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News Release

Increased focus on calf health:

Bayer Animal Health and ParaTheraTech sign global license agreement

Bayer to strengthen its portfolio of products for farm animals with new Cryptosporidiosis treatment options derived from ParaTheraTech

Monheim, Germany, December 12, 2018 – Bayer Animal Health GmbH and ParaTheraTech, Inc. (PTT), have signed a global license agreement to advance new Cryptosporidiosis treatment options for farm animals. As part of the license agreement, Bayer will develop and commercialize novel compounds based on knowledge and intellectual property licensed by PTT from the University of Washington. Further terms of the agreement have not been disclosed.

Bayer Animal Health is focused on the development of innovative solutions for the most important health problems affecting dairy and beef cattle. “Cryptosporidiosis is considered one of the biggest unsolved parasite problems in dairy cattle. The license agreement with PTT will enable us to support farmers and veterinarians in tackling this health and well-being concern: early life diarrhea caused by *Cryptosporidium*,” says Dr. Douglas Hutchens, Bayer Animal Health’s Head of Drug Discovery, External Innovation & Chief Veterinary Officer.

The dairy and beef industry experience calf mortality rates in the range of five to 15%. Early life diarrhea is very common and one of the main causes for death in young calves. Since *Cryptosporidium* is a highly infectious diarrhea pathogen, the topic is high on the agenda of vets and farmers. “Today, *Cryptosporidium* is prevalent on 30 to 70 percent of the farms worldwide,” explains Dr. Christina Mertens, Bayer Animal Health’s Head of Dairy Innovation & Science Intelligence. “Therefore, the license agreement with PTT is a strong signal to our customers around the world: We are committed to helping farmers

and vets to fight one of the most important diseases in young calves by strengthening our research and development of novel treatment options against cryptosporidiosis.”

Wes VanVoorhis, M.D. PhD., PTT’s Chief Executive Officer, says: “ParaTheraTech Inc. is pleased to partner with Bayer Animal Health on this most exciting project. We look forward to the real benefit farmers will experience from the product we will develop with Bayer Animal Health.” Tom Kennedy, PhD, PTT’s Chief Financial Officer, adds: “I am excited about this groundbreaking cryptosporidium therapy and the potential benefit to cattlemen.”

The University of Washington’s collaborative innovation hub, CoMotion, assisted PTT with patent filing and strategy, an Innovation Gap Fund grant, support for other funding and supported the company in licensing exclusive rights to the compound.

About ParaTheraTech

ParaTheraTech, Inc. is an American biopharma company located in Seattle WA and Westport WI.

About Bayer

Bayer is a global enterprise with core competencies in the life science fields of health care and agriculture. Its products and services are designed to benefit people and improve their quality of life. At the same time, the Group aims to create value through innovation, growth and high earning power. Bayer is committed to the principles of sustainable development and to its social and ethical responsibilities as a corporate citizen. In fiscal 2017, the Group employed around 99,800 people and had sales of 35.0 billion euros. Capital expenditures amounted to 2.4 billion euros, R&D expenses to 4.5 billion euros. For more information, go to www.bayer.com.

About the University of Washington and CoMotion

Recently ranked by Reuters as the #1 most innovative public university in the world, the University of Washington (UW) is a leading recipient of federal funding research, producing innovations that have the power to change the world. By developing and connecting to local and global innovation ecosystems, CoMotion helps innovators achieve the greatest impact from their ideas and discoveries.

Find more information at <https://comotion.uw.edu>

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Forward-Looking Statements

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