

# Creating a Leading Global Innovative Services Company

Halozyme's Proposed Acquisition of Evotec

November 18, 2024

# Forward Looking Statements

In addition to historical information, the statements set forth in this presentation include forward-looking statements including, without limitation, statements concerning the Company's and Evotec's expected future financial performance and growth rates (including the Company's 2024 financial guidance and longer term financial outlook and the assumptions used in deriving such guidance and longer term financial outlook) including expectations for future total revenues, collaboration and royalty revenues, gross margin expansion, API and product sales, adjusted EBITDA, adjusted EBITDA margin and non-GAAP diluted EPS, and the Company's plans to repurchase shares under its share repurchase program and to potentially expand the Company's platform through acquisitions, future plans, objectives, expectations and intentions relating to a potential transaction concerning Evotec, such potential transaction's expected impact and contributions to the Company's, Evotec's and the combined group's operations and financial results, the financing and closing of such potential transaction, as well as the expected timing and benefits of such potential transaction, the Company's and Evotec's future product development and regulatory events and goals, product collaborations, the Company's business intentions and financial statements and anticipated results. Forward-looking statements regarding the Company's ENHANZE<sup>®</sup> drug delivery technology include the possible benefits and attributes of ENHANZE<sup>®</sup> including its potential application to aid in the dispersion and absorption of other injected therapeutic drugs and facilitating more rapid delivery and administration of higher volumes of injectable medications through subcutaneous delivery and potential to decrease treatment burden, infusion related reactions and healthcare system costs and enable new treatment sites. Forward-looking statements related to the Company's ENHANZE<sup>®</sup> drug delivery technology intellectual property include expectations for future patent issuance, length of patent terms and patent expirations and the expected impact such patents (including collaboration patents) may have on the duration, durability and amounts of future royalty payments the Company may receive from licensing such intellectual property. Forward-looking statements regarding the Company's business may also include potential growth driven by our partners' development and commercialization efforts (including anticipated ENHANZE<sup>®</sup> product approvals and launches and the timing related to these events), anticipated royalty terms and rates for the Company's current ENHANZE<sup>®</sup> collaboration products and product candidates, projections for future sales revenue and market share of our collaborators' products and product candidates, potential new or expanded ENHANZE<sup>®</sup> collaborations, collaborative targets and indications for ENHANZE<sup>®</sup> products, the potential for co-formulation patents to extend royalty payment periods and maintain royalty rates and the Company's plans to develop a large volume auto-injector. Forward-looking statements regarding the Company's MDASE<sup>™</sup> patent portfolio include statements regarding the potential for new licensing opportunities for the Company, the expected exclusivity of these patents through 2032 for OUS countries and 2034 in the U.S., and the potential for using the MDASE<sup>™</sup> technology to enable subcutaneous delivery of drugs and biologics and in combination with the Company's high volume autoinjector technology. These forward-looking statements are typically, but not always, identified through use of the words "expect," "believe," "enable," "may," "will," "could," "can," "durable," "growth," "innovate," "develop," "vision," "potential," "intends," "estimate," "anticipate," "plan," "predict," "probable," "potential," "possible," "should," "continue," and other words of similar meaning and involve risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. Actual results could differ materially from the expectations contained in these forward-looking statements as a result of several factors, including uncertainties concerning future matters such as market conditions, changes in domestic and

foreign business changes in the competitive environment in which the Company and Evotec operate, discussions with Evotec and its board of directors, and financing a potential transaction, inability of the parties to successfully or timely enter into or consummate a transaction, including the risk that any required regulatory approvals are not obtained, are delayed or are subject to unanticipated conditions that could adversely affect the combined group or the expected benefits of a transaction, unexpected levels of the combined group's revenues, expenditures and costs, unexpected results or delays in the growth of the combined group's business, or in the development, regulatory review or commercialization of the combined group's partnered or proprietary products, unexpected early expiration or termination of the patent terms for the Company's ENHANZE<sup>®</sup> drug delivery technology or its MDASE<sup>™</sup> technology, unexpected levels of revenues (including royalty revenue received from our collaboration partners and revenues from proprietary product sales), expenditures and costs, unexpected delays in the execution of the Company's share repurchase program or planned platform expansion, unexpected results or delays in the growth of the Company's ENHANZE<sup>®</sup> business (including as a result of unexpected conversion rates) or other proprietary product revenues, unexpected results or delays in the Company's ability to license its MDASE<sup>™</sup> intellectual property, unexpected delays in obtaining new co-formulation or proprietary intellectual property, or in the development, regulatory review or commercialization of our partners' ENHANZE<sup>®</sup> products, unexpected delays in the Company's plans to develop a large volume auto-injector, regulatory approval requirements, unexpected adverse events or patient outcomes and competitive conditions. These and other factors that may result in differences are discussed in greater detail in the Company's most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q filed with the Securities and Exchange Commission, including under the headings "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations". Except as required by law, the Company undertakes no obligation to update or revise any forward-looking statements or any other information contained herein.

## Non-GAAP Financial Measures:

In addition to disclosing financial measures prepared in accordance with U.S. generally accepted accounting principles (GAAP), these materials contain certain non-GAAP financial measures. The Company reports Adjusted EBITDA, Adjusted EBITDA Margin and non-GAAP diluted earnings per share and expectations of those measures in addition to, and not as a substitute for, or superior to, financial measures calculated in accordance with GAAP. The Company uses Non-GAAP financial information in assessing what it believes is a meaningful and comparable set of financial performance measures to evaluate operating trends, as well as in establishing portions of our performance-based incentive compensation programs. The Company does not provide reconciliations for forward-looking adjusted measures to GAAP, including as to the projected benefits of the potential transaction concerning Evotec, due to the inherent difficulty in forecasting and quantifying certain amounts that are necessary for such reconciliation, including adjustments that could be made for changes in contingent liabilities, share based compensation expense and the effects of any discrete income tax items.

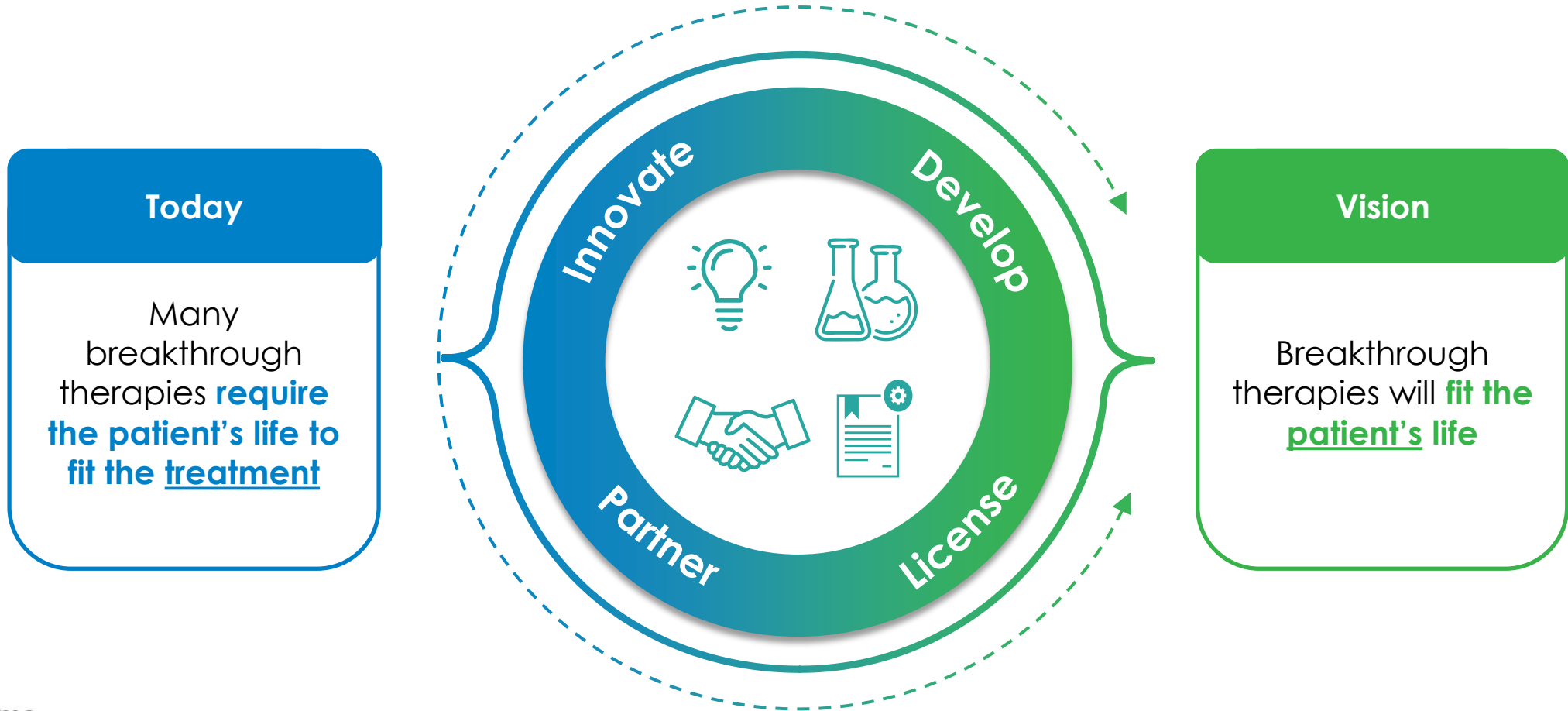
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# Key Investment Highlights of the Proposed Transaction



- 1 **Establishes innovative company** with capabilities spanning drug discovery, early-stage development, biologic manufacturing, and drug delivery technologies
- 2 **Creates a pan U.S. / European innovative services company** with increased scale, a deep pipeline, and a diversified offering
- 3 **Meaningfully diversifies, scales, and extends Halozyme's revenue and adjusted EBITDA** well into the next decade and beyond
- 4 **Complements existing ENHANZE® drug delivery technology** with an expanded biologic manufacturing platform via Just - Evotec Biologics
- 5 **Accelerates pro forma growth profile**, with Halozyme's strong cash generation able to be deployed towards Evotec's earlier stage programs
- 6 **All-cash transaction** funded by cash on hand and new debt via existing lender group with **expected pro forma net leverage less than 2x two years post close**

Halozyne's Vision



**Who We Are**

**Leading Drug Delivery Platform Company**

*Convert IV biologics to subcutaneous delivery in order to decrease treatment burden, improve experience, enable new treatment sites, and decrease healthcare costs*

**Innovative Partner to Pharma**

*Robust IP portfolio facilitates collaborations with leading pharmaceutical and biotechnology companies*

**Robust Financial Profile**

*Unparalleled pharma services player with best-in-class margin profile and strong cash flow generation*

**Highly-Visible Revenue Model**

**Drug Delivery Platform Technologies**

**ENHANZE®**

Commercially Validated

Subcutaneous Delivery

8 Approved Partnered Products

Approved in 100+ Countries

Has Been Used to Treat >800,000 Patients

**Auto-Injectors**

Commercialized & Development Stage Devices for Broad Application

**Specialty Products**



**XYOSTED®**  
(testosterone enanthate) injection ©

**Subcutaneous administration is one of the defining macro trends of the next decade; Can improve patient access, convenience, and compliance**

# Introduction to evotec

Industry-leading Drug Discovery and Development Partner for the Pharmaceutical and Biotechnology Industry

## Differentiated Partner to Biopharma

*Evotec's mission is to co-create pipelines based on discovery, development, and manufacturing of medicines that matter for a broad range of difficult-to-treat diseases in collaborations with its partners*

- Segment
- Overview
- Differentiation**
- Business Model**
- 2023 Revenue

### Shared R&D

#### Drug discovery and development

Discovery of next generation drugs with higher efficacy and probability of success

- Fee-for-service and FTE-based payments
- Milestone payments
- Royalty payments

~€670M

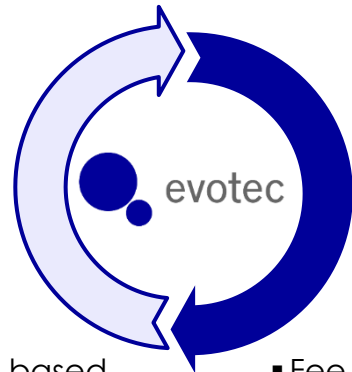


#### Continuous biologics manufacturing

Design and application of innovative technologies from discovery to commercial supply, to dramatically expand global access to biotherapeutics

- Fee-for-service and FTE-based payments
- Commercial production

~€110M



## Meaningful Scale

~€780M

2023 Revenue

>500

Partners

>90%

Repeat Business

>4,000

Scientists Empowering Partners

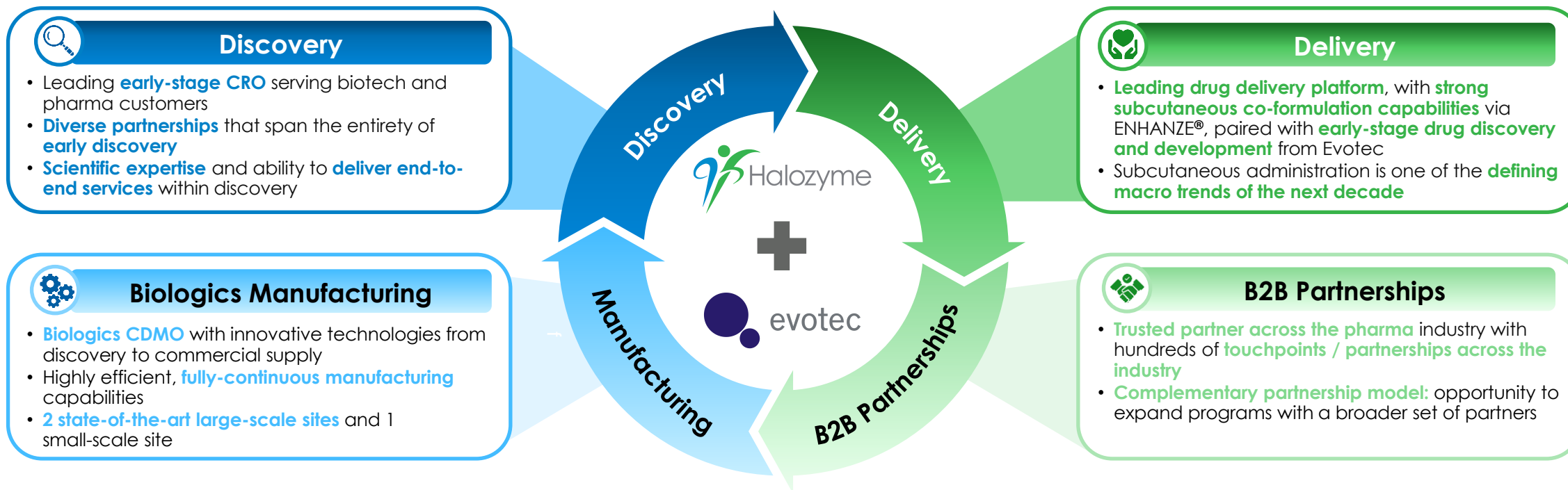
# Convergence of Drug Discovery, Biologic Manufacturing, Drug Delivery, and B2B Partnership Model Creates an Innovative Pharma Services Company At-Scale

2025E Rev. / Adj. EBITDA  
**\$2B+ / ~\$900M**

Combined FTEs  
**~5,500**

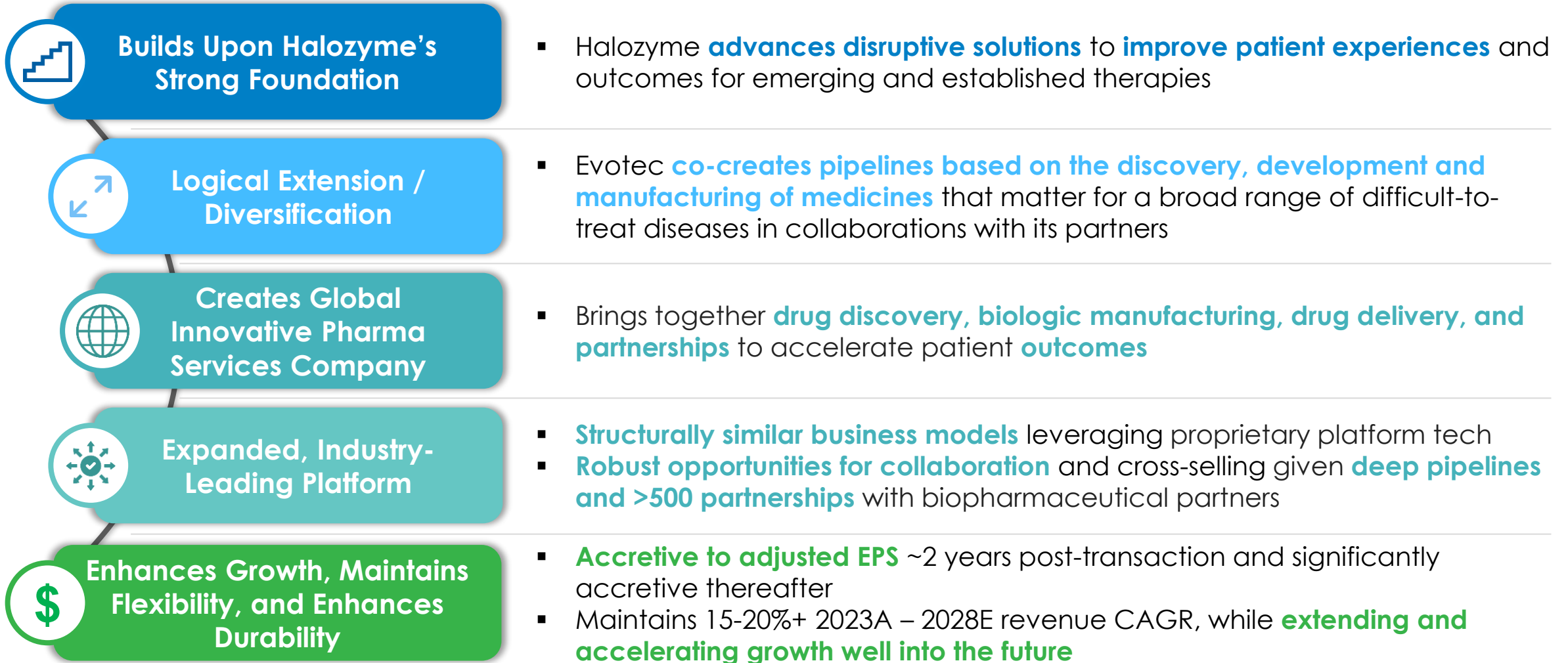
U.S. Headquarters  
**San Diego, CA**

R&D Center of Excellence  
**Hamburg, Germany**



**Combination of the two companies provides the ability to accelerate the drug discovery, biologic manufacturing, and drug delivery of medicines that will improve patient outcomes for years to come**

# Combination of Complementary Platforms Creates a Leading Global Innovative Services Company





# Evotec Performs Remarkably Well Against Halozyme's M&A Criteria

## Combination Advances Halozyme's Strategic Priorities

### Halozyme Priority

**De-Risked Business**

**Platform Licensing Business**

**Partners with Biopharma Companies**

**Long-Term Revenue Growth and Durability**

### Evotec Addition / Capability



Established and scaled business set to meaningfully diversify Halozyme's existing revenue base



Complementary partnership model: opportunity to expand programs with a broader set of partners



Existing long-term partnerships with large pharma e.g., Bristol Myers Squibb, Sandoz, and Eli Lilly, among others



Diversifies and extends Halozyme Revenue, adjusted EBITDA growth, and durability well into the next decade

# Evotec's Portfolio Complements Halozyme's Strengths

From  Halozyme standalone...

...to  Halozyme +  evotec

## Immediate Scale and Sustained Growth Profile<sup>1</sup>

**\$1B+** 2025E Revenue  
 ~15-20% 2023A - 2028E Revenue CAGR



**\$2B+** Pro Forma 2025E Revenue  
 ~15-20% Pro Forma 2023A - 2028E Revenue CAGR  
 ...with durable revenue growth well into the next decade

## Combination of Complementary Capabilities

Leader in **drug delivery technologies**...



...combined with discovery and development capabilities **creates end-to-end pharma services leader**  
 ...combined with biologic manufacturing **expands biologic opportunity**

## Trusted Partner to Pharma Industry



...and over **500** more



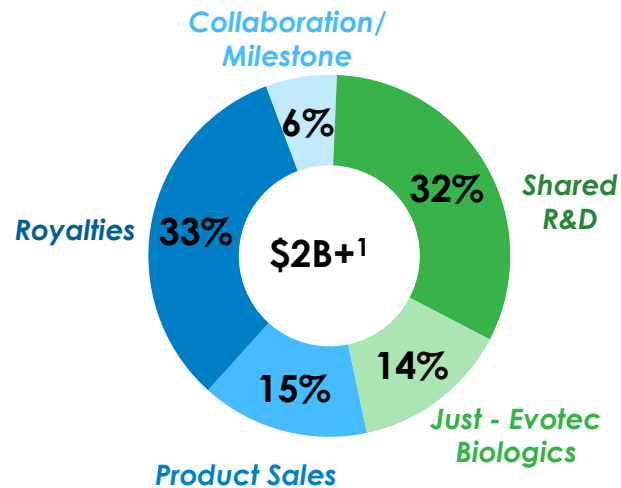
<sup>1</sup> Halozyme analysis based on publicly available Evotec information as of October 2024; all financials are subject to further due diligence

# A Global Innovator in Pharma Services

Combination Would Create Diversified, Double-Digit Growing Leader with Best-In-Class Margins

## Meaningfully Diversified Pharma Services Portfolio

~2/3 of Halozyme Revenue is Royalty-Related in 2024



Creates **industry-leading pharma services company** with established scale

## Enhanced Long-Term Growth Profile

# 15-20%+

2023A - 2028E Revenue CAGR Maintained...

...**With Durable Revenue Growth Well into the Next Decade**

Broad array of partnered products and deep development pipeline contributes to **consistent and growing future revenue streams**

## Robust Long-Term Margin Profile

# 45-50%+

Pro Forma Adjusted EBITDA Margin by 2026E

**Favorable long-term margin profile**, with significant cash flow generation over time

# All-Cash Transaction Supported by Existing Lender Group with Clear Path to Less than 2x Net Leverage within Two Years Post-Close

## Purchase Price

- €11.00 per share in cash, implying a **fully diluted equity value of €2.0 billion**

## Transaction Financing

- **Significant cash reserves** on-hand and a **strong balance sheet**<sup>1</sup>
- Transaction **would not be subject to a financing condition**
- Halozyme working with financing relationship partners on **optimal financing structure; equity will not be used** to finance the transaction

## Preliminary Financing Terms

- Expected all-in blended **cost of financing of ~7% on the new debt, in line with similarly well-rated companies**

## Pro Forma Debt and Leverage

- Assuming a transaction is consummated, **net debt on balance sheet at close would be ~\$3B**, with a **significant portion prepayable**
- **Net leverage** for funding at transaction-close **projected to be less than 4.75x**

## Paydown Ability

- Net leverage to **decrease to less than 2x within two years** post-close, and quickly reducing **meaningfully below that through debt paydown and adj. EBITDA growth**
- **Multiple levers** to further **accelerate debt paydown** over time

# High-Growth, High-Margin, Highly-Durable Pro Forma Financial Profile

## Diversified Revenue Base

- **Combination provides diversified revenue base** across drug discovery, development, biologic manufacturing, and drug delivery

## Scaled Platform

- **Immediate scale with \$2B+ in revenue** and an expanded B2B partnership model

## Durable Revenue Growth

- Maintains 15-20%+ 2023A - 2028E revenue CAGR, while **extending and accelerating growth well into the future**

## Ramping Earnings Contribution

- **Accretive to adjusted EPS** approximately two years post-close
- **Significantly** accretive thereafter

## Flexible Capital Allocation

- **Ongoing flexibility across capital allocation priorities** including share repurchases and continued organic investment