ups that originate from academic research.

Further information on Evotec's business model can be found in the section "Corporate objectives and strategy" on page 6 of this Management Report.

– Operating segments

Evotec provides stand-alone or fully integrated drug discovery and development solutions ranging from early target identification to manufacturing of compounds and commercial products. Evotec's drug discovery and development platform provides an industrialised, high quality, cutting-edge and comprehensive infrastructure. This addresses the industry's need to discover and develop multiple classes of innovative active substances, including small molecules, biologics and other modalities such as cell therapies, gene therapies and antisense therapies.

EVT Execute

Evotec's service segment EVT Execute comprise stand-alone or integrated drug discovery and development solutions across all modalities for therapeutics protected by the partners' intellectual property. Services in this segment are typically provided and compensated as FTEs (Full Time Equivalent) or on a fee-for-service basis. The successful history and delivery of high quality solutions increasingly attracts additional performance payments within the EVT Execute segment.

Further information on Evotec's service offering is available on the Company's website under https://www.evotec.com/en/execute/drug-discovery-services.

Evotec's positioning in the drug discovery and development process

EVT Innovate

In its business segment EVT Innovate, Evotec leverages its proprietary technology platforms to develop new drug discovery projects, assets and platforms, both internally and through collaborations. This creates starting points for strategic partnerships with pharmaceutical and leading biotech companies that yield upfront payments, ongoing research service payments, and significant financial upside through milestone payments and royalties. In almost all alliances, preclinical and especially clinical development work is carried out by the development partners. Within EVT Innovate, Evotec also focuses on accelerating innovations through various collaborative models, partnering with academic institutions, other biotech companies, pharmaceutical companies or even a combination of these within so-called academic BRIDGE alliances.

Portfolio of research and development programmes

Evotec has strategic activities in several therapeutic areas. These include diabetes and diabetic complications, fibrosis, immunology, infectious diseases, inflammatory diseases, kidney diseases, liver diseases, oncological diseases, pain, rare diseases, respiratory diseases and women's health. The Company has a large portfolio of co-owned programmes generating revenues from upfront payments, collaborations and milestone payments as well as a number of product opportunities which are being progressed internally for future partnering. The strategy for the project portfolio is to partner as early as possible in the development process to provide EVT Innovate with substantial medium-term revenue from upfront, research and milestone payments and long-term revenue from launched products. In doing so, Evotec identifies the appropriate business model for each project while aiming to maximize value creation.

Further information on Evotec's operating segments can be found in the "Corporate objectives and strategy" chapter on page 6 and in the "Research and development" chapter on page 11 of this Management Report.

Alliances and partnerships

Evotec's partners meanwhile include all Top 20 pharmaceutical companies, as well as biotechnology and mid-sized pharmaceutical companies, academic institutions, foundations and not-for-profit organisations. In 2020, Evotec continued to deliver on established, long-term partnerships, and it entered into a number of significant new collaborations. An overview of Evotec's top customers in 2020 is given in the table "Development of Top 10 collaborations" on page 10 of this Management Report. Further information on Evotec's research alliances can be found in the "Performance measurement" chapter under "Quality of drug discovery and development solutions and performance in research alliances" on page 9 of this Management Report.

Corporate objectives and strategy

– Re-defining the drug discovery paradigm

Evotec has established a position as a leading innovation partner in drug discovery and development for biotechnology and pharmaceutical companies, not-for-profit organisations and academic institutions. Revenue-generating partnerships provide near-term growth and profitability, while an ever-growing co-owned pipeline of potential first-in-class or best-in-class products aims to reduce the number of incurable diseases and give more people access to innovative therapies. Thanks to performance-based milestone payments for progress in development projects and shared revenues on product sales, Evotec has a scalable business model that creates almost unlimited financial upside for future growth.

– Action Plan 2025: "The data-driven R&D Autobahn to Cures" ("Evotec Infinite Strategy")

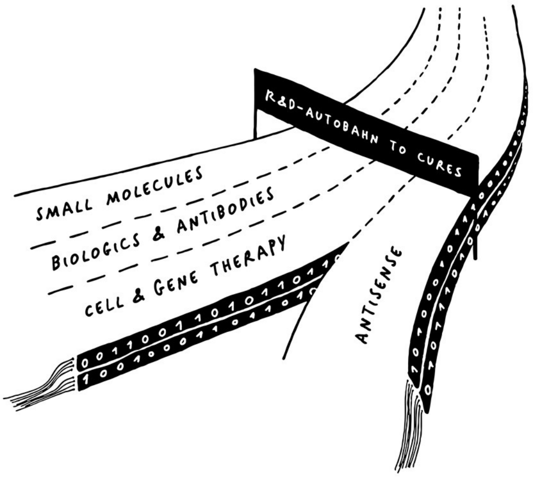
Evotec's strategy is clearly focused on highest quality science, superior platforms, and highly efficient processes that lead to significant, long-term productivity improvements in the industry. In essence, it aims to assess disease relevance at the molecular and therefore the patient-specific level as early as possible. This approach is expected to yield new insights into the efficacy and safety of a drug candidate early on rather than during advanced clinical trials, which is the current standard. The objective of this method is much broader and faster access to more effective, targeted therapies for more patients.

In order to realize its strategy, Evotec has implemented strategic action plans as elementary development steps of the Company's development: "Action Plan 2012 – Focus and Grow", "Action Plan 2016 – Leadership in Drug Discovery Solutions", "Action Plan 2022 – Leading External Innovation", and "Action Plan 2025 – "The data-driven R&D Autobahn to Cures", which was agreed in 2020. The new strategy will be implemented in 2021.

– Expansion of the R&D Autobahn to Cures: Strategic, long-term focus on small molecules, antibodies & biologics, and cell and gene therapies

One of the most fundamental changes in Evotec's business model in the last five years has been the availability and applicability of the best possible modality for every challenge arising in drug discovery, and for every new disease-relevant target. The term Autobahn in this case stands for a fully integrated infrastructure for early drug discovery and development. It offers clear direction at maximum speed and parallel use of several lanes – in the case of Evotec: modalities. In short: It gets you to your destination quickly and without any detours and in the fastest possible way while maintaining the highest quality. Evotec used to focus on the area of small molecules, and this remains one of the Company's core strengths. Today, Evotec is a global leader in small molecules, biologics, and gene and cell therapies.

Exhibit 4



After successfully entering biologics in 2019 with the acquisition of Just Biotherapeutics, Inc. (now Just – Evotec Biologics), Evotec expanded its multimodality Autobahn again in 2020. It now includes another two major, pioneering modalities: gene therapy (with the opening of the new site Evotec GT in Orth an der Donau/Austria) and antisense therapy (through an alliance with Secarna Pharmaceuticals).

In particular, the ability to produce cost-efficient antibodies is becoming ever more important. Finding new ways to make drugs affordable and accessible to more patients is a major requirement. New, efficient technologies must be developed and established. Antibodies are complex: It takes time and effort to develop, and considerable funds to produce them. The people behind Just – Evotec Biologics have been thinking deeply about the issue for many years and designed a production facility of the future under the heading J.DESIGN, intelligently linking product development and production. One core element of J.DESIGN, a disruptive, novel production facility for biologics manufacture named "J.POD®", is currently under construction. It is expected to be fully operational in the second half of 2021. Merck, Inc. (MSD), the Bill & Melinda Gates Foundation or the US Department of Defense, among others, have been won as collaboration partners.

- Focus on precision medicine and the integration of artificial intelligence and machine learning

Another aspect to be considered in the context of multimodality is big data analytics. In particular, the flood of molecular data opens up entirely new dimensions for precision medicine. In the last ten years, Evotec has built a platform for future precision medicine. In a first step, the Company built proprietary molecular patient databases, which are needed to understand molecular disease mechanisms. Evotec then built an iPSC-based (induced pluripotent stem cells) drug screening platform, which can model diseases in roughly 15 cell types and some 240 patient-based iPS cell lines. In addition, the Company developed PanOmics, a proprietary platform for the generation of multi-omics data (genomics, transcriptomics, proteomics, metabolomics) as well as PanHunter, an omics data analysis platform supported by artificial intelligence and machine learning. PanHunter processes large volumes of omics data, and it correlates this type of data with pre-clinical and clinical metadata. Omics technologies are an important instrument in the drug discovery process, helping to define biological effects comprehensively and objectively and capture them as profiles. They improve the assessment of efficacy and safety profiles of drug candidates, identify clinically relevant biomarkers and support strategies of patient stratification during clinical development.

Exhibit 4

The patient-centric methods used by Evotec all have one thing in common: the integration of artificial intelligence (AI) and machine learning (ML) within many of the Company's biological and chemical platforms. This core element makes drug discovery even faster and more efficient. In 2020, Just - Evotec Biologics developed an AI-based platform for the development of humanoid antibody libraries (HAL). Evotec has also developed ML-based tools that can run massive high-dimensional omics data in parallel.

The table below shows the Company's specific targets for 2020 as well as milestone achievements made:

	Specific targets for 2020	Seletion of major achievements 2020
EVT Execute	• Continued strong growth and multiple new integrated service alliances	• Initiation of new alliances and strategic collaborations e.g. Bayer, Merck & Genzyme • Several orders and collaborations secured (selection): ○ Cooperation with Merck Sharp & Dohme Corp. (production facility of the future)

EVT Innovate	• New co-owned partnerships based on own R&D and platforms	• New and extended partnerships and alliances:
		  ○ Bayer
		  ○ CHDI Foundation Inc

Corporate	• Participation in young companies and creation of new BRIDGE initiatives	• Investments in promising companies with operational synergies, e.g. Bioaster, Cajal Neuroscience, Eternygen, Exscientia, Leon-nanodrugs, Quantro Therapeutics
	• Financing (private placement)	Identification of a new anchor investor and implementation of a capital increase with cash inflow of € 250 m (€ 200 m Mubadala Investment Company, a sovereign wealth fund fully owned by the government of Abu Dhabi (Mubadala Investment Company), € 50 m Novo Holdings)

The company's objectives for 2021 can be found in the "Business direction and strategy" section of the "Outlook" chapter on page 36 of this Management Report.

Performance measurement

– Financial performance indicators

The Management Board has committed to the following financial objectives: continued revenue growth, progressing unpartnered R&D expenses, and an increase in adjusted EBITDA. The Company's long-term key financial performance indicators are defined to support these goals. The main KPI's are:

- Net Sales
- Adjusted EBITDA: EBITDA based on the result before interest, depreciation and amortization on tangible & intangible assets. Adjusted EBITDA does not include valuation adjustment and appreciation in value of intangible & tangible assets as well as short – and long-term group assets.
- Liquidity: based on cash positions including bonds and investment funds, listed under other securities

The Company's performance is measured against budgeted financial targets and the prior-year performance. For 2020, this measurement by comparison is less meaningful due to the effects of the COVID-19 pandemic. In its monthly financial reviews, Evotec's management puts a strong emphasis on key performance indicators such as revenues, order book, gross margins and EBITDA. In addition, management thoroughly analyses costs (cost of sales, research and development expenses, selling and administrative expenses). Liquidity levels are monitored in comparison to the forecast and against defined minimum cash levels. Operating cash flows are reviewed on a regular basis with an emphasis on the receipt of contract research revenues and milestone payments as well as on the trend in working capital. Also, cash outflows from investments in maintenance and expansion are compared against the budget every month. Balance sheet structure, equity ratio and net debt leverage are monitored in order to manage a balanced equilibrium of financing tools. Treasury management is undertaken on an ongoing basis with a focus on cash management, foreign exchange risks, and optimisation of funding and investment opportunities. Value analyses based on discounted cash flow and net present value models are the most important financial metrics for Evotec's investment decisions regarding M&A projects, equity investments and licensing opportunities.

Key financial performance indicators

The Table below offers an overview of Evotec's key financial performance indicators.

in k EUR	2019	2020
Revenues	80.332	78.489
Adjusted EBITDA	12.022	-18.114
Liquidity	128.647	288.792

– Non-financial performance indicators

Biotechnology is a research-driven and employee-based industry. Consequently, financial information alone does not provide a comprehensive picture of the Company's potential for value creation. Evotec's management therefore also uses non-financial performance indicators to manage the Company.

Quality of drug discovery and development solutions and performance in research alliances

The vast majority of Evotec's revenues is generated through alliances with pharmaceutical and biotechnology companies, not-for-profit organisations and foundations. As a result, the most important non-financial performance indicators for Evotec are the quality of its drug discovery and development solutions, its performance within research alliances, and overall customer satisfaction.

These indicators can be measured by the number, size and growth of customer alliances, the percentage of repeat business, average contract duration, new customer acquisition and the status of the Company’s order book. Evotec strives to continuously deliver excellent results in ongoing programmes and to expand its customer base and global network of partnerships. The Company now works with 829 partners across the industry (2019: 769). This growth and progression is summarised in the tables below

Development of Evotec’s customer alliances [1)]

	2019	*2020*
Number of customers	*24*	*26*
Number of external customers	*16*	*15*
Number of external customers> € 1 m revenues	*4*	*4*
New customers during the year	*1*	*2*

[1)] According to the company’s knowledge are no competition data available

Development of Top 10 customers (by reporting year)

In k EUR	2019	2020
TOP 3	68.513	68.478
TOP 4-10	11.461	6.215
Total Top 10 revenue	79.974	74.693
Growth in %	8	-7

* TOP 3 customer list based on revenues 2020

Total number of external customers decreased during the year down to 15 (2019: 16). This effect reflects that new external contracts are made with Evotec International GmbH. The Company’s largest customers by revenue (over 1 m €) remains unchanged against prior year by 4. The largest customer was with € 52.2m (2019: € 44.6 m) Evotec International GmbH. Revenues with the Top 3 customers stayed stable with € 68.5 m.

Evotec’s repeat business, as defined by the percentage of 2020 revenues coming from customers that the Company already had in 2019, came to 100 %.

Early indicators

Several factors are used to evaluate, in a timely manner, whether the Company’s goals can be fulfilled in the medium-to-long term. Early indicators used at Evotec include:

- **Current and expected developments in the market for drug discovery alliances and general trends in research and development:** Developments and trends are monitored on an ongoing basis in order to identify potential major changes and triggering events that can have a significant impact on the Company’s product portfolio or financial position.

- **The development of Evotec’s intellectual property position:** In order to protect its intellectual property, Evotec reviews its patent portfolio on a regular basis (see more details in the “Intellectual Property” chapter on page 12 of this Management Report).

- **Business opportunities:** The monthly review of potential new business opportunities and the status of negotiations are early indicators for the revenue forecast of both EVT Execute and EVT Innovate.

- **Order book:** The order book includes all signed contracts as well as potential new business with high probability of success. It provides a high degree of visibility of revenues for the coming months and is updated on a monthly basis.

- **Monthly/quarterly results:** Monthly and quarterly financial results as well as quarterly forecasts with comparison to budget and prior year are reported to and discussed within management to measure and monitor the Company's current performance but also to extrapolate the development of the business in future periods.

- **Expected achievement of milestones in drug discovery alliances and development partnerships based on project progress:** Milestone achievements are major earnings and cash flow drivers for Evotec. Accordingly, the trend in milestone payments in discovery alliances and development partnerships is an indicator of success for Evotec's programmes and for the performance in its risk-shared alliances. All collaborations that may yield milestone payments are reviewed by management on a regular basis.

Research and development

All of Evotec's activities are related to research and development (R&D). Firstly, the Company offers project-driven solutions and services based on a comprehensive pre-clinical discovery and development platform, as well as customised collaboration arrangements. Secondly, Evotec invests in its own – initially unpartnered - R&D projects and platforms aiming to bring the findings of such initiatives into partnered (co-owned R&D projcets).

- Unpartnered R&D

By investing in its own research and development, initially unpartnered, Evotec builds a long-term pipeline of first-in-class or best-in-class assets. Its unpartnered R&D projects are carefully selected through periodic portfolio analyses and focus on the development of drug candidates for indications with high unmet medical need. Preferably, these initiatives pursue drug product opportunities with disease-modifying potential, i.e. mechanisms that significantly slow progression of disease or, ideally, lead to full recovery. The aim is to first advance these projects internally and then to partner them at a suitable time to generate value.

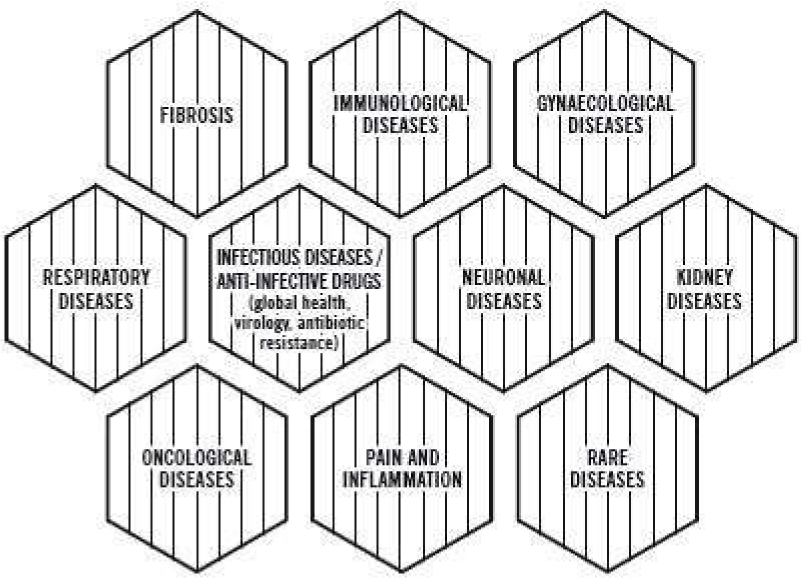
In the area of advanced therapies, Evotec currently pursues unpartnered projects e.g. in central nervous system disorders, diabetes, immunological diseases, infectious diseases, inflammation, kidney diseases, metabolic diseases, oncological diseases, rare diseases and women's health.

- Co-owned R&D

Co-owned R&D is defined as proprietary R&D funded to a large extent or in full by a partner.

Exhibit 4

Core disease areas unpartnered & co-owned R&D



Intellectual Property[1]

Evotec actively manages a significant patent portfolio. Where appropriate, the Company seeks patent protection for its technologies, product candidates and other proprietary information.

Evotec reviews its patent portfolio regularly and decides whether to maintain or to withdraw its patent applications and patents. These decisions are based on the importance of such intellectual property for maintaining Evotec's competitive position and for delivering on its strategy. As of 31 December 2020, besides five patent families jointly filed with third parties, Evotec has more than 65 patent families under its full control. All of these are on file or pending through national and/or foreign applications, such as patent applications filed under the Patent Cooperation Treaty or applications filed with the United States Patent Office, the European Patent Office or the Japanese Patent Office.

Evotec owns a patent estate for detection and other platform technologies. Furthermore, Evotec has developed a number of patent-protected biological assays, e.g. methods to measure the chemical or biological activity of any combination of targets and compounds.

The Company monitors its EVT Innovate research activities in order to identify patentable drug candidate series with the potential for partnering. As a result of these activities, patent applications are continuously prepared and filed. In addition, intellectual property is also continuously licensed or acquired to secure "freedom to operate" or as a basis for future partnerships.

Employees

As of 31 December 2020, the Evotec SE had a total of 513 employees worldwide (2019: 437 employees), which corresponds to a total increase of 17.4 % compared to the prior year's end. This growth reflects, on the one hand, continued organic growth as well as the

[1] This section of the management report is not subject to audit

increased need for administrative support, in particular through the expansion of the company through acquisitions. The number of employees grew by 76 (absolute number) in 2020.

New employees were hired across all functional areas in order to further increase the company's innovative capacity and to offer first-class services to partners and customers.

II. Report on economic position

2020 financial results compared with forecast

	Forecast Annual Report 2019	***Actual***
Revenues	*Increase by single digit percentage*	*-2.3 %*
Adjusted EBITDA	*Positive adjusted EBITDA around single digit million range*	*€ -18.1 m*
Liquidity	*At the end of the year well below € 100 m*	*€ 288.8 m*

As written in the outlook section of the Management report 2019, Evotec expected a single-digit percentage increase in revenues for the financial year 2020. Evotec ended the financial year 2020 with revenues of € 78.5 m (2019: € 80.3 m). This is below the expected level and represent a decrease of 2.3% in comparison to 2019. The decrease in revenues is mainly driven by less revenues with external customers (2020: € 21.1 m; 2019: € 31.9 m).

The adjusted EBITDA was € -18.1 m (2019: € 12.0 m) and significantly below the expectation. The decrease compared to the prior year and outlook is due to lower sales with external customers as well as the negative result form exchange rate effects of € 19.9 m.

At the end of the year, the liquidity was € 288.8 million. The differences compared to the previous year (€ 128.6 m) and the forecast from the 2019 annual report (significant reduction below € 100.0 m) results mainly from the issue of new shares with a cash inflow of € 250.0 m in October 2020, for further information see chapter "II. Report on economic position – Major business events in 2020"in this management report.

Macroeconomic conditions and business environment

– Global economic development

In 2020, the world economy was clearly dominated by the global COVID-19 pandemic. It plunged the world into the deepest recession since World War II. The World Bank said in its January 2021 report that the global economy contracted by a massive 4.3% in 2020. But the recession was less severe than the global economic slowdown of 5.2% forecast for 2020 in June. For the current year 2021, the World Bank believes that a significant economic recovery is possible and projects global economic growth of 4%. However, this is assuming a successful global COVID-19 vaccine roll-out in the course of the year. The IMF expects global economic growth of 5.5%. Due to low visibility over the further development of the coronavirus crisis, it is not possible at this point to make high quality projections.

Exhibit 4

Amid the second wave of the pandemic, the European Central Bank substantially reduced its economic outlook for the Eurozone in December 2020. For next year, the ECB projects GDP growth of only 3.9%, compared with 5.0% forecast in September 2020.

Forecasts for German GDP growth in 2021 span a very wide range from 2.8% (OECD) to 4.9% (Leibniz Institute for Economic Research, RWI) due to the uncertainties related to the COVID-19 pandemic. The IMF lowered its projection from 4.2% in early October 2020 to 3.5%. German economic growth in 2021 is hard to predict due to numerous uncertainties, including the duration of lockdowns, potential future lockdowns, the vaccine quantities pharmaceutical and biotechnology firms can supply, the potential approval of additional vaccines, and people's willingness to be inoculated.

Impact of market and healthcare segment development on Evotec's business

- Developments in the pharmaceutical and biotechnology markets

Overall, the global pharmaceutical and biotechnology markets are trending upwards. Global Market Insights puts the biotechnology market at $ 775 bn by 2025, with an annual growth rate (CAGR) of 9.9%, compared with a market size of $ 399 bn in 2017.

– Operational and business environment

Pharmaceutical industry: R&D expenses trending higher, revenues stagnating

For more than ten years, the global pharmaceutical industry has been struggling with declining efficiency in introducing new products. While expenses for research and development have risen significantly over the years, products already on the market are generating lower revenues than in earlier decades: Between 2012 and 2020, expenses for research and development (R&D) in the biotechnology and pharmaceutical industries rose by almost 40% from $ 136 bn to $ 188 bn. According to a survey by BDO, an increase of 22% was recorded between 2018 and 2019 alone, while revenues grew by only 2%. The report EvaluatePharma World Preview 2020 projects annual growth in R&D expenses of 3%, which corresponds to roughly $ 233 bn in 2026. The decrease in R&D expenses relative to revenues from prescription drugs from 21.3% in 2019 to 16.7% in 2026 suggests that the biopharma industry hopes to reap the rewards of R&D investments made now in the coming years. Looking ahead, these data support the industry trend toward specialised treatments with smaller patient populations. At the same time, the biopharma industry will invest heavily in options to improve R&D efficiency. This is the starting point for Evotec's business model.

The markets of strategic research focus areas and Evotec's competitive position

Evotec has ongoing alliances and partnerships in many disease areas including fibrosis, immunological and inflammatory diseases, infectious diseases, metabolic diseases, respiratory diseases, gynaecological diseases and complications such as chronic kidney diseases and retinal diseases, neurological diseases and oncological diseases. These disease areas represent markets with huge unmet medical needs and significant revenue and value opportunities.

– Current trends in the pharmaceutical and biotechnology sectors

The biotechnology sector is approaching a turning point. Cell and gene therapies hold the promise of cures for rare diseases that have been considered incurable up to now. Artificial intelligence (AI) and machine-learning approaches raise the prospects of more innovative drug discovery and development which is also more efficient in terms of cost and time. Data-driven approaches have the potential to add value in overall production, supply chain and the entire healthcare ecosystem. In addition, the use of big data in clinical research and development is becoming ever more important. The analysis of massive amounts of data and the sharing thereof facilitates the safe and efficient development of drugs and substances.

These trends in the pharmaceutical and biotechnology sectors also affect parts of Evotec's business model. In addition, the Company must monitor future trends in order to achieve its targets.

One of the most important developments is the continued and accelerating trend toward individualised or personalised medicine. The overall objective is to make individual, bespoke medicines available to patients by understanding biomarkers and using targeted therapies. These state-of-the-art treatments include cell therapies (iPS cells), gene therapies, immune therapies and predictive diagnostics based on known biomarkers.

The pharmaceutical sector continues to look for capital-efficient ways to accelerate the discovery and development of new therapeutics such as personalised medicines. The resulting considerable expenses for development and production cannot be covered by the biotech firms alone. Instead, the pharma companies focus on entering new partnerships and collaborations in drug discovery in order to make innovative, personalised therapies available to patients. Research partners such as Evotec can benefit from this trend.

In 2020, Evotec invested heavily in the expansion of its "Data-driven R&D Autobahn to Cures". The areas in focus – small molecules, biologics & antibodies and cell therapies – were expanded to include two pioneering modalities: gene therapy and antisense therapy. In biologics, the construction of the first J.POD®, the "production facility of the future", is moving ahead according to plan. The facility is expected to be put into operation in Seattle, Washington, USA in the second half of 2021. In addition, thanks to its AI and machine learning platforms, Evotec can process massive amounts of data. Against this backdrop, Evotec is ready to face every challenge in every area.

Major business events in 2020

As part of its long-term strategy, the Action Plan 2022, Evotec saw a number of major business events in 2020.

Successful capital increase: New long-term strategic investor Mubadala Investment Company and Novo Holdings invest € 250 m

On 12 October 2020, Evotec successfully raised capital by way of a private placement. A total of 11.478.315 new shares were issued to Mubadala Investment Company and Novo Holdings A/S, with total proceeds of € 250 m. Mubadala Investment Company invested € 200 m and now has a shareholding of about 5.6% in Evotec. The already since the beginning of 2017 existing investor, Novo Holdings A/S, invested additional € 50 m and increased its stake in Evotec to 10.75%. Due to the capital increase and the exercise of stock options, the subscribed capital of Evotec amounted to € 163.914.741, or 163.914.741 bearer shares, at the end of December 2020.

Long-term value creation from equity investment strategy

In 2020, Evotec continued to develop its strategy to generate upside potential with equity investments. Below are a few examples:

In the first quarter of 2020, the Company made a strategic investment in the Munich-based leon-nanodrugs in the field of formulations nanotechnology as lead investor in the successful Series B financing round. In parallel, Evotec signed a strategic partnership agreement with leon-nanodrugs. Under the agreement, the Company will partner with leon-nanodrugs in selected development programmes and maximise the efficiency of clinical and commercial drugs through nanotechnology.

QUANTRO identifies and develops novel drugs for the modulation of disease-associated gene regulation programmes in cancer and other diseases. Together with Boehringer Ingelheim Venture Fund GmbH, Evotec participated in QUANTRO's € 1.0 m seed financing round.

In May, Evotec participated in the successful $ 60 m Series C financing round of Exscientia, together with the existing investors Bristol Myers Squibb and GT Healthcare Capital, and the new investor, Novo Holdings.

In October 2020, Topas Therapeutics, a biotech company focused on autoimmune diseases, which was spun out from Evotec in 2016, announced the successful closing of a Series B financing round totaling more than € 22 m, in which also Evotec, as one of the existing investors and major shareholder, participated with a total of € 3.1 m, of which € 1.6 m was attributable to fiscal year 2020.

CEO Dr Werner Lanthaler extends contract by another five years, new Supervisory Board member elected

In November 2020, Evotec extended CEO Dr Werner Lanthaler's contract. With effect from 5 March 2021, his contract was extended for another five years until 05 March 2026. Werner Lanthaler took the helm of Evotec in 2009.

At the virtual Annual General Meeting in 2020, Evotec's shareholders elected a new member to the Supervisory Board, initially for three years: Kasim Kutay, CEO of Novo Holdings A/S, succeeds Dr Michael Shalmi, who had retired from his position on the Supervisory Board.

III. Financial statements

Results of operations

– Revenues

Evotec's total revenues in 2020 amounted to € 78.5 m, a decrease of € 1.8 m or 2.2% compared to the previous year (€ 80.3 m). Revenues are mainly composed of drug discovery service revenues, milestone revenues, rent income and intercompany revenues.

Third party revenue including milestones decreased from € 31.9 m in 2019 to € 21.1 m in 2020, a decrease of € 10.8 m. Milestone revenues of € 2.0 m were generated in 2020 which is a decrease of 33.3% compared to the previous year (2019: € 3.0 m). The milestones in 2020 and 2019 were achieved predominantly in the Endometriosis collaboration with Bayer. At the same time intercompany revenues increased by € 9.0 m to € 57.4 m. This is a result that new contracts and contract extensions have been preferably closed with the subsidiary Evotec International GmbH.

The geographical spread of external revenues for Evotec continues to be global with Europe and USA as most important markets. The European market with revenue contribution in 2020 of 18.7% (previous year: 16%) and the USA market with 81% (previous year: 83%). The shift from Europe to US is mainly based on reduced milestone revenues with Bayer compared to previous year as well as increased revenues with Merck in the US. The number of external customers decreased in comparison to the previous year. The total revenue contribution of the three largest customers including Evotec International GmbH amounted to 87% in 2020 (2019: 85%).

– Net result

Evotec ended up with a loss of € 24.2 m in 2020. The profit of € 27.6 m from prior year included extraordinary effects from a reversal of impairments on intercompany loan of € 25.18 m. The operating result went down by € 51.8 m.

Adjusted EBITDA* in 2020 was reported at € -18.1 m (2019: 12.0 m €).

In k EUR	2019	2020
Net income (loss)	27.563	-24.184
- Taxes on income	107	225
- Interest income	-3.844	-5.455
- Interest expenses	4.365	4.448
- Depreciation of tangible assets	3.407	3.623
- Amortization of intangible assets	314	3.647
EBITDA	31.912	-17.696
- Amortization of financial assets and securities classified as current assets	4.590	132
- Impairments on current intercompany assets	700	0
- Reversal of impairments on current and non- current intercompany assets	-25.180	-550
Adjusted EBITDA	12.022	-18.114

*see definition in chapter „I. Operations and business environment – performance measurement" in these management report

The cost of materials decreased by € 10.8 m from € 30.8 m in 2019 to € 20.0 m in 2020. This results mainly from purchased services from Evotec's subsidiaries which decreased by € 12.1 m to € 7.0 m in 2020 (2019: € 19.1 m). This was partly compensated by increased expenses for raw materials, supplies and purchased goods by € 1.3 m to € 12.4 m in 2020 (2019: € 11.1 m).

In order to meet the strong customer demand for research services and to reflect the overall company growth, Evotec SE increased the number of operational and administrative staff during the year by 76 employees to 513 employees as of 31 December 2020 (2019: 437 employees). Personnel expenses therefore increased by € 5.7 m from € 31.7 m in 2019 to € 37.4 m in 2020.

The depreciation of intangible and tangible fixed assets includes a write-down for a license in the amount of € 3.2 million due to a permanent impairment.

Other operating expenses increased by € 20.3 m from € 27.8 m to € 48.1 m. The increase is mainly driven by higher foreign exchange expenses € 19.1m and higher royalty costs € 1.2 m.

Interest income increased by € 1.7 m to € 5.5 m in 2020 (2018: € 3.8 m).The increase mainly relates to the new loan agreement with Evotec (US) Inc., which started in the middle of 2019, as well as a new loan agreement with J.POD-Evotec Biologics Inc. The further increase relates to external interest income due to higher short term investments.

Interest expense remained at € 4.4 m compared to prior year.

Amortizations of financial assets and securities classified as current assets amounted to € 0.1 m (2019: € 4.6 m).

Income from investments decreased by € 13.0 m from € 18.0 m in 2019 to € 5.0 m in 2020. The dividend payments from affiliate companies completely related to Evotec (France) SAS in 2020 (2019: Evotec (France) SAS: € 8.0 m and Evotec (UK) Ltd. € 10.0 m).

Financing and financial position

– Cash and financing

As of 31 December 2020 liquidity increased by € 160.2 m to € 288.8 m (2019: € 128.6 m). The increase resulted mainly from the issuance of new shares to Mubadala Investment Company and Novo Holdings A/S, with total proceeds of € 250 m, for further information please refer to chapter "II. Report on economic position - Significant corporate developments" in the Management Report.

The cash flow provided by operating activities amounted to € -1.4 m (2019: € 11.4 m).

The cash outflow used for investing activities amounted to € 44.5 m (2019:€ 11.3 m) and consisted mainly of € 5.1 m (2019: € 4.6 m) capital expenditures and € 18.3 m (2019: € 6.7 m) purchase of investments in associated companies and other long-term investments. These long-term investments related to new investments in Leon Nanodrugs GmbH (€ 2.0 m), Quantro Therapeutics GmbH (€ 1.0 m), Cajal Neuroscience Inc. (€ 0.6 m), Mission BioCapital V LP (€ 0.4 m) as well as follow-up financing rounds in Exscientia Ltd. (€ 9.2 m), FSHD Unlimited Coorp (€ 1.3 m), Immunitas Therapeutics Inc. (€ 1.1 m) and Carrick Therapeutics Ltd. (€ 0.4 m).

The cash flow used in financing activities amounted to € 213.2 m (2019: € 99.0 m) and was mostly due to the issuance of new shares with total proceeds of € 250 m. On the contrary Evotec granted intercompany loans in the amount of € 49.7 m. For further information please refer to chapter "II. Report on economic position - Significant corporate developments" in the Management Report.

Effects on exchange rate changes on cash and cash equivalents amounted to € -7.2 m (2019: € 0.4 m).

Assets and liabilities

– Capital structure

Total share capital increased by € 13.0 m. In 2020, 32,594 stock options and 1,501,254 LTI awards were exercised by Evotec Group employees and members of the Management Board, as well as former Evotec Group employees and former members of the Management

Board (2019: 50,000 stock options and 1,789,784 LTI awards) and converted into Evotec shares by using conditional capital. No stock options nor LTI awards were exercised by Evotec Group employees and members of the Management Board as well as former Evotec Group employees and members of the Management Board in 2020 and 2019 which were serviced by own shares. As of 31 December 2020, Evotec holds 249,915 of its own shares (31 December 2019: 249,915).

Total equity increased by € 227.4 m to € 545.9 m (2019: € 318.5 m) mainly due to the newly issued shares in 2020. Evotec reported an increased equity ratio of 59.7% as per end of the year 2020 (2019: 47.6%). The increase in equity ratio is again due to the issuance of the new shares.

– Net assets and liabilities

Financial assets include shares in affiliated companies, investments and other loans. These increased by € 17.9 m and amounted to € 386.8 m at 31 December 2020 (2020: € 368.9 m). Purchase of investments in associated companies and other long-term investments amounted to € 16.1 m (2019: € 6.7 m) and related to new investments in Leon Nanodrugs GmbH (€ 2.0 m), Quantro Therapeutics GmbH (€ 1.0 m), Cajal Neuroscience Inc. (€ 0.6 m), Mission BioCapital V LP (€ 0.4 m) as well as follow-up financing rounds in Exscientia Ltd. (€ 9.2 m), FSHD Unlimited Coorp (€ 1.3 m), Immunitas Therapeutics Inc. (€ 1.1 m) and Carrick Therapeutics Ltd. (€ 0.4 m).

Receivables and other assets decreased by € 63.4 m to € 86.1 m compared to end of 2019. The decrease mainly relates to longterm loans to related companies in comparison to prior year.

Other accrued liabilities increased by € 2.4 m in the financial year 2020 from € 10.7 m to € 13.0 m. The increase mainly relates in the amount of € 3.0 m to currency and interest derivatives.

Evotec’s liabilities towards financial institutions increased by € 15.8 m to € 346.8 m in 2020 (2019: € 331.0 m).

Liabilities to affiliated companies decreased by € 0.9 m to € 0.3 m (2019: € 1.2 m).

Effects on exchange rate changes on assets and liabilities amounted to € -9.9 m (2019: € 0.6 m).

General statement on expected developments by the Management Board

In 2020, Evtoec achieved a solid performance with a decline in revenue of 2.3 % while missing the predicted target. As most of the upcoming contracts or contract extensions with external customers are concluded with Evotec International GmbH, the portion of external revenues continued to decrease. The increase in intercompany revenue of 18.6 % could not compensate the decrease of external revenue by 33.9 %.

The adjusted EBITDA amounted to € -18.1 m in 2020 (2019: € 12.0 m). The decrease was due to lower income from equity investments and higher expenses from currency translation.

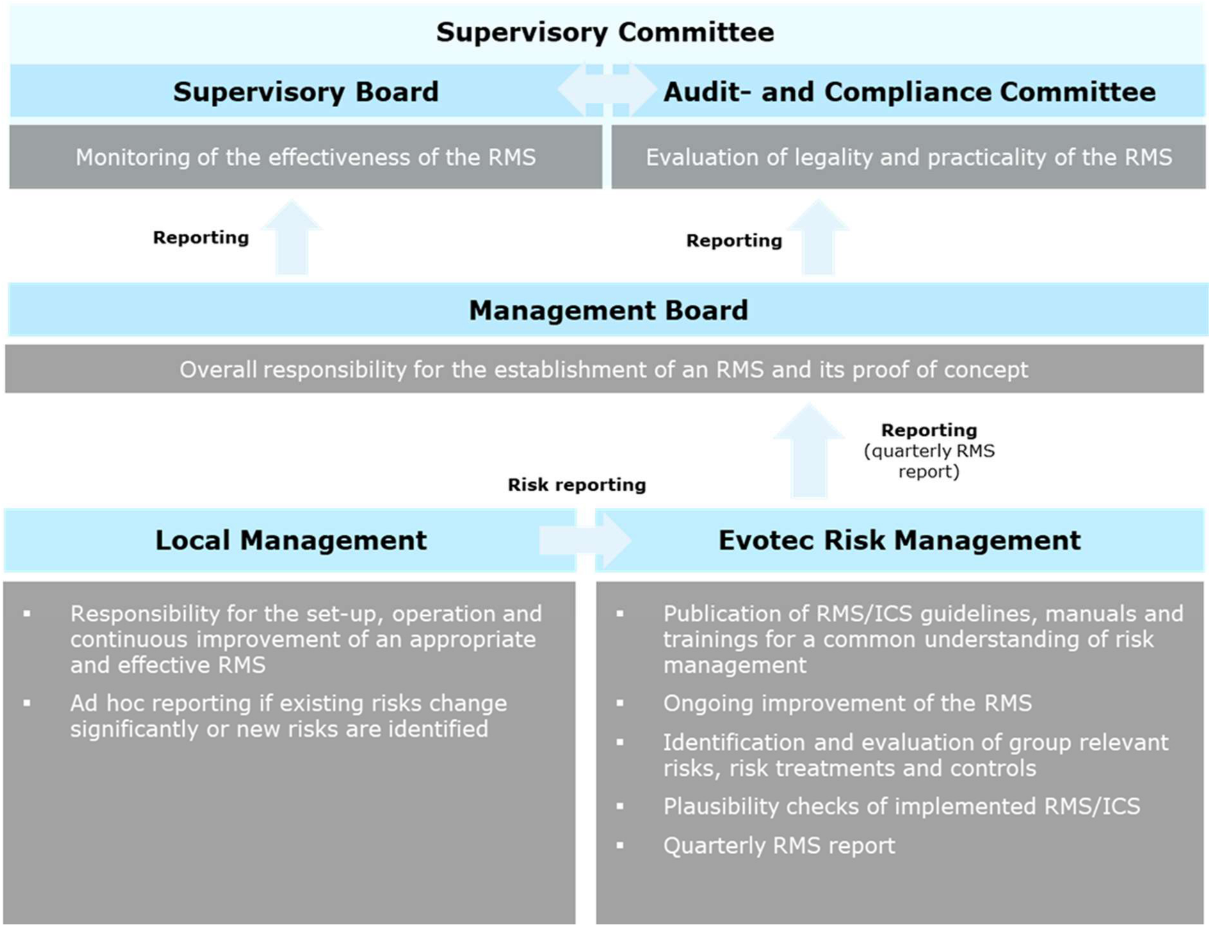
Evotec's liquidity remained at a high level at the end of the year and amounted to € 288.8 m (2019: € 128.6 m). In October 2020, Evotec successfully carried out a capital increase as part of a private placement. A total of 11,478,315 new shares were issued to Mubadala Investment Company and Novo Holdings A/S, providing Evotec with funds totaling € 250 m. Part of the cash inflow was used to grant additional loans to affiliated companies (€ 49.7 m). This strong liquidity position allows the Company to implement its growth strategy even faster, not only by organic growth but also by potential acquisitions. In addition, it enables Evotec to participate in start-ups or equity investments.

IV. Risk and opportunities management

Risk management process

The Company’s risk management system is attuned to the early detection, assessment and management of major risks, in particular those that may threaten its existence. Thanks to extensive, continuous analysis and monitoring of individual risks, Evotec can weigh operational and economic parameters and initiate specific measures to mitigate or entirely prevent the potential negative impact of risks.
The responsibility for the risk management system and the underlying cornerstones of risk policy and strategy is assumed by Evotec’s Management Board. The group-wide co-ordination, implementation and development of the risk management system is handled by the Group’s risk management department, which routinely reports directly to the Chief Financial Officer (CFO).
The Group’s risk management sets the main guidelines and closely communicates with all corporate units and all risk-relevant operational and support divisions both at the group level and in the subsidiaries. It helps to identify and assess risks, providing advice for and monitoring the shaping and implementation of suitable countermeasures. In this context, contacts for risk reporting and risk management in all business units are continuously identified and nominated.

Risk management structure and duties



Risk detection

The corporate risk management has the sole right to maintain and update the risk portfolio in the risk management tool. Risk detection happens both at the group level, through continuous monitoring of business activities, the overall economic environment, the competitive environment etc., and at the divisional and regional levels, through the designated risk reporters and risk managers in key positions. In co-operation with the corporate risk management, the detected risks are analysed as regards their effects and classified into pre-defined risk categories and possible risk aggregates.

Risk assessment

Risks are assessed based on two criteria: probability of occurrence and potential damage. The assessment must be made for a worst-case scenario, a likely impact scenario and a realistic worse-case scenario.
The worst case is the assessment of the worst or most adverse scenario in terms of the amount of damage. The likely impact scenario is a probable outcome assessment that also takes account of external experience and benchmark analyses. The realistic worst case is the most likely outcome for Evotec. It takes account of the other scenarios and the Company's own, specific experience. The aggregation of risks and the composition of the overall

portfolio are then merely based on the probability-weighted likely impact and realistic worse-case scenarios.
Aside from the adjusted group EBITDA as one of Group's key performance metrics, the risk assessment primarily takes account of the possible effect on its liquidity.
The classification of risks and the risk matrix generated for the internal quarterly risk report are based on the following three-level risk classes.

Probability of occurrence

Category	*Risk*
Low	< 5%
Medium	5 – 20%
High	> 20%

Potential financial impact on liquidity

Risk class	*Risk*
Low	< € 2 m
Medium	€ 2 – 5 m
High	> € 5 m

In due consideration of corporate strategy and development, the Company reviews the levels of probability of occurrence and financial impact once per year to see if any changes need to be made. In 2020, neither risk classes nor risk categories needed to be adjusted.

Risk management

Regardless of the risk categorisation, all active risks must be managed with appropriate measures (= measure to reduce, prevent or transfer risks). Acceptance of risk without initiating any measures is permitted only in individual cases and generally not for high risks. The risk management is in charge of preparing, implementing and monitoring appropriate measures. The status of all mitigating activities and their efficiency is documented in the risk management tool and reviewed by the Group's risk management on a quarterly basis.

Pursuant to section 91 paragraph 2 of the German Stock Corporation Act (AktG) in conjunction with section 289 paragraph 4 of the German Commercial Code (HGB), the Management Board must implement guidelines, procedures and measures to ensure compliant corporate accounting processes.

The internal control system of Evotec comprises both process-integrated and stand-alone protective measures. Process-integrated measures are organisational, automatic systems and controls that are built into structures and processes and ensure a certain level of protection. These measures include:

- Clear separation of duties
- "Four eyes principle"
- Variance analyses
- Plausibility checks

Process-independent protective measures are conducted on an annual basis by the independent audit and consulting firm PricewaterhouseCoopers GmbH and supervised by the

Group's risk management. This ensures the legally obligatory monitoring of the effectiveness of the internal control system by the Executive Board in accordance with § 91 paragraph 2 of the German Stock Corporation Act ("AktG"). At the same time, organisational structures and processes are reviewed. As part of the independent audit, control tests are generally conducted by the audit and consulting firm PricewaterhouseCoopers GmbH for all national subsidiaries. This audit was conducted for all locations in Germany and Austria in the fourth quarter of 2020. Due to the COVID-19 crisis in the 2020 financial year, the control tests for the other national companies were carried out once on the basis of self-assessments and checked for plausibility and random samples by the audit and consulting firm PricewaterhouseCoopers GmbH. The companies had to evaluate and confirm the appropriateness, documentation and efficiency of the key controls based on a 3-level evaluation scale. In the 2021 business year, Evotec intends to undertake full on-site controls by third parties again.

The results of the efficiency review are submitted to the Management Board, the Supervisory Board's Audit and Compliance Committee and to the Supervisory Board itself. In addition, the external auditor evaluates the internal, accounting-based control system as part of the audit of the consolidated financial statements.

Risk reporting

Based on the risks identified and reported through bottom-up and top-down procedures, the corporate risk management submits quarterly risk reports to the Management Board, the Supervisory Board's Audit and Compliance Committee and to the Supervisory Board itself. The continuous risk report focuses on the presentation of the major top 20 risks for the Group as regards the quantitative development and the status of the protective measures that have been or are planned to be implemented. In addition, every report includes a cash stress test that examines if Evotec can absorb the impact of all risks on liquidity in the event that the relevant risks materialise simultaneously. Up until today, Evotec has always passed these tests successfully. For this reason, a probability-weighted aggregation of risks at the group level using stochastic simulations has not been necessary. The risk management system is currently undergoing an adjustment process, in particular to fulfil the requirements of the early risk detection standard IDW PS 340 as to risk aggregation, risk appetite and risk tolerance.

Risk monitoring

The Supervisory Board is in charge of monitoring the efficiency of the risk management system. In addition, based on the extended audit obligations according to section 317 paragraph 4 of the German Commercial Code (HGB), the auditor must assess if the Management Board has taken appropriate measures as required and if the monitoring system to be installed fulfils its purpose. The Management Board and the Supervisory Board review the processes of the risk management system once every year during risk reporting. Moreover, Evotec gives high priority to responsible and value-based corporate governance. As in previous years, the Management Board and the Supervisory Board have made a statement of compliance to the German Corporate Governance Codex according to section 161 of the German Stock Corporation Act (AktG). This declaration is available to the shareholders on the Company's website under https://www.evotec.com/en/invest.

Exhibit 4

Overview of individual risks

Evotec is exposed to various risks arising from its activities and from the sector. Each of these risks could have a significant negative impact on its general business, its financial situation and its results.

Evotec has classified the most important risks in the following categories: strategic risks, market risks, financial risks, legal/compliance risks, ownership and patent risks, HR risks, information technology risks, and operational risks.

The table below is an overview of these risks.

Based on the realistic worse-case scenario, the changes in assessments compared to the previous year are as follows:[2]

- ⇧ Higher than in the previous year
- ⇩ Lower than in the previous year

[2] Variance overall risk to prior year

CORPORATE RISK OVERVIEW (aggregated)	Propability of occurence	Potential financial impact	Year-on-year change
1. Strategic risks			
Failure to achieve strategic targets[1]	Medium	High	
Disruptive market participants[2]	Medium	Medium	
Future risks to success in drug discovery and development[3]	Medium	Medium	↓
Failure of mergers and acquisitions[4]	Medium	High	
Political risks	High	Medium	
2. Market risks			
Competitive situation[5]	Low	Medium	
Commercial risks from out-licensing and licenced products[6]	Medium	Medium	
Overall economic development[7]	Low	Medium	
Risks related to the COVID-19 pandemic	High	Low	**new**
Loss of individual major clients[8]	Medium	High	
3. Financial risks			
Liquidity risk	Low	Low	↓
Default risks	Low	Medium	
Currency risks	Medium	High	
Interest rate risks	High	Low	**new**
Loss of R&D tax credits	Medium	High	
Changes in tax authorities's practice as regards taxation issues	Medium	Low	**new**
4. Legal/compliance risks			
Litigation	Low	Medium	
Contractual risks	Low	Low	
Regulatory risks	Medium	Medium	
Risk of stricter regulations	Medium	Medium	
Product liability risks	Low	Low	
Quality risks in R&D	Medium	Medium	
General governance and compliance risks (fraud, corporate governance)	Low	Low	↓
5. Ownership and patent risks			
Dependence on technology patents and proprietary technologies	Medium	Low	↓
Dependence on licences granted for partnered assets	Medium	Low	↓
6. HR risks			
Loss of highly qualified staff (key employees)[9]	Medium	Medium	
7. Information technology risks			
Loss of data	Medium	High	
Data integrity and protection	Medium	High	
Cyber risks	High	High	
GDPR risks	Medium	High	
8. Operational risks			
Environmental, health and occupational safety risks	Medium	Low	
Process risks[10]	Medium	Low	
Major disasters on sites	Low	High	

In accordance with our risk inventory, we have adjusted our risk aggregations and individual risks vs. the previous year.

We believe this more concise presentation of risks provides more clarity and transparency.

The changes in risk allocation and types of risk are listed below:

- [1] Previous year: Implementation and achievement of strategic goals
- [2] Previous year: Pricing pressure
- [3] Previous year: Risk of failure
- [4] Previous year: Risks from M&A
- [5] Previous year: Outperformance by competitors

- [6] Previous year: Dependence on individual out-licensing events
- [7] Previous year: Changing market environment
- [8] Previous year: Dependence on individual larger customers
- [9] Previous year: Dependence on key personnel
- [10] Previous year: Knowledge monopolies and knowledge management due to the Company's growth

Based on the principles of risk factor assessment described above, the Management Board believes that no risks have been identified currently that jeopardise the continued existence of Evotec, either alone or in a foreseeable aggregation.

1. Strategic risks

The risk of **failure to achieve strategic targets** depends on internal and external factors. Evotec has limited control over the latter. Firstly, the achievement of the Company's strategic targets hinges upon its clearly defined and communicated strategy for sustainable and profitable growth in its business model. The implementation of this strategy bears the risk of misjudgement of potential future developments. Many different factors can play a role here, and they are reflected in further company risks. This may include another financial crisis, a persisting COVID-19 pandemic or acquisitions that do not yield the expected results. In its internal research and development activities, Evotec continues to focus on the most valuable and promising projects. The Company is building an extensive product pipeline by developing its own drugs, from its existing portfolio and from collaborations with academic or research institutions, into major value drivers and contributing them to partnerships. Evotec's investments in the future represent a considerable opportunity to achieve its strategic targets, but they also bear the risk that it might invest in products, partnerships and/or technologies that prove unsuccessful in the end. In addition, marketing strategies may fail, or a lack of market acceptance of new research products may affect Evotec's market position and thereby also the achievement of strategic or financial targets and future value creation potential. In order to achieve its strategic targets, the Company must above all continue and expand its top-quality, innovative services. In the light of the internal and external parameters that can impact the achievement of Evotec's strategic targets, of which some are beyond its control (e.g. the COVID-19 pandemic), the Company believes that the risk is medium to high.

We believe that the potential threat of **disruptive market participants** is a medium risk currently. As a pioneer of innovative drug discovery, we address the growing competitive and price pressure with high-quality, innovative and flexible-access services and a unique business model based on proprietary technology platforms. Reasonable cost management, continued development of capacities and technologies, diversification of revenues as well as revenues from valuable, result-driven alliances are critical factors for Evotec in maintaining a significant role in the world of drug discovery in the pharma and biotechnology sector.

We rate **future risks to success in drug discovery and development** due to failure as medium risks as some of the factors of success are beyond our control. Evotec is involved in many alliances in drug discovery and development, and it also runs its own research programmes, mostly aiming to initiate new and strategically more interesting alliances. The Company usually runs late-phase clinical development projects only if a partner bears the development cost. The continued expansion of the EVT Innovate segment via a portfolio of co-owned projects is another major strategic target. This type of investment offers a favourable risk-reward profile up to the clinical stage in selected areas of the highest strategic medical relevance, which allows Evotec to advance its business model in the long term. For the most part, Evotec has limited control over the further development of these investments, and it is exposed to the aforementioned typical risks of drug discovery and development.

None of Evotec's drugs have obtained marketing authorisation to date, and there can be no assurance that Evotec or one of its strategic partners will successfully develop and market new drugs in future. There is a risk that upfront or milestone payments and potential royalties on future drug sales by customers will be lower than anticipated in the Company's strategic planning. This could thus lead to impairments of individual intangible assets, affect Evotec's financial position and jeopardise the corresponding strategic targets in the medium to long term.

Evotec has strategic growth targets which it intends to achieve through a combination of organic growth and the acquisition of complementary service and research capacities. We consider the potential **long-term failure of mergers and acquisitions** to be a medium risk at this point. To address the potential risks threatening the success of such transactions, Evotec has established a comprehensive due diligence process for all acquisition targets which is run by specialised Evotec staff, external consultants and legal advisers. However, we cannot completely rule out adverse developments, as factors bearing residual risk beyond Evotec's control may remain even after the transaction is completed (e.g. unexpected sector risks or environment risks). The integration of operations and personnel may represent further risks to the organisation, its management and employees if synergies fail to meet expectations or unharmonised processes and systems operate in parallel for longer than planned. In addition, mergers and acquisitions could bear further specific risks such as unexpected liability claims or costs, the potential loss of key personnel, and the depreciation of technologies, intellectual property, contracts and scientific methods. Intangible assets and goodwill from past acquisitions account for a significant part of the Company's assets. If management's expectations regarding the future potential of these acquisitions cannot be realised, there is a risk of partial or full impairment of these intangible assets and goodwill. Evotec therefore strives to ensure the proper adjustment and smooth integration of the new companies' technologies, cultures, systems and processes and act as ONE Evotec. Based on the experience of past acquisitions, the Company makes use of all necessary resources and departments to ensure a smooth integration process.

Political risks, which we consider to be strategic risks, mainly include geopolitical decisions that lead to global trade conflicts or an uncertain economic situation, e.g. due to Brexit. We consider this to be a medium risk, particularly due to Brexit and the related, uncertain medium-to-long term effects.
We address these risks by continuously monitoring political uncertainties and actively working with stakeholders in order to assess and minimise potential negative effects where possible. For this purpose, special task forces comprising representatives from all necessary business units prepare and implement measures in a timely manner.
To address the Brexit risk, the key political threat in 2020, a dedicated task force examined several areas of risk that may have a significant impact on Evotec:

Supply chain and production: Delays in customs clearance followed by delays in delivery and transit of goods needed for the processing of customer orders may occur due to new processes at the loading stations. In particular cases, this may result in delays in the provision of services needed to execute customer orders. To mitigate the risk, Evotec temporarily increased its stock of essential components at its UK sites, and it will continue to thoroughly analyse goods availability and take appropriate action. Under the current agreement, there is no risk of substantially elevated costs due to customs duties, but expenses for ancillary import and export services (customs brokerage) are still likely to be higher. We have mitigated the risk by installing processes and sufficient logistics personnel to fulfil any customs regulations for future deliveries.

Distribution and logistics: Evotec regularly ships test compounds between its UK sites, its international customers, and other European Evotec sites in order to fulfil its customer orders. Following the uncertainties regarding customs clearance for goods being shipped into and from the UK, delays in customer projects are possible, which potentially may lead to loss of sales or even termination of contracts. However, Evotec may use its other European or US sites to cover the majority of its range of services in the UK. Deployment of Evotec's other sites enables the Company to compensate for most interruptions in the UK and thus to mitigate this risk.

Personnel: Evotec continuously analysed the possible effects on the employees concerned in 2020, completed the necessary consulting and information and prepared potential courses of action. The personnel-related Brexit risks are known and limited.

Data protection and free movement of data: Due to the absence of regulations within the agreement, in principle the UK is a third country without an adequate level of data protection, and the exchange of personal data between the UK and other countries is limited according to GDPR, or permitted only when adhering to appropriate protective measures. However, Evotec included standard contractual clauses regarding any processing activities (so-called SCCs) in a contract between all affiliated companies to mitigate this risk. Any issues related to GDPR are generally part of IT risks.

Patent rights: Due to the European Patent Convention (EPC), patent rights will remain largely untouched following the exit of the UK from the EU, since the UK will continue to be a member of the EPC.

Payment transactions and exchange rates: Due to some provisions regarding the exchange of payment-transaction data between banks in the UK and the rest of Europe becoming invalid, there may be delays in payment transactions. To prevent liquidity shortfalls at its UK subsidiaries, Evotec might at any time increase their cash balance temporarily if needed. As sufficient cash funds are available, this is very unlikely to be necessary.

2. Market risks:

The world of drug discovery in the pharmaceutical and biotechnology sector has grown rapidly in recent years. As a result, Evotec is closely monitoring the **competitive situation** and the competitive environment. There is a potential risk that competitors are faster in marketing their products, obtaining patent protection and/or developing new drugs that are more efficient or cheaper or seem more cost-efficient than the products that benefit Evotec, e.g. via revenue sharing. Royalties could therefore be lower in future, or they could be lost altogether. Moreover, there is a risk that competitors step up their investments in the expansion of their drug discovery and development solutions units, thereby increasing competition.

Evotec addresses this risk with a diversified business model based on innovative, multi-functional technologies and platforms that took years to develop. We therefore consider this risk to be medium to low at this point.

The **commercial risk from out-licensing and licensed products** is a medium risk, in our view. The Company continues to be engaged in a number of active drug discovery and early development programmes. The resulting drug candidates are meant to be licensed to pharmaceutical companies for clinical development and commercialisation. There is a risk of failing to reach the out-licensing target. Furthermore, the continuation of established collaborations and partnerships during the further development along the value chain bears certain commercial risks. In addition, a significant portion of Evotec's service business depends on the Company's partners and customers continuing to develop programmes which were developed with Evotec's support during earlier stages of development. Still, the market environment and competitive landscape for out-licensing and licensed products can always change during the lifetime of individual projects. The actual timing and commercial value of individual projects or the direct returns from partnering individual projects could therefore deviate significantly from initial projections.

Moreover, in its efforts to provide drug candidates to the pharmaceutical industry, Evotec depends on individual out-licensing or partnering agreements and therefore on individual – typically larger – customers. The total amount of payments and the split of these payments obtained in a future out-licensing agreement are unknown and depend on many factors, such as the degree of innovation and the IP position as well as on external factors outside the Company's control. In addition, the reliance on collaboration partners is subject to additional risks. For example, Evotec's partners may not devote sufficient time and resources to the continued development, introduction or marketing of the products resulting from the collaboration. To mitigate this risk to the extent possible, detailed project reporting is established within Evotec and stipulated in any collaboration agreement. Nevertheless, we continue to rate this a medium risk.

Due to its global activities, Evotec is exposed to risks arising from the **overall economic development,** which may have an adverse effect on its revenue and earnings performance in the event of an economic slowdown.

The **COVID-19 pandemic** is an extraordinary shock for the economies of the EU and the rest of the world, and it has severe economic and social consequences. In 2020, economic activity in the euro area is expected to have experienced a high single-digit percentage decline. If the COVID-19 pandemic continues or aggravates, Evotec may be exposed to considerable risks. We have introduced comprehensive measures to address these risks. The most significant threats for Evotec may arise from inefficient internal safety measures for the protection of our employees. If these measures fail and employees or entire teams are sent to quarantine or if entire sites are shut down by the authorities, considerable project delays will be possible. Aside from delayed revenue payments from the projects, this may also pose financial risks for the medium to long term as follow-on projects may be delayed.

We have developed, communicated and implemented extensive safety measures at all sites in order to reduce the risks for our employees as best we can. Among other things, this includes mandatory face masks in all of Evotec's facilities, the expansion of home office options, weekly COVID-19 task force consultations, and maximum numbers of people allowed in rooms. In addition, we have introduced shiftwork where possible to reduce the number of employees working in labs.

Aside from personnel risks, logistics and procurement may be exposed to further hazards. Service providers and service partners put under quarantine restrictions could lead to delivery failure, shortage or delay, which could in turn entail internal delays at Evotec. We have addressed this risk by optimising inventories and continuously communicating with our suppliers and logistics providers. This also includes the forward-looking analysis of stock material and services which are continuously bought and used by Evotec and which could be subject to shortage in future due to global COVID-19 vaccinations (e.g. cold chain freight services). Here, too, appropriate measures have been prepared and introduced.

Although the direct financial effect of the coronavirus pandemic has been less severe for Evotec than for other sectors up to now, due to the high likelihood of occurrence we rate this as a medium risk.

3. Financial risks

Revenue fluctuations, expenditures, external events and changes in the business environment might negatively impact Evotec's short-to-medium term profitability and **liquidity**. To actively address any related risk and safeguard its cash position, Evotec has defined minimum liquidity levels and regularly undertakes scenario planning. In full compliance with the Company's investment policy, the general risk of losing a significant amount of cash in cash investments is mitigated by spreading investments in high-quality credit instruments across several banks and by monitoring these banks and investments on an ongoing basis. The selected instruments are used exclusively to secure the underlying transactions, but not for trading or speculation.
Due to a private placement in 2020, Evotec has sufficient cash reserves currently. Nevertheless, all options of refinancing are reviewed on a regular basis, including potential capital increases and the use of debt instruments. Overall, we see little liquidity risk at this point.

Default risks may occur if a customer is unable to meet his obligations.
They are generally mitigated by credit and solvency checks of contractual partners. However, Evotec's customers are generally financially stable pharmaceutical companies, research institutions and larger biotechnology companies, and we therefore consider the risk to be rather low.

Evotec's business and reported profitability are affected by fluctuations in foreign exchange rates mainly between the US dollar, Pound Sterling and the Euro. The Company manages these **currency risks** via close market monitoring, forwards, natural hedges and selective hedging instruments. Hedging transactions are entered into directly in relation to existing underlying transactions and/or future transactions that can be reliably anticipated. Although economic hedging relationships exist, Evotec opted not to create a separate valuation unit according to section 254 HGB. The purpose of this strategy is to manage the Company's current and future currency requirements and to reduce the exchange rate risks of current and future financial periods. Despite active currency management, this risk cannot be fully eliminated due to unpredictable volatility within the mentioned currencies. In terms of probability of occurrence and extent of loss, we currently see medium risk and high risk, respectively.

Interest rate risks may arise from inevitable negative interest on investments of available cash after capital increases, financing, etc. Due to the European Central Bank's negative interest rate of -0.5% currently, Evotec's banks are also charging negative interest on its balances. The Corporate Treasury Team continuously screens the market for suitable short-to-medium term investment options in order to avoid negative interest.
Although interest rate risks are high in terms of probability of occurrence, we rate the financial impact as low currently.

R&D tax credits derived in various countries such as France and the UK, where Evotec runs operations, account for a substantial part of the Company's other operating income and contribute positively to its financial performance. It depends on the political framework in the respective countries whether, how and to what extent a company is allowed to claim R&D tax credits. The R&D tax credit policies in these countries have been quite stable in the last few years. In Italy, the legal requirements have changed for the 2020 financial year, leading to a reduction in other operating income. Notwithstanding this, Evotec currently continues to classify the risk in terms of probability of occurrence as medium, as in Evotec's opinion no changes have currently been announced in the short term in the other countries. Evotec monitors the political and legislative landscape on a regular basis in this regard. A full or partial expiration of these programmes or a change in approval criteria may affect the Company's financial performance negatively.

R&D tax credits form a significant component of other operating income in several countries, such as France and the UK, where Evotec has operations, and contribute positively to Evotec's financial performance. It depends on the respective policy framework of the country concerned how and to what extent a company is allowed to claim R&D tax credits. In Italy, the legal requirements have changed for the financial year 2020, leading to a significant reduction in other operating income. As of the current reporting date, there are no indications that legislation in the remaining countries will be negatively changed for Evotec. Nevertheless, due to the COVID-19 pandemic-related global economic downturn and the resulting increase in government costs, there is a higher risk that tax relief will be reduced or eliminated in the short term and permanently due to legislative changes. A full or partial expiration of these programs or a change in the eligibility criteria could negatively impact our financial performance. Evotec regularly monitors the political and regulatory landscape in this regard, but could not completely avoid the negative effect on our results due to the lack of influence and compensation possibilities. In the short term, there are no indications of further regulatory changes in the countries relevant to Evotec, so we currently continue to rate the risk as medium in terms of probability of occurrence, as we do not currently believe that any near-term changes have been announced in the remaining countries.

The risk of **changes in case law or tax authorities' practice as regards taxation issues** is a medium risk, in our view. Due to the complexity of our business model and the necessity to include individualised clauses in our customer contracts, any significant contracts are analysed as to their legal and tax-related implications. Evotec is reviewing its process for contract drafting and contract authorisation to ensure tax treatment is assessed prior to signing. Appropriate action can then be taken in time if needed.

4. Legal/compliance risks

Evotec strives to address legal risks as early as possible and respond pro-actively. Permanent measures are meant to entirely prevent any compliance violations. The risks referred to below are all considered to be (rather) medium risks.

Despite our pro-active measures, we are exposed to risks from **litigation** and cannot completely rule out infringements of legislation. As a result, we are exposed to the potential risk that legal action, court rulings or out-of-court settlements may have adverse financial consequences. For major and/or complex transactions, Evotec pro-actively seeks external advice to mitigate the related risks.

The Company is bound by numerous complex contracts with a low degree of standardisation, in particular customer contracts. Contractual clauses that are flawed or contentious or unfavourable for Evotec may bear legal liability risks and financial risks. We address this risk by continuously involving our corporate legal department as well as external legal advisers when needed. Thanks to this cumulative expertise of established review and contract drafting processes, Evotec has not recorded any judicial or material out-of-court settlements with customers in the past 10 years, so we consider the risk to be low.

Research and development activities as well as the approval and marketing of pharmaceutical products are subject to extensive regulation by the US Food and Drug Administration, the European Medicines Agency and similar regulatory agencies in other regions. The approval of the relevant authorities is required before a product can be tested in humans and later sold within a given market. The regulatory approval process is arduous and time-consuming, and the timing of receipt of approval is difficult to predict. Regulatory approval of products that benefit Evotec through revenue sharing may therefore not be received, or the approval may be restricted to certain geographical regions or indications, even if the further development of Evotec's drug candidates is successful. Regulatory approval might also later be withdrawn or it may be considerably delayed. This may significantly affect revenues. **Regulatory risks** and risks arising from changing or **stricter regulations** are addressed by continuously monitoring global and local legislations to ensure that looming changes are detected in time. For this purpose, Evotec also employs external partners such as consultants, auditors and legal advisers under contract. Provided such connections exist, Evotec also engages in early dialogue with the authorities, e.g. regulatory authorities, to create transparency and ensure that its research and development activities conform with relevant legal and ethical requirements.

It is possible that the Company will be responsible for potential **product liability** stemming from product research, development or manufacturing. Evotec is covered by liability insurance, but in the event that claims exceeding the limits of this insurance coverage occur, there could be an impact on the Company's financial position or results. Evotec acts very prudently and responsibly to prove that clinical product candidates are safe and effective for human use and approvable by regulatory agencies. In this context, the direct clinical development, the conduct of human trials and the interaction with the regulatory authorities are usually carried out by Evotec's licensing partners.

Evotec's business processes are designed to meet the highest scientific quality, and the quality of our drug discovery and development solutions is part of our non-financial performance indicators. The success of our business therefore hinges upon the fulfilment of both our own and legal quality standards.
For example, certain certified operations are managed under the regulations of Good Manufacturing Practice (GMP), Good Laboratory Conduct (GLC) and Good Laboratory Practice (GLP), which are periodically audited by regulatory agencies such as FDA, MHRA, AISA and the Company's customers. Audit findings may lead to a loss of the GxP certification with the regulatory agencies or a loss of the approved supplier status at the Company's customers and a subsequent loss in revenues.
To minimise potential **quality risks in R&D activities**, Evotec has established a quality management system monitored by the Quality Assurance Committee. The Quality Assurance Committee submits regular reports to the Company's management, and it defines quality requirements. In addition, it is in charge of compliance monitoring, reviewing and reporting as well as the implementation of quality improvement measures.

In terms of **governance and compliance risks**, Evotec is mainly exposed to privacy breach and the potential risk of antitrust violations or fraud, e.g. through price fixing, illicit gratuities and the acceptance of unauthorised invitations.
All of Evotec's employees are obliged to adhere to the Company's Code of Conduct, which is applicable across the entire group. Compliance with internal company policies is paramount to the Company's success and ensures a safe work environment for its employees and early detection of potential risks. It is essential for Evotec to ensure that the Company in general and its employees individually conduct business in a legal, ethical and responsible manner. Employees are obliged to report any incidents they suspect of having breached the ethical guidelines laid out in the Company's Code of Conduct to their supervisor or to the Company's Compliance Officer. Evotec's corporate Legal & Compliance department is in charge of compliance monitoring. Its routine activities include reporting to the Management Board and the Supervisory Board, and the development and implementation of certain compliance guidelines and trainings.

5. Ownership and patent risks

If Evotec's business activities conflict with patents or other intellectual property rights of third parties, activities may be suspended or there may be a legal dispute. Also, in the event that Evotec believes that its patents or other intellectual property rights have been infringed upon by a third party, the Company might file lawsuits. These actions could have an influence on Evotec's financial position or results.

The risks associated with intellectual property include the following:

> Evotec is dependent on **patents** and **patented technologies**, both its own and those licensed from others. Consequently, the Company places great emphasis on patent protection and patent monitoring. The Company's success depends in part on its ability and the ability of its licensors to obtain patent protection for technologies, processes and drug candidates, to preserve trade secrets, to defend patents against third parties seeking to invalidate such patents and to reinforce rights against infringing parties. Any disputes could result in sizeable additional expenses, project delays and absorption of management attention and in a dramatic reduction of project values or even in full project abandonment.

> Evotec holds **licences** relating to some of its proprietary pre-clinical and clinical research projects. Any termination of these licences could result in the loss of significant rights and assets and endanger existing partnering collaborations or freedom to operate. However, Evotec strives to maintain long-term and trusting relationships with its partners and is therefore confident that such licence agreements will remain unaffected.

We consider both these risks to be rather low as we see little financial risk.

6. HR risks

Evotec, like many biotechnology companies, very much depends on the recruitment and long-term retention of highly qualified management and highly specialised scientific staff. The **loss of any of Evotec's key employees** could impede the achievement of its short-term financial targets as well as its medium- and long-term strategic goals. Evotec offers an intellectually challenging workplace for scientists to perform at their best in world-class quality drug discovery and development and provides attractive working conditions. The advantage of employing highly qualified and very experienced staff with comprehensive and significant knowledge of specific programmes and projects also bears the risk of creating dependence on these colleagues and the risk of loss of knowledge in case they discontinue work. To reduce this risk, Evotec has established defined documentation processes, shared knowledge platforms, lab journals, clearly defined job functions and project meetings to secure some of the relevant knowledge, findings and data. At the same time, LTI awards for senior employees serve as a long-term retention measure. For reasons of risk mitigation and business strategy, Evotec has set up its organisation such that key employees develop a common level of knowledge, with well-defined rules of substitution and succession. Furthermore, recruiting and retaining qualified scientific personnel to perform research and development work is critical to Evotec's success. If Evotec is unable to attract and retain personnel on acceptable terms despite its corporate culture, reputation and industry leadership position, this may delay Evotec's development efforts or otherwise harm its business. Successful integration of the new staff in cultural, operating and administrative terms is a central strategic human resources challenge for the Group.
Although staffing issues play a major strategic role for Evotec, we believe this is a medium risk currently due to the appeal of the sector in general and Evotec in particular.

Exhibit 4

7. Information technology risks

Efficient processes and smooth business operations are highly dependent on the good performance of a unified and safe corporate IT infrastructure. Major system failures may therefore lead to major business interruptions. All of the risks named below are given the highest priority and rated as high regardless of the fact that potential damage can vary greatly depending on scale, duration and cause.

IT services are essential to the Company's success. Evotec recognises that a **loss of data** may result in a financial loss or liabilities, loss of client trust as well as reputational damage.

Evotec invests in the resilience and expansion of its systems, makes upgrades to security systems, backs up data to different geographical locations, enhances IT policies and consolidates user awareness. These measures mitigate the effect of hazards such as natural disasters, power failures, system upgrade failures, theft and data corruption as much as reasonably possible.

Compliance with corporate guidelines relating to **data integrity and protection**, which also regulate the assignment of access rights, is mandatory. The Company performs regular IT risk assessments to identify and rectify weaknesses. In addition, an IT Security Committee meets weekly to analyse threats, investigate reported incidences and make recommendations to management. Where weaknesses are identified, remedies are initiated immediately.

Due to the rising number of external attacks on IT systems, the measures established to prevent **cyber risks** have become much more significant in the last few years. The related risks are: loss or destruction, payment of blackmail money, unauthorised encryption or corruption of data arising from captured passwords, virus attacks, or other unauthorised modifications to the Company's systems. Evotec's own and/or client data may be inaccessible or destroyed and may disrupt the Company's day-to-day business. To protect the Company from virus attacks and cybercrime activities, Evotec employs antivirus and anti-malware software, as well as firewalls running at relevant points of entry. In addition, systems are updated as often as possible, enabling the installation of new versions or patches with better secured authorised access, improved protection against malware and viruses to all systems possible. Systems that cannot be updated for technical reasons (e.g. due to lack of technical support) are – where feasible – isolated from the main network or replaced. In addition, relevant employees (e.g. in the financial and IT departments) are educated and regularly reminded of the risks and kinds of potential attacks that may occur (e.g. "fake president": scam mails sent on behalf of management). Evotec has increased resources and investments in order to further secure its IT and data on all its sites. Despite the Company's efforts and in light of rapid technology changes and the evolving sophistication of attack methods used to infiltrate systems globally, there is a possibility that a cyber-attack could occur that could adversely affect the Company's business, financial performance and reputation.

Considering the significantly expanded regulations under **GDPR**, Evotec is permanently reviewing the handling of relevant internal and external data and its respective flow, storage and access. In this regard, the Company has intensified its employee training efforts to increase awareness of the need to review and adjust internal data protection procedures and improve restricted access applications. In addition, Evotec has defined routines and installed internal and external contact persons in the event of certain potential types of data breach. However, in case of a confirmed and reported breach, Evotec may face heavy fines, which may impact its financial performance and reputation.

8. Operational risks

Evotec continuously enhances its operational risk management and optimises the accountability and performance assessment mechanism of all departments and functions. The Company actively gathers data on operational risk to enable proactive risk prevention opportunities. The long-term objective is to monitor the level of operational risk across the Group on a monthly basis to gain insights preventively, thereby reducing the Company's operational risks and saving costs in the long term.

Opportunities report

In addition to possible risks, Evotec also identifies and evaluates opportunities arising from its business activities. Some of the Company's significant opportunities are described below.

A major pillar of Evotec's strategic plan is the creation of an extensive co-owned pipeline of product candidates without taking the financial risk of clinical development. The Company's many development partnerships with pharmaceutical companies represent **significant strategic opportunities**. Evotec participates in the potential success of a number of clinical assets currently. These clinical development programmes are financed by the Company's partners and therefore do not involve any financial risks for Evotec. However, they do harbour significant value creating potential. Within the EVT Innovate segment, Evotec continuously invests in academic or internal R&D projects. These projects are positioned as starting points for future strategic partnerships with significant commercial value creating potential.

Thanks to its profitability and liquidity position, Evotec can expand its business activities through both organic and inorganic growth, including acquisitions contributing unique technologies or skills that complement the Company's drug discovery offering. This could have a positive impact on the Company's business and its strategic and financial targets.

The last few years have been a phase of extensive restructuring and transition for the pharmaceutical industry, as many companies are faced with pending patent expiries, compensation and cost pressure. This has led to a decreasing number of research-based pharmaceutical companies taking the full risk of drug discovery and development. As a result, R&D outsourcing continues to grow. Outsourcing to external providers of innovative solutions converts fixed costs into variable costs and in certain areas offers access to expertise without having to invest in internal, underutilised capacities or infrastructure. In addition, external partners often have more innovative solutions and technologies which can improve product development in terms of both quality and time.
Evotec is able and in a position to leverage these **market opportunities** and therefore pursues a business model that protects its existing business and at the same time generates future business opportunities. Evotec is a provider of high-quality drug discovery services. Its excellent reputation in the market plays a major role in generating new business. In addition, Evotec goes to great lengths to continuously upgrade and expand its technological capacity and ensure continued superior quality in its services, thereby generating business opportunities. Evotec's drug discovery platform is well established in the industry and has generated a significant growing revenue stream over the past years. This has resulted in a high level of customer satisfaction, which we can leverage to generate new business.

Furthermore, Evotec currently operates from a **sound liquidity position.** This financial stability allows Evotec to keep investing in its technology platform and expand its top-quality drug discovery capacities. In addition, with its EVT Innovate initiatives, the Company creates potential starting points for higher-value partnerships. As Evotec's conservative mid-term financial planning does not yet assume any product commercialisation and subsequent commercial milestone and royalty payments, any successful product commercialisation would provide significant upside to Evotec's business planning and profitability.

Human resources are highly valuable assets for companies in the pharmaceutical and biotechnology industries. The Company believes that its success in alliances and partnerships is attributable to its key personnel. Roughly 39% of Evotec's employees have worked for the Company for more than five years. **Retention of employees who have outstanding expertise and skills** in the long term may therefore have a positive impact on the Company's business and its strategic and financial targets. Leaving aside the troubles of the COVID-19 pandemic, the current crisis may also create opportunities. Pharmaceuticals and biotech have broadened their appeal, and they enjoy increasing confidence and standing as a driving force for the future. The increased media attention may also increase the Company's appeal and improve its chances to attract highly qualified people.

V. Outlook

The information set forth in this section contains forward-looking statements. These statements are neither promises nor guarantees, but are subject to a variety of risks and uncertainties, many of which are beyond Evotec's control and could cause actual results to differ materially from those contemplated in these forward-looking statements.

From today's perspective, we do not expect the Coronavirus pandemic to have any major negative effects on or implications for the Company's expected development and strategy.

Business direction and strategy

In accordance with the strategic Action Plan 2025, "The data-driven R&D Autobahn to Cures" ("Evotec Infinite Strategy"), Evotec's management focuses on growth and value creation by expanding the Company's position as a leader in high-quality drug discovery and development solutions. By collaborating with partners and applying the most suitable therapeutic modalities, Evotec aims to develop new or at least best-in-class cures for the treatment of diseases so far deemed incurable. This strategy is expected to result in the building of a very extensive co-owned pipeline, which will form the basis for future royalty payment streams. Evotec aims to build the largest pool of royalty payment streams in the industry by continuously expanding the co-owned pipeline.

The strategy is to develop and apply innovative technologies and processes for all modalities allowing the development of more precise and efficient therapies. The Company acts as a partner, granting access to its platform and creating a position for itself to become the preferred external innovation partner in drug discovery and development through joint innovation projects. The type of partnership determines the type of revenue to be generated in either the EVT Execute or the EVT Innovate segment. In the EVT Execute segment, the fee-for-service model accounts for the lion's share of revenues. In the EVT Execute segment, the majority of revenue is generated on the basis of FTEs (Full Time Equivalent) or Fee-for-Service. Within this model, any project-specific intellectual property remains with the partner. The EVT Innovate segment comprises partnered projects with intellectual property originating from either both partners' joint efforts or from Evotec alone. Thanks to these innovative, tailored and risk-balanced collaborations, the business segment generates both fee-for-service revenues and milestone and royalty payments for progress made within a project. In order to expand its pool of innovative approaches, the Company enters into translational (BRIDGE) partnerships with academic institutions and selectively participates in ventures via strategic investments and company formations.

– Action Plan 2025 "The data-driven R&D Autobahn to Cures" ("Evotec Infinite Strategy")

Evotec's new products, services and technologies are all based on either internal organic growth and process innovations, R&D activities, technology agreements with other companies, or acquisitions of assets and companies. Evotec upgrades its capacities and capabilities continually to maintain the best infrastructure and skills. Paired with the great expertise of our employees, this is essential for meeting the high expectations of our partners in drug discovery and development. Advancing medical progress is delivering a steady stream of new and more detailed insights, which are gradually creating a more holistic understanding of health and disease. In particular, the fast-growing understanding of the molecular biology of a disease and its origin will accelerate the development of more precise and personalised treatment methods. Thanks to this technological progress and the steadily growing insights into diseases, the chances to address the still-high number of incurable diseases are increasing significantly.

Evotec believes this to be a promising and value-generating direction and systematically pursues its path by investing in highly innovative methods for research into disease areas of significant unmet medical need. Many years of investments in proprietary technology platforms and an R&D Autobahn for all modalities generate an ever-growing number of internal R&D projects suitable to be developed and positioned for commercial partnering or spin-off.

Also in 2021 and beyond, Evotec will continue its endeavour of re-defining the drug discovery and development paradigm by developing platforms and therapeutic approaches with game-changing potential. Moreover, the Company will establish a number of these unique developments on the market and make them available for drug discovery and development alliances.

EVO*IR&D - Integrated Data-Driven Reseach & Development*

This is based on Evotec's extensive multimodality infrastructure and expertise in drug discovery and development, which covers the entire process from concept through to investigational new drug status. Formulation clinical services and drug manufacture complete the Company's offering. In addition, the entire Evotec R&D Autobahn is digitally supported by the most promising technologies for data processing and analysis to create improved predictive power, which in turn enhances the efficiency of the entire platform.

EVO*Cells* - From Cells to therapies

Cell therapy is an innovative, rapidly growing new drug modality. It is a promising development in particular for the treatment of hereditary and rare diseases. For many years, Evotec has been building an industrialised iPSC infrastructure, **EVO***cells*, and the associated extensive iPSC portfolio. iPSC stands for induced pluripotent stem cells.

EVO*Royalty* - **Co-own & Share products**

Evotec's pipeline includes more than 100 co-owned product developments (opportunities) in various stages of development that originate from various sources. The portfolio consists of partnerships, Evotec's own projects, and equity investments. Evotec strives to continuously expand and advance its co-owned portfolio. Its strategy for the partnered programmes is to leave the clinical development to the partner and benefit from milestone payments and product revenue sharing.

With the mentioned elements, Evotec has reached a point where we can implement our strategy and keep the Company in a sustainable competitive position on its growth path until 2025 and beyond. The seven core elements are parts of one integrated whole. They are interwoven and must not be seen as separate items. As a result of this action plan, we see virtuous learning loops, operational synergies, cost efficiency, fast market access and, due to longer patent protection in the marketing phase, a return profile for individual projects that is much better than the numbers observable in the sector.

In late 2020, Evotec set the following specific targets for 2021 for the EVT Execute and EVT Innovate segments and for the group:

EVT Execute	EVT Innovate	Group
• Expansion of existing and conclusion of new, integrated service alliances • Introduction and acceleration of AI/ML offerings across all modalities	• New co-owned R&D partnerships based on own R&D and the use of Evotec's • Initiation of new clinical trials and progress in the co-owned pipeline	• Equity investments

Financial outlook for 2021

Revenues from contracts with customers, adjusted EBITDA and liquidity are the most important financial performance indicators for the management of Evotec.

– Expected operating results

A milestone achievement is a single event that is subject to certain risks and uncertainties of which some are beyond Evotec's control. The number of projects with potential for milestone payments is rising. When taking account of the probability of success, the total amount of revenues from milestone payments is therefore becoming less erratic. In general, milestones should contribute significantly to the company's overall profitability.

In 2021, Evotec expects revenues to decline in the single-digit percent range. This assumption is based on current orders on hand, foreseeable new contracts and the extension of contracts as well as prospective milestone payments.

– Expected liquidity and strategic measures

The Company's operational financing plan does not mandatorily require any additional external financing to fund organic growth in the medium term. However, any strategic moves to further push growth and strengthen the Company's competitive position or increase critical mass via potential company or product acquisitions, equity investments or extended R&D efforts will need to be considered separately. Evotec intends to achieve significant organic capacity growth as a result of its corporate strategy and the Action Plan 2025. The Company already started to increase investments in the expansion and development of individual locations in 2020. In Toulouse, Evotec acquired 100% of the Biopark by Sanofi SAS, and it intends to significantly expand its capacities there in the short-to-medium term. A new building has been completed in Göttingen to expand the areas of cell therapy and PanOmics. In addition, the Company also kicked off the expansion of the existing campus in Abingdon, Oxfordshire, UK, in 2020, which it intends to evolve into a major integrated research and development centre. In the next two years, Evotec will also build new capacities for proteomics in Munich, and a new building for the planned iPSC centre will be erected in Hamburg in the next few years. In addition, the Company initiated the construction of the first J.POD® facility in North America, an integral part of the J.DESIGN platform of Just – Evotec Biologics. This facility of the future fulfils all production requirements for the coming years and strengthens Evotec's leading position as a major partner in drug discovery and development with pioneering technologies. The new facility is expected to be completed in the second half of 2021. Options are currently being examined to build another J.POD® facility in Europe.

Dividends

The payment of dividends depends on Evotec's financial situation and liquidity requirements, general market conditions, and statutory, tax and regulatory requirements. Evotec currently intends to retain any potential future profits and reinvest them in the Company's growth strategy to even better advance long-term growth and sustainability. In addition, Evotec SE will not be authorised to pay dividends before its annual profits exceed the losses carried forward. Evotec SE does not generate any distributable profits currently.

Opportunities

The most important opportunities for Evotec are summarised in the "Opportunities" section of the "Risk and opportunity management" chapter of this Management Report.

General statement on expected developments by the Management Board

Evotec intends to further strengthen and expand its business as a leading highest quality, innovative provider of drug discovery and development solutions across all therapeutic modalities. The Company is well-positioned to generate value for pharmaceutical and biotechnology companies and for foundations, addressing the industry's growing demand for innovation.

The Management Board expects a reduction on revenues in a single-digit percentage range and adjusted EBITDA in a single-digit positive million range for the year, unless the negative effects from currency translation continue to strengthen. The company's strong liquidity provides a good basis for strengthening its strategic role in the drug research and development market as well as in building the "product plant of the future" and to increase the value for shareholders. Due to the planned investment in a new building for the planned iPSC center in Hamburg and further possible capacity increases, liquidity will fall significantly below € 200 million.

Exhibit 4

VI. Information pursuant to section 289a paragraph 1 and section 315a paragraph 1 of the German Commercial Code (HGB) and explanatory report

Evotec management primarily aims to generate shareholder value. For that reason, any proposed change of control or takeover offer that could uncover hidden reserves and value for the benefit of Evotec shareholders will be carefully analysed with regard to the expected synergies and future value creation. A change of control is generally considered to have occurred if, as a result of any takeover, exchange or other transfer, a single shareholder or a group of shareholders acting in concert acquires more than 30% of the outstanding voting rights, or if, as a result of a merger or reverse merger, the shareholders of Evotec from the effective date of such a transaction own less than 30% of the voting rights in the merged entity. Evotec has no specific takeover defence measures in place.

– Composition of share capital, voting rights and authorisation to issue new shares

As of 31 December 2020, the share capital of Evotec SE amounted to € 163,914,741.00 and was divided into 163,914,741 non-par value shares. All shares are bearer shares and have equal voting rights. Evotec management is not aware of any restriction on the voting rights or the right to transfer. No binding lock-up agreements have been made by the Company with any shareholder, and neither stock loans nor pre-emptive stock purchase rights are known to the Company. Moreover, the Company does not control voting rights of any shares owned by employees.

No shareholder holds the right to have representatives on the Supervisory Board, or is restricted or bound to specific votes at the Annual General Meeting. Existing stock option schemes do not allow for immediate vesting or additional issuance in the case of a takeover offer.

The shareholders have authorised the Management Board to issue new shares or option or conversion rights as follows:

Authorised capital: Pursuant to section 5 paragraph 5 of the Articles of Association of the Company, the Management Board, with the approval of the Supervisory Board, having partially used the authorised capital in a capital increase on 12 October 2020, is authorised to increase the Company’s share capital by up to € 17,854,142 in one or more tranches until 13 June 2022 by issuing new shares against cash or non-cash consideration. Any shares to be issued on this basis will be subject to the statutory subscription rights of Evotec’s shareholders. However, with the approval of the Supervisory Board, the Management Board may exclude the pre-emptive rights of its shareholders for some of the shares on one or several occasions under certain well-defined conditions.

Conditional capital: As of 31 December 2020, the remaining conditional capital of the Company amounted to € 38,437,456.00. Conditional capital in the amount of € 8,478,167.00 shall be used only to the extent that holders of stock options, share performance awards (SPA) or restricted share awards, granted by Evotec on the basis of the shareholders’ resolutions of 18 June 2001, 14 June 2012, 9 June 2015, 14 June 2017 and 16 June 2020, exercise their rights to subscribe for new Evotec shares. In 2020, conditional capital in the total amount of € 1,533,848.00 was used as holders of stock options and SPAs exercised their rights to subscribe for new shares in the Company. Additional conditional capital in the amount of € 29,959,289.00 exists to issue no-par-value bearer shares to owners or creditors of convertible bonds and/or warrant-linked bonds, participation rights and/or income bonds (or a combination of such instruments) that may be issued by Evotec on the basis of the authorisation passed at the Annual General Meeting on 19 June 2019. Any such contingent capital increase shall only be used to the extent that option or conversion rights are utilised, or the owners or creditors are obligated to carry out their duty of conversion, and to the extent that no treasury shares or new shares from an exploitation of authorised capital are utilised for servicing.

The Company has not issued any convertible bonds or option debentures in the last three years and none are currently outstanding.

– Shareholdings exceeding 10% of voting rights

As of 31 December 2020, the following investors held voting rights in Evotec SE equivalent to more than 10%: On 27 February 2017, Evotec was last notified that the direct shareholdings of Novo Holdings A/S, Hellerup (Denmark) amounted to 10.10%. Novo Holdings A/S participated in the capital increase of Evotec SE that closed on 12 October. As a result, it held voting rights as of 31 December 2020 equivalent to 10.75%. On 30 June 2020, Evotec was notified by T. Rowe Price Group Inc., Baltimore, Maryland, USA that it held voting rights equivalent to 10.03% (7.45% via shareholdings, 2.59% via instruments).

– Corporate Governance Structure

Evotec's corporate governance structure is further detailed in the "Corporate Governance Statement", which is available on the Company's website under https://www.evotec.com/en/invest/corporate-governance.

– Authorisation of management to repurchase stock

Up to 8 June 2020, Evotec was authorised by resolution of the Annual General Meeting 2015 to acquire its own shares with a computed proportion of the share capital totalling up to € 13,171,087.00. Together with other own shares, which are in the possession of the Company or are attributable to the Company pursuant to section 71a et seq of the German Stock Corporation Act (AktG), the own shares acquired on the basis of these authorisations may at no time exceed 10% of the Company's current share capital. The authorisation by the Annual General Meeting does not allow trading in own shares. The respective authorisation was effective until 8 June 2020. Evotec did not use its authorisation to acquire own shares.

– Amendment to the Company's Articles of Association/Appointment of the Management Board

Any amendment to the Company's Articles of Association requires a shareholder resolution. According to sections 133 and 179 of the German Stock Corporation Act (AktG) and section 17 of the Articles of Association, the shareholder resolution amending the Company's Articles of Association requires an affirmative vote of at least three-quarters of the Company's share capital present at an Annual General Meeting. Appointment and dismissal of members of the Management Board are governed by sections 84 and 85 of the German Stock Corporation Act (AktG).

– Change-of-control provisions

The Management Board merely has customary rights in the event of change of control. The contracts of the members of the Management Board contain a standard clause that governs a potential takeover of the Company by a third party. This change-of-control clause allows the members of the Management Board to terminate their existing contracts in the event of a takeover. Further information regarding the agreed severance payments can be found in the "Remuneration report" in this Management Report.

VII. Declaration of corporate management

More information on Company management practices can be found in the Company's "Declaration of Corporate Management" according to section 289f of the German Commercial Code (HGB) in the "Invest" section on Evotec's website at https://www.evotec.com/en/invest/corporate-governance.

VIII. Remuneration report

The remuneration report summarizes the principles used to determine the total remuneration of the members of the Management Board of Evotec SE and explains the structure and amount of the remuneration paid to the members of the Management Board. It also describes the principles and amount of the remuneration paid to the members of the Supervisory Board. The remuneration report is based on the recommendations of the German Corporate Governance Code (GCGC) and includes the disclosures required by the Handelsgesetzbuch (HGB – German Commercial Code), Aktiengesetz (AktG – German Stock Corporation Act), German accounting standards (GAS) and International Financial Reporting Standards (IFRS). The remuneration report is part of the combined Management Report.

Remuneration System for the members of the Management Board

The remuneration system for Evotec's Management Board is established by the Supervisory Board, based on a proposal by the Remuneration and Nomination Committee. After approval by the Supervisory Board, the remuneration system is submitted to the Annual Shareholders' meeting for endorsement ("say on pay"). The current system of Management Board remuneration was endorsed at the Annual Shareholders's Meeting on June, 19, 2019, by a majority of about 89%. Following the rules of the German Act Implementing the Second Shareholder Rights Directive (ARUG II) and the recommendations of the revised GCGC, a revised system will be presented to the Annual Shareholders' meeting for approval in June 2021.

The current Management Board remuneration is based on the following principles:

- **Focus on sustainable growth of Evotec**
  Management Board members are expected to make a long-term commitment to and on behalf of the Company. As a result, they can benefit from a sustained increase in the Company's value. For this reason, a substantial portion of their total remuneration is linked to the long-term performance of the Evotec share in the form of Share Performance Awards ("SPAs", as outlined below).

- **Compensation linked to performance**

Evotec's size and economic position is also to be reflected in Management Board remuneration. Exceptional achievements are to be adequately rewarded, while falling short of targets results in an appreciable reduction in remuneration.

- **Ensuring competitiveness**
  Evotec wants to attract outstanding candidates for the Management Board and retain members for the long term. Remuneration should be attractive compared to similar companies.

Following these principles, the Supervisory Board determines the structure of the remuneration system, the weighting of the compensation components, the individual target compensation and the monetary caps for both the variable compensation elements and the total compensation.

Regular review by the Supervisory Board ensures that the remuneration system and the compensation levels are appropriate. Several criteria are applied for this purpose:

- **Situation of the Company**
  The Supervisory Board takes the economic situation as well as Evotec's success and prospects into consideration when deciding on the structure and assessment of remuneration.

- **Strategic alignment**
  The performance targets for the Management Board are set in line with Evotec's business strategy and the medium-term budget plans.

- **Market practice**
  The Supervisory Board observes the remuneration levels for Management Board members in comparable companies. The peer group includes German and international biotech and pharmaceutical companies of similar size and complexity to fairly reflect Evotec's global presence and the potential markets to recruit Management Board members.[3]

- **Senior Management and Staff remuneration**
  When reviewing the Management Board remuneration, the Supervisory Boards considers the development of Management Board remuneration over time in relation to the compensation paid to Evotec's workforce in Germany. In this vertical comparison, the Supervisory Board determines the ratios of Management Board remuneration to the compensation paid to Evotec' senior management and to the remaining staff.

- **Responsibilities and achievements**
  The criteria for determining the individual remuneration include the tasks and responsibilities of the members of the Management Board and their individual performance.

- **Corporate Governance best practices**
  The Supervisory Board considers Corporate Governance best practices when revising the remuneration system. If needed, advice is obtained from independent external remuneration experts.

Structure and components of the Management Board remuneration

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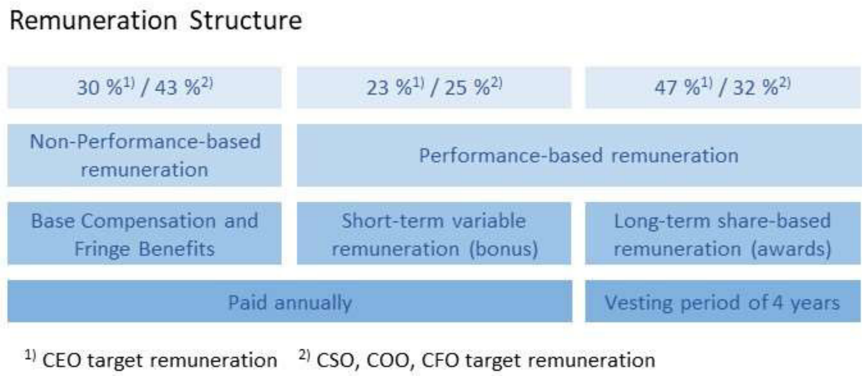
[3] The following companies were included in the most recent peer group comparison: Abcam, Bachem, Biotest, Carl Zeiss Meditec, Charles River, Clinigen, Galapagos, Genmab, Ligand, Morphosys, QIAGEN, Siegfried Pharma, Stallergenes, Sartorius, Tecan, MedPace

Exhibit 4

The Management Board remuneration comprises both non-performance-based and performance-based components and is divided into three main elements: base compensation, short-term variable compensation, and long-term share-based compensation. Fringe benefits and pension allowances are also part of the remuneration system.



Overall target and maximum Management Board remuneration

Considering the remuneration levels in the peer group and the development of the compensation for the top management tier and overall staff as well as corresponding thoughts on appropriateness, the Supervisory Board determined the total target compensation in fiscal year 2020 for the individual members of the Management Board as shown further below in the "Remuneration Granted" table.

The minimum and maximum remuneration amounts of a Management Board member for fiscal year 2020 are also shown in the table. The maximum possible remuneration constitutes the maximum expenditure of Evotec SE for each member of the Management Board for 2020. The amounts were calculated as the total of all components of the remuneration for the Management Board in the event of minimum and maximum target achievement, respectively. Please note that the maximum pay-out for 2020 is 100% of target value for the short-term variable compensation and 350% of target value for the long-term variable compensation.

Non-Performance-based Remuneration

Non-Performance-based remuneration comprises fixed base compensation paid in 12 monthly instalments at the end of each month and fringe benefits such as pension allowances, contribution to commuting expenses, contributions to certain premiums for insurance policies as well as the benefit derived from the private use of a company car or a car allowance. In addition to the aforementioned remuneration, business-related private payments, expenditures, and expenses are reimbursed.

Performance-based Remuneration

With reference to the principles mentioned above, Management Board remuneration is linked to company performance and sustainable growth of the company. Consequently, the Management Board remuneration comprises both a short-term and a long-term performance-based element: A short-term variable compensation ("Bonus") and a long-term share-based compensation ("Share Performance Plan"), which was approved by the AGMs

2015 and 2017. The pay-out amount of these two components depend on the extent pre-defined goals were attained. In case these goals were not met, the pay-out amount of the performance-based components may be reduced to zero. If, however, the targets were significantly exceeded, the pay-out amount is subject to a ceiling or "cap".

Short-term variable compensation (Bonus)

The Bonus is determined based on the attainment of certain targets specified by the Remuneration and Nomination Committee of the Supervisory Board and subsequently approved by the Supervisory Board for each financial year.

The STI bonus scheme for the Management Board is based on the achievement of clearly measurable corporate objectives equally set for each Management member by the Supervisory Board rather than individual objectives. Such corporate objectives are geared to support the mid- and long-term growth strategy of the Company. They generally relate to financial objectives, such as growth in total revenues, adjusted EBITDA and total deal value from new partnerships and alliances, as set in accordance with the relevant guidance for that specific financial year, as well as additional operational, strategic, cultural and sustainability objectives. In its March meeting after a financial year, the Supervisory Board reviews the achievement of these corporate objectives and approves the respective bonus pay-outs.

The target bonuses for the one-year variable compensation amount to 100% of the fixed remuneration for the Chief Executive Officer (2019: 100%) and to 70% of the fixed remuneration for all other members of the Management Board (2019: 70%). Currently, the remuneration system does not account for over-achievement of corporate objectives. As a result, the pay-out amount cannot exceed the target value. However, the Supervisory Board plans to allow for up to 150% pay-out of the target values in case of success as part of the revised Management Board remuneration system.

Long-term variable compensation (Share Performance Plan)

In addition to the one-year variable compensation, the members of the Management Board are eligible for an annual grant of Share Performance Awards (SPAs) under Evotec's Share Performance Plan 2017. The Evotec Share Performance Plan is an important step in supporting the interests of the Company's shareholders and in establishing an attractive state-of-the-art long-term compensation that is in line with remuneration and corporate governance standards as well as the German Corporate Governance Code.

The number of granted SPAs is determined by dividing a defined percentage of the Board member's total direct compensation (base salary, target annual bonus and target long-term incentives) by the applicable fair market value of an SPA. The percentage amounts to 50% of total direct compensation for the Chief Executive Officer (2019: 50%) and to 35% of total direct compensation for all other members of the Management Board (2019: 35%). To provide for a more concise approach to calculate target values, the Supervisory Board plans to show the target value as percentage of base salary instead of percentage of total direct compensation beginning in 2021 (200% of base salary for CEO and 91.5% of base salary for other members of Management Board).

The Share Performance Plans are based on a forward-looking, multi-year assessment period. For each annual award of SPAs, a Performance Measurement Period of four consecutive calendar years applies. Two equally weighted Key Performance Indicators (KPIs) have been set forth by the Annual General Meeting 2017 oriented on long-term value creation and consisting of "Share Price" (*Aktienkurs) and "Relative Total Shareholder Return" (rel-*

ative Aktienrendite). Relative Total Shareholder Return is a measure to determine the performance of an investment in the shares of the Company compared to the TecDAX. Relative Total Shareholder Return measures the return on a share investment over time, including dividends as well as share price performance (positive and negative) and adjusted for any equity issues or share-splits. The KPIs are measured for each year of the Performance Measurement Period. The achieved performance for a year is locked-in for the remaining Vesting Period.

For each of the two KPIs there is a "*Minimum Target*", which has to be reached for Share Performance Awards to be exercised (partially), and a "*Maximum Target*", which, once it is met, allows for all Share Performance Awards for the respective KPI (100%) to be exercised to the full amount, once the Vesting Period has expired (one Share Performance Award entitles the holder to subscribe to no more than two shares of Evotec SE).

100% of the KPI "Share Price" (the "*Target Share Price*") is achieved for a calendar year if the average share price of the Company stock in the closing auction of XETRA trading (or a corresponding successor system) on the last thirty (30) trading days in the respective performance period, i.e. a calendar year (the "*Closing Price*") exceeds by 8% the average share price of the Company stock in the closing auction of XETRA trading (or a corresponding successor system) on the last thirty (30) trading days before the start of the respective performance period (the "*Opening Price*"). The Minimum Target for the KPI "Share Price" is reached if the Closing Price is higher than the Opening Price. The Maximum Target for the KPI "Share Price", which entitles all Share Performance Awards for this KPI to be exercised for the respective performance period, is reached if the Closing Price is 16% or more above the Opening Price.

100% of the KPI "Relative Total Shareholder Return" is achieved for a calendar year (the "*Target Relative Total Shareholder Return*"), if the Total Shareholder Return for the shares of the Company (average share price of the Company at the closing auction of XETRA trading, or a successor system, on the 30 trading days prior to the relevant date plus dividends, and adjusted for any equity issuance or share-splits), matches the Total Shareholder Return of the German TecDAX index during the same period. The Minimum Target for the KPI "Relative Total Shareholder Return" is achieved when the annual Total Shareholder Return for the shares of the Company is 10%-points below the Total Shareholder Return of the TecDAX during the respective performance period (i.e. each calendar year). The Maximum Target, at which all the Share Performance Awards for the KPI "Relative Total Shareholder Return" can be exercised, is achieved when the annual Total Shareholder Return for the shares of the Company is at least 10%-points above the average Total Shareholder Return of the TecDAX during the respective performance period. Relevant values of the Total Shareholder Return of the Company and of the Total Shareholder Return of the TecDAX will be calculated annually and based on the average TecDAX (Total Return Index) during the 30 trading days prior to the relevant date.

The right to exercise awards from the Share Performance Plan arises only on expiry of the Vesting Period. Depending on the achievement of the Key Performance Indicators for each of the four years, each Share Performance Award entitles the participant to the subscription of up to a maximum of two Company shares (200% cap). After each of the four performance periods (i.e. each calendar year) for a tranche of Share Performance Awards has ended, the target achievement for the two KPIs is determined for the respective calendar year and the corresponding numbers of subscription rights are calculated and provisionally set. At the end of all the four performance periods, i.e. the four calendar years of one tranche, the subscription rights determined for each year are added and represent the total number of exercisable subscription rights.

Each participant is required to make a payment of the nominal amount of € 1 (one Euro) per share to Evotec upon exercising, independent from the trading price of the Evotec share at that point in time. The new shares received are not subject to any specific lock-up; they are freely tradable immediately subject to insider trading rules which are the sole responsibility of each participant.

The Supervisory Board reserves the right at its sole discretion to replace the shares to be allocated to the participants with a cash payment and/or Evotec shares kept in treasury by the Company. The value of the shares to be used in calculating the cash payment shall be the average share price during the 30 day trading period immediately before the Vesting date.

While the Share Performance Plan 2017 includes a monetary cap with a maximum pay-out of 350% of the initial target value, the preceding Share Performance Plan 2015 defines a maximum regarding the number of share-based awards (SPA) upon allocation. The monetary value of the allocated shares under these plans is primarily determined by the market price at execution and not capped.

Exceptional Developments

The criteria for the assessment of the performance-related compensation and the annual targets set at the beginning of a fiscal year by the Supervisory Board do not change over the fiscal year. Any retroactive amendment of the target figures or the comparison parameters is excluded.

Exceptional developments, whose effects substantially distort the actual target achievement may be appropriately taken into consideration by the Supervisory Board for the target assessment in justified and rare exceptional cases. This may result in an increase or decrease of the STI pay-out amount (Bonus). Possible exceptional developments during the year include, for example, exceptional changes in the economic situation (for example, due to an economic crisis, healthcare crisis with an impact on the global economy) because of which the original corporate targets become irrelevant, provided that they were unforeseeable. Generally unfavourable market developments are not considered exceptional intra-year developments. Should exceptional developments requiring an adjustment emerge, the Company will report on them in detail and with transparency. The Supervisory Board may also take appropriate account of such exceptional developments in justified and rare exceptional cases by limiting the content and the extent of the subscription rights granted under LTI.

If justified, the Supervisory Board may retain or reclaim variable remuneration components (clawback). Such clawback provisions are included in the actual service contracts with all Management Board members.

Remuneration Report of the Management Board

The Management Board compensation for 2020 was carried out in full compliance with the Company's Remuneration System as approved by the AGM and the monetary caps for both the total compensation and the respective compensation components.

The 2020 corporate objectives related to financial objectives, such as growth in total revenues, adjusted EBITDA and total deal value from new partnerships and alliances. This was, among other things, to be achieved by executing significant integrated collaboration in EVT Execute and EVT Innovate with a total volume of more than €100 million in transaction value. Further targets included building at least two new academic BRIDGEs and preparing the Company for sustainable growth. The individual Corporate Objectives for 2020 are set out in the following table:

Exhibit 4

Corporate Objectives 2020

		When	End product	Weighting
1	**Continue growth path with optimal integration of Just – Evotec Biologics** • Grow total revenues > € 460 m • Achievement of a stable adjusted EBITDA > € 110 m	Q4	• € 500.9 m • € 106.6 m	20% 20%
2	**Make co-ownership value visible and more investable** • New alliances from existing platforms (e.g. iPSC, Nurture, EvoTox) (total > € 100 m value) • Expand with at least 2 high value BRIDGES and implement EVT Equity strategy • Make EVT Innovate values better tangible and investable (e.g. project valuations, spin-offs, …)	Q4	• Novo Nordisk, Bayer, Takeda • Autobahn Labs, Dark-blue, … • Valuation simulation, Capital Markets Days, Curexsys	20% 5% 5%
3	**Go for LONG as ONE – Define Evotec Infinite Strategy** • Implement "Action Plan 2025" with focus on long-term growth drivers in all modalities • ***Leading Goal:*** Way of thinking and working as ONE next generation global and long-term team • ***Sustainability & Diversity Goal:*** Define specific long-term Sustainability & Diversity Strategy	Q4	• Integration of Just – Evotec Biologics, Evotec GT, QRBeta,… • Multiple trainings and growth initiatives • Science targets, ESG manager, strategy formulation	15% 5% 5 %

The bonus for the financial year 2020 will be paid out to the Management Board members in March 2021. Based on the actual achievement of the Corporate Objectives 2020 the total bonus for the members of the Management Board for the financial year 2020 amounts to k€ 1,211 (for 2019: k€ 1,157), thereof k€ 476 for Dr Werner Lanthaler (for 2019: k€ 470), k€ 277 for Dr Cord Dohrmann (2019: k€ 252), k€ 236 for Craig Johnstone (for 2019: k€ 238) and k€ 22 for Enno Spillner (for 2019: k€ 197).

In addition to their one-year variable compensation, the members of the Management Board received a total of 77,214 SPAs in January 2020 (2019: 86,283) under the Company's Share Performance Plan, thereof 38,400 SPAs for Dr Werner Lanthaler, 14,647 SPAs for Dr Cord Dohrmann, 12,450 SPAs for Craig Johnstone and 11,717 SPAs for Enno Spillner. The fair value of all SPAs granted as multi-year variable compensation amounted to k€ 1,930 on the day of calculation on 1 January 2020. The reduced amount of SPAs in 2020 compared to 2019 is due to the increased fair market value recognised per SPA. The SPAs that were granted in January 2020 vest and become exercisable after four years in January 2024. The SPAs can be exercised either by selling the respective shares that were granted pursuant to the achievement of the relevant KPIs on the open market or by lodging the shares into a personal share account.

The first SPA grant under the current Share Performance Plan 2017 occurred after the Annual General Meeting on 14th June 2017. Given a vesting period of four years, these SPAs will vest in September 2021 and will be reported on in the remuneration report 2021.

Remuneration tables

For 2020, the performance-unrelated and one-year variable compensation of the active members of the Management Board totalled k€ 3,079 of which the variable part amounted to k€ 1,311.

Exhibit 4

The following tables present for each Management Board member:

- The remuneration granted in the year under review including fringe benefits (such as pension allowances, contribution to commuting expenses, contributions to certain premiums for insurance policies as well as the benefit derived from the private use of a company car or a car allowance) and including the maximum and minimum amounts for variable compensation components
- The allocation of fixed compensation, fringe benefits, short-term variable compensation and long-term variable compensation in the year under review, broken down into the relevant reference years

	Remuneration granted (in T€)	Dr. Werner Lanthaler				Enno Spillner				Dr. Cord Dohrmann				Dr. Craig Johnstone			
b		CEO				CFO				CSO				COO			
c																	
d		2019	2020	2020 (min)	2020 (max)	2019	2020	2020 (min)	2020 (max)	2019	2020*	2020 (min)	2020 (max)	2019	2020	2020 (min)	2020 (max)
1	Fixed compensation	470	480	480	480	315	320	320	320	360	400	400	400	340	340	340	340
2	Fringe benefits	107	105	80	130	54	66	44	70	16	15	15	22	42	42	42	66
3	**Total**	**577**	**585**	**560**	**610**	**369**	**386**	**364**	**390**	**376**	**415**	**415**	**422**	**382**	**382**	**382**	**406**
4	One-year variable compensation for 2020	420	476	0	480	171	222	0	224	238	377	0	280	74	236	0	238
5	Multi-year variable compensation	840	960	0	3.360	206	293	0	1.026	248	366	0	1.281	311	311	0	1.089
5a	Long-term incentive ("SPA", as described in the text above) (Plan term until 5 years after grant) (Number of SPA granted x fair market value at calculation date)	840	960	0	3.360	206	293	0	1.026	248	366	0	1.281	311	311	0	1.089
6	**Total**	**1.837**	**2.021**	**560**	**4.450**	**746**	**901**	**364**	**1.640**	**862**	**1.158**	**415**	**1.983**	**767**	**929**	**382**	**1.733**
7	Service cost	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8	**Total**	**1.837**	**2.021**	**560**	**4.450**	**746**	**901**	**364**	**1.640**	**862**	**1.158**	**415**	**1.983**	**767**	**929**	**382**	**1.733**

Notes:

a Name of the Management Board member
b Function of the Management Board member, e.g. CEO, CFO
c Date on which the member joined/left the Management Board, if in the financial year under consideration n (year under review) or n-1
d Financial year under consideration n (year under review) or n-1
I Benefits granted in financial year n-1
II Benefits granted in financial year n (year under review)
III Minimum value of granted compensation components that can be achieved in financial year n (year under review), e.g. Zero
IV Maximum value of granted compensation components that can be achieved in financial year n (year under review)
1 Non-performance-related components, e.g. fixed salary, fixed annual pay-off payments (amounts correspond to amounts in "Allocation" table); values in columns II, III and IV are identical
2 Non-performance-related components, e.g. benefits in kind and fringe benefits (amounts correspond to amounts in "Allocation" table); values in columns II, III and IV are identical
3 Total of non-performance-related components (1+2) (amounts correspond to amounts in "Allocation" table); values in columns II, III and IV are identical
4 One-year variable compensation for fiscal year (pay-out in March the year after), e.g. bonus, short-term incentive (STI), share in profits, without deferred components
5 Multi-year variable compensation (total of rows 5a - …), e.g. multi-year bonus, deferred components from one-year variable compensation, long-term incentive (LTI), subscription rights, other share-based compensation
5a Multi-year variable compensation, broken down into plans and stating the period of time
6 Total of non-performance-related components and variable components (1+2+4+5)
7 Service cost in accordance with IAS 19 from pension schemes and other benefits (amounts correspond to amounts in "Allocation" table); values in columns II, III and IV are identical
8 Total of non-performance-related components and variable components and service cost (1+2+4+5+7)
** A special bonus of €100,000 was granted*

•

	Allocation (in T€)	Dr. Werner Lanthaler		Enno Spillner		Dr. Cord Dohrmann		Dr. Craig Johnstone	
b		CEO		CFO		CSO		COO	
c									
d		2019	2020	2019	2020	2019	2020*	2019	2020
1	Fixed compensation	470	480	315	320	360	400	340	340
2	Fringe benefits	107	105	54	66	16	15	42	42
3	**Total**	**577**	**585**	**369**	**386**	**376**	**415**	**382**	**382**
4	One-year variable compensation for 2020	420	476	171	222	238	377	74	236
5	Multi-year variable compensation	12.980	5.450	0	0	6.699	6.072	320	616
5a	Share Performance Programme 2012 (term until 2019)	12.980	0	0	0	5.732	0	320	0
	Share Performance Programme 2015 (term until 2021)	0	5.450	0	0	0	5.347	0	616
5d	Stock Option Programme 2001 (term until 2021)	0	0	0	0	0	725	0	0
5h	Stock Option Programme 2011 (term until 2019)	0	0	0	0	967	0	0	0
6	Other	0	0	0	0	0	0	0	0
7	**Total**	**13.977**	**6.511**	**540**	**608**	**7.313**	**6.864**	**776**	**1.234**
8	Service cost	0	0	0	0	0	0	0	0
9	**Total**	**13.977**	**6.511**	**540**	**608**	**7.313**	**6.864**	**776**	**1.234**

Notes:

a Name of the Management Board member
b Function of the Management Board member, e.g. CEO, CFO
c Date on which the member joined/left the Management Board, if in the financial year under consideration n (year under review) or n-1
d Financial year under consideration n (year under review) or n-1
1 Non-performance-related components, e.g. fixed salary, fixed annual pay-off payments (amounts correspond to amounts in "Benefits granted" table)
2 Non-performance-related components, e.g. benefits in kind and fringe benefits (amounts correspond to amounts in "Benefits granted" table)
3 Total of non-performance-related components (1+2) (amounts correspond to amounts in "Benefits granted" table)
4 One-year variable compensation for fiscal year (pay-out in March the year after), e.g. bonus, short-term incentive (STI), share in profits, without deferred components
5 Multi-year variable compensation (total of rows 5a - …), e.g. multi-year bonus, deferral, long-term incentive (LTI)
5a-h Multi-year variable compensation, broken down into plans and stating the period of time
6 Other, e.g. clawbacks, which are entered as a negative amount with reference to previous disbursements
7 Total of non-performance-related components and variable components (1+2+4+5+6)
8 Service cost in accordance with IAS 19 from pension schemes and other benefits (amounts correspond to amounts from row 4 of the "Benefits granted" table and row 7 of the "Allocation table"); this is not an allocation in the financial year
9 Total of non-performance-related components and variable components and service cost (1+2+4+5+6+8)

Term of contract and early termination clauses

In accordance with the Code, new members of the Management Board are appointed for three years. Prolongations of existing contracts might be up to five years as has been agreed with the Chief Executive Officer and with the Chief Scientific Officer.

The contracts of the Management Board members contain a change-of-control clause, which allows them to terminate their current contracts in the event of a change of control. Should members of the Management Board make use of their right to terminate their contracts in the event of a change of control, they are entitled to severance payments determined as follows: for Dr Werner Lanthaler, the severance payment shall be equal to 24 times his monthly base salary (changed to 18 months of base salary plus target bonuses for this period of timein new contract starting March 2021); and for Dr Cord Dohrmann, Dr Craig Johnstone and Enno Spillner, the payment shall be equal to 18 times their monthly base salary plus target bonuses for this period of time. In no case shall the respective severance payment be higher than the total compensation due for the remaining term of the respective Management Board member's contract.

In accordance with the Code, in case of an early termination of their respective service agreement in the absence of a change-of-control situation, payments to the members of the Management Board shall not exceed the amount of two annual remunerations and shall not exceed the amount of remuneration that would be due until the expiration date of the service agreement.

Remuneration paid to Management Board for other board mandates

Members of the Management Board do not receive any remuneration for intra-group director or board roles. If Supervisory Board mandates are assumed at non-group entities, the Supervisory Board decided that such remuneration received for non-group supervisory board or board of director mandates shall not be offset.

Pension provisions for former Management Board members

The Company has made a provision for a pension for one former Management Board member amounting to k€ 169 (2019: k€ 167). No such further provisions are due for other former Management Board members or their surviving dependants.

Remuneration of the Supervisory Board

The remuneration of the members of the Supervisory Board is prescribed in the Company's Articles of Association.

According to section 113 AktG, Supervisory Board remuneration is to be appropriate to the task of the Supervisory Board members and the situation of the Company. The personal requirements of Supervisory Board members, especially of the Chairman of the Supervisory Board, regarding qualification and the amount of time have increased significantly in recent years. Evotec SE expects this trend to continue in the future, which is accompanied by an increasing risk exposure and higher liability risks of Supervisory Board members.

The members of Evotec's Supervisory Board are entitled to fixed payments as well as out-of-pocket expenses. In accordance with the recommendations of the Code, the Chairman and the Vice Chairman positions on the Supervisory Board as well as the Chair positions and memberships in committees are considered when determining the remuneration of individual members. Consequently, following the approval of the AGM 2019, the fixed compensation is T€ 50 per Supervisory Board member. The Chairman of the Supervisory Board is paid T€ 125, and the Vice Chairman is paid T€ 60. Supervisory Board members serving on its committees shall be paid T€ 10 per committee membership; the Chairman of a committee shall be paid T€ 25.

For their contributions in 2020, the individual members of the Evotec Supervisory Board received the following compensation in 2020:

Remuneration of the Supervisory Board 2020	Total remuneration in T€[1)]
Prof. Dr Wolfgang Plischke	150
Prof. Dr Iris Löw-Friedrich	70
Kasim Kutay**	32.5
Dr Mario Polywka	50
Roland Sackers	85
Michael Shalmi*	27.5
Dr Elaine Sullivan	60
Total	**475**

[1)] Cash remuneration
** Tenure ended at AGM 2020*
*** Tenure started at AGM 2020*

There are currently no consultancy agreements in place between Evotec and current or former members of the Supervisory Board.

Directors' and Officers' Liability Insurance (D&O Insurance)[4]

Evotec procured directors' and officers' liability insurance cover for its Management and Supervisory Board members, its senior management and the directors of its subsidiaries at a cost to the Company of T€ 139 (2019: T€ 132). An appropriately sized deductible was agreed upon for the members of the Supervisory Board. The deductible agreed upon for the members of the Management Board is in line with the stipulations of the legal provisions of the VorstAG.

Hamburg, 16 March 2021

Dr Werner Lanthaler Dr Cord Dohrmann Dr Craig Johnstone Enno Spillner

[4] This section of the management report is not subject to audit

Translation of the German independent auditor's report concerning the audit of the annual financial statements prepared in German

Independent auditor's report

To Evotec SE

Report on the audit of the annual financial statements and of the management report

Opinions

We have audited the annual financial statements of Evotec SE, Hamburg, which comprise the balance sheet as at 31 December 2020, and the income statement for the fiscal year from 1 January to 31 December 2020, and notes to the financial statements, including the recognition and measurement policies presented therein. In addition, we have audited the management report of Evotec SE for the fiscal year from 1 January to 31 December 2020. In accordance with the German legal requirements, we have not audited the content of the parts of the management report listed in the appendix to the auditor's report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2020 and of its financial performance for the fiscal year from 1 January to 31 December 2020 in compliance with German legally required accounting principles, and
- the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the management report does not cover the content of the parts of the management report listed in the appendix to the auditor's report.

Pursuant to Sec. 322 (3) Sentence 1 HGB ["Handelsgesetzbuch": German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the opinions

We conducted our audit of the annual financial statements and of the management report in accordance with Sec. 317 HGB and the EU Audit Regulation (No 537/2014, referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's responsibilities for the audit of the annual financial statements and of the management report" section of our auditor's report. We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Art. 10 (2) f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Art. 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the annual financial statements and on the management report.

Key audit matters in the audit of the annual financial statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the fiscal year from 1 January to 31 December 2020. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our opinion thereon; we do not provide a separate opinion on these matters.

Below, we describe what we consider to be the key audit matter:

Impairment of shares in affiliates

Reasons why the matter was determined to be a key audit matter

The Company recognizes significant shares in affiliates. The impairment of these assets is based on forecasts and the discounting of future cash flows, which are highly subject to judgment. The management board tests the shares in affiliates for impairment annually by determining the lower net realizable value and estimating whether any impairment is likely to be permanent. This requires significant assumptions about future developments. In light of the use of judgment and the inherent uncertainty of the forecasts and the discounting of future cash flows underlying the impairment test, we consider the impairment of shares in affiliates to be a key audit matter.

Auditor's response

We assessed the valuation models and the calculation parameters with the help of our valuation experts. We obtained an understanding of the significant assumptions underlying the growth and business performance forecasts through discussions with the management board and managers of the Company by comparing the underlying forecasts with the performance in the past fiscal year. Furthermore, we assessed the accuracy of the forecasts by comparing the planning prepared in past periods with the results actually achieved. We obtained an understanding of the determination of the weighted average cost of capital (WACC) by assessing the beta factor used based on the composition of the peer companies and by comparing the costs of equity and debt with available market data. We performed sensitivity analyses in order to estimate the impairment risk from a potential change in one of the significant assumptions.

In addition, we evaluated the disclosures in the notes to the financial statements on shares in affiliates and on the amortization, depreciation and impairment of fixed assets with respect to the requirements of the HGB.

Our audit procedures did not lead to any reservations relating to the impairment of shares in affiliates.

Reference to related disclosures

For the accounting policies applied for the impairment of shares in affiliates see section III. Accounting policies.

Other information

The supervisory board is responsible for the supervisory board report. In all other respects, the management board is responsible for the other information. The other information comprises the parts of the annual report listed in the appendix.

Our opinions on the annual financial statements and on the management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the annual financial statements, with the management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of the management board and the supervisory board for the annual financial statements and the management report

The management board is responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German legally required accounting principles. In addition, the management board is responsible for such internal control as they, in accordance with German legally required accounting principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the management board is responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the management board is responsible for the preparation of the management report that, as a whole, provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. In addition, the management board is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

The supervisory board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the management report.

Auditor's responsibilities for the audit of the annual financial statements and of the management report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sec. 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems of the Company.
- Evaluate the appropriateness of accounting policies used by the management board and the reasonableness of estimates made by the management board and related disclosures.
- Conclude on the appropriateness of the management board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German legally required accounting principles.
- Evaluate the consistency of the management report with the annual financial statements, its conformity with [German] law, and the view of the Company's position it provides.
- Perform audit procedures on the prospective information presented by the management board in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the management board as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Report on the assurance in accordance with Sec. 317 (3b) HGB on the electronic reproduction of the annual financial statements and the management report prepared for publication purposes

Opinion

We have performed assurance work in accordance with Sec. 317 (3b) HGB to obtain reasonable assurance about whether the reproduction of the annual financial statements and the management report (hereinafter the "ESEF documents") contained in the attached electronic file "Evotec_SE_JA+LB_ESEF-2020-12-31.zip" and prepared for publication purposes complies in all material respects with the requirements of Sec. 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance only extends to the conversion of the information contained in the annual financial statements and the management report into the ESEF format and therefore relates neither to the information contained in this reproduction nor to any other information contained in the abovementioned electronic file.

In our opinion, the reproduction of the annual financial statements and the management report contained in the abovementioned attached electronic file and prepared for publication purposes complies in all material respects with the requirements of Sec. 328 (1) HGB for the electronic reporting format. We do not express any opinion on the information contained in this reproduction nor on any other information contained in the abovementioned file beyond this reasonable assurance opinion and our audit opinion on the accompanying annual financial statements and the accompanying management report for the fiscal year from 1 January to 31 December 2020 contained in the "Report on the audit of the annual financial statements and of the management report" above.

Basis for the opinion

We conducted our assurance work on the reproduction of the annual financial statements and the management report contained in the abovementioned attached electronic file in accordance with Sec. 317 (3b) HGB and Exposure Draft of IDW Assurance Standard: Assurance in Accordance with Sec. 317 (3b) HGB on the Electronic Reproduction of Financial Statements and Management Reports Prepared for Publication Purposes (ED IDW AsS 410) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibilities under that standard are further described in the "Auditor's responsibilities for the assurance work on the ESEF documents" section. Our audit firm applied the requirements for quality control systems set forth in IDW Standard on Quality Control: "Requirements for Quality Control in Audit Firms" (IDW QS 1).

Responsibilities of the management board and the supervisory board for the ESEF documents

The management board of the Company is responsible for the preparation of the ESEF documents including the electronic reproduction of the annual financial statements and the management report in accordance with Sec. 328 (1) Sentence 4 No. 1 HGB.

In addition, the management board of the Company is responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of Sec. 328 (1) HGB for the electronic reporting format, whether due to fraud or error.

The management board of the Company is also responsible for the submission of the ESEF documents together with the auditor's report and the attached audited annual financial statements and the audited management report as well as other documents to be published to the operator of the *Bundesanzeiger* [German Federal Gazette].

The supervisory board is responsible for overseeing the preparation of the ESEF documents as part of the financial reporting process.

Auditor's responsibilities for the assurance work on the ESEF documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance with the requirements of Sec. 328 (1) HGB, whether due to fraud or error. We exercise professional judgment and maintain professional skepticism throughout the engagement. We also:

- Identify and assess the risks of material non-compliance with the requirements of Sec. 328 (1) HGB, whether due to fraud or error, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e., whether the electronic file containing the ESEF documents meets the requirements of Delegated Regulation (EU) 2019/815, in the version valid as of the reporting date, on the technical specification for this electronic file.
- Evaluate whether the ESEF documents enable an XHTML reproduction with content equivalent to the audited annual financial statements and to the audited management report.

Further information pursuant to Art. 10 of the EU Audit Regulation

We were elected as auditor by the annual general meeting on 16 June 2020. We were engaged by the supervisory board on 15 October 2020. We have been the auditor of Evotec SE without interruption since fiscal year 2014.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Art. 11 of the EU Audit Regulation (long-form audit report).

In addition to the financial statement audit, we have provided to the Company or entities controlled by it the following services that are not disclosed in the annual financial statements or in the management report:

- Review of the interim condensed consolidated financial statements of Evotec SE as of 31 March 2020, 30 June 2020 and 30 September 2020
- Audit of research and development expenses of Aptuit (Verona) SRL, Verona, Italy for fiscal year 2019 to provide evidence to local tax authorities
- Audit of the costs of Evotec International GmbH, Hamburg declared in connection with the subsidy agreement of the Innovative Medicines Initiative Joint Undertaking (IMI-JU) for the period from 1 July 2018 to 31 January 2020

German Public Auditor responsible for the engagement

The German Public Auditor responsible for the engagement is Dirk Machner.

Appendix to the auditor's report:

1. Parts of the management report whose content is unaudited

We have not audited the content of the following parts of the management report:

- The declaration of corporate management (statement on corporate governance) which is published on the website stated in the management report and is part of the management report.

Neither have we audited the content of the following information that is not typical or required for a management report. This relates to any information whose disclosure in the management report is not required pursuant to Secs. 289, 289a HGB or Secs. 289b to 289f HGB ["Handelsgesetzbuch": German Commercial Code].

- Section on "Intellectual property" in "I. "Operations and business environment"
- Section on "Directors' and officers' liability insurance" in "IX. Remuneration report"

2. Further other information

The other information also comprises additional parts to be included in the annual report, of which we obtained a version prior to issuing this auditor's report, in particular:

- The responsibility statement required under Sec. 264 (2) Sentence 3 HGB and Sec. 289 (1) Sentence 5 HGB

but not the annual financial statements, not the management report disclosures whose content is audited and not our auditor's report thereon.

Hamburg, 22 March 2021

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Grummer Wirtschaftsprüfer [German Public Auditor]	Machner Wirtschaftsprüfer [German Public Auditor]