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News Release

Bayer completes the sale of its Animal Health business unit to Elanco

Leverkusen, August 3, 2020 – Bayer has completed the sale of its Animal Health business unit to U.S. company Elanco Animal Health Incorporated. The companies had signed an agreement to this effect in August of last year. The transaction was completed after fulfillment of the closing conditions, including the receipt of regulatory approvals.

Upon closing of the transaction, Bayer received 5.17 billion U.S. dollars (before tax) in cash after deduction of customary purchase price adjustments, along with 72.9 million shares of Elanco Animal Health common stock, corresponding to 15.5 percent of the U.S. company's outstanding stock. Bayer maintains its intention to divest the stake in Elanco in due course. The shares are subject to certain retention periods until mid-2021.

The divestment of the Animal Health business is the largest transaction in a series of portfolio measures Bayer initiated in November 2018. The company has already completed the sale of the Coppertone™ and Dr. Scholl's™ consumer health brands and of its 60 percent stake in German site services provider Currenta. Bayer's former Animal Health business has about 4,400 employees and achieved sales of 1.57 billion euros in 2019. It develops and markets innovative products and solutions for the prevention and treatment of diseases in companion and farm animals.

"We would like to thank the employees of Animal Health for their long-standing commitment and the success this has brought for Bayer. In Elanco we've found a strong new owner for our Animal Health business. This transaction creates one of the global animal health leaders," said Werner Baumann, Chairman of the Board of Management of Bayer AG. "We've also succeeded in safeguarding the interests of the workforce." Under the agreement with Elanco, all Bayer Animal Health employees will have at least one year of employment protection against unilateral termination with similar and no less favorable benefits in the aggregate.

About Bayer

Bayer is a global enterprise with core competencies in the life science fields of health care and nutrition. Its products and services are designed to benefit people by supporting efforts to overcome the major challenges presented by a growing and aging global population. At the same time, the Group aims to increase its earning power and create value through innovation and growth. Bayer is committed to the principles of sustainable development, and the Bayer brand stands for trust, reliability and quality throughout the world. In fiscal 2019, the Group employed around 104,000 people and had sales of 43.5 billion euros. Capital expenditures amounted to 2.9 billion euros, R&D expenses to 5.3 billion euros. For more information, go to www.bayer.com.

About Elanco

Elanco Animal Health (NYSE: ELAN) is a global leader in animal health dedicated to innovating and delivering products and services to prevent and treat disease in farm animals and pets, creating value for farmers, pet owners, veterinarians, stakeholders and society as a whole. With nearly 70 years of animal health heritage, we are committed to helping our customers improve the health of animals in their care, while also making a meaningful impact on our local and global communities. At Elanco, we're driven by our vision of Food and Companionship Enriching life and our Elanco Healthy Purpose™ CSR framework – all to advance the health of animals, people and the planet. Learn more at www.elanco.com.

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Forward-Looking Statements

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