



evotec OAI



DeveloGen

NEWS RELEASE

## DEVELOGEN AND EVOTEC OAI ANNOUNCE A STRATEGIC DRUG DISCOVERY AND DEVELOPMENT ALLIANCE FOR METABOLIC DISEASES

**Goettingen, Hamburg, Germany | Abingdon, UK, September 10, 2003** - DeveloGen, a biology-driven drug discovery company developing novel therapies for diabetes and obesity, and Evotec OAI (Deutsche Boerse: EVT, TecDAX 30), a partner for integrated high-value-added drug discovery to the pharmaceutical and biotechnology industries, today announced that they have entered into a joint drug discovery and development partnership in the field of obesity and diabetes.

This collaboration is a strategic first for both companies, where the partners share risks and rewards equally. The partnership creates an integrated venture combining DeveloGen's pipeline of over 200 primary targets and 30 validated targets as well as its know-how in pharmacology, metabolic diseases, and assay development with Evotec OAI's competence ranging from assay development and screening all the way through to medicinal chemistry and drug manufacture. The combination brings together top tier competitive expertise and professional resources of the highest quality across the entire drug discovery value chain.

The partners are already co-operating on activities ranging from target validation to lead optimisation in a number of programmes. A team of around 40 scientists will be engaged on the project by the fourth quarter of 2003, selected from both companies. The partnership is expected to grow significantly in the medium-term as programmes mature and more targets are added. The partners anticipate eventually forming an alliance with a pharmaceutical company which will take responsibility for later stage development and commercialisation.

**Guenther Karmann, CEO of DeveloGen, stated** "The execution of this deal with Evotec OAI represents a significant step forward for DeveloGen. It ensures that we are able to continue to develop our pipeline of validated targets for diabetes and obesity on an industrial scale and to the highest possible standards. Considering the restrictions in today's capital markets and the pressure to deliver new product candidates fast, this strategy of joint discovery and development is an extremely efficient way to achieve success. In addition, the partnership is an unequivocal validation of our science."

“With this partnership Evotec OAI is delivering on its strategy to use its world class discovery platform to provide higher value added programmes to our partners” commented **Dr. Timm Jessen, CSO and President Discovery Programs Division of Evotec OAI.** “By collaborating with a disease-focussed biotech company, we are leveraging both parties’ complementary skills to rapidly produce what the pharmaceutical industry needs most: potent and promising product candidates to fill clinical pipelines. Bringing together our discovery process with DeveloGen’s insight into the emerging mechanisms of metabolic diseases ideally maximizes the business potential while limiting risks inherent in drug discovery and development.”

#### **About DeveloGen AG**

DeveloGen is a biology driven drug discovery company developing novel therapies for metabolic diseases, such as obesity and diabetes. By starting with metabolic phenotypes, the company's model organism screens are more rapid and disease relevant than conventional functional genomics methods. These validated targets are brought forward into drug discovery for metabolic disease. The second component of DeveloGen's platform, addressing Type I diabetes and LADA, is focused on harnessing key developmental control genes involved in stem cell differentiation and tissue regeneration. DeveloGen started operations in 1998 and currently has close to 100 employees in Goettingen, Germany. For more information, please visit [www.develogen.com](http://www.develogen.com).

#### **About Evotec OAI AG**

Evotec OAI has established itself as the partner of choice for drug discovery and development services for the world's premier pharmaceutical and biotechnology companies, maintaining its leadership role through innovation and unmatched customer service. The Company's business strategy is clearly focused on drug discovery. It has established the most comprehensive technology platform and skills that integrate its world-class biology and chemistry capabilities. Evotec OAI leverages this discovery engine in providing assay development and screening through to compound optimization and drug manufacturing services to a broad and well-established network of customers. In addition, the Company engages in selected discovery programs itself to develop drug candidates for early out-licensing. Evotec OAI's instrument and technology business is now successfully handled by its affiliate, Evotec Technologies.

With over 600 people in Hamburg, Germany and Abingdon, UK, Evotec OAI is dedicated to returning value to its shareholders and employees through a sustainable business strategy that balances short-term and long-term revenue opportunities.

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