



Investor News

LEO Pharma closes acquisition of Bayer's prescription dermatology business in the United States

Ballerup, Denmark / Leverkusen, Germany, September 4, 2018 – LEO Pharma and Bayer announced today the completion of the relevant closing conditions to allow the transfer of Bayer's prescription dermatology business to LEO Pharma in the United States. Closing in all other countries is expected during the second half of 2019, subject to the fulfillment of customary closing conditions.

LEO Pharma and Bayer entered into an agreement for the acquisition of Bayer's global portfolio of prescription dermatology products as announced on July 31, 2018. This includes Finacea[®] (azelaic acid) Foam for the topical treatment of mild to moderate rosacea, a range of topical steroids and other products for the treatment of acne and fungal skin infections.

Chris Posner, President and CEO of LEO Pharma US, said: "This is an exciting time for LEO Pharma in the US. Completing this acquisition enables LEO Pharma US to significantly broaden its therapeutic areas and skilled workforce, ultimately providing more treatment options for dermatology patients across the country."

"Our Rx Dermatology colleagues have worked diligently to develop this business over many years," said Patrick Lockwood-Taylor, President of Bayer's Consumer Health business in North America. "With the closing of the transaction in the US, the business is now in the best hands for future growth and allows Bayer to focus on our core OTC business. I want to thank the Bayer and LEO teams for their great collaboration that brought us to this milestone in such a short period of time."

As announced as part of the agreement, LEO Pharma will acquire the global product rights, except for Afghanistan and Pakistan, and take over the sales and marketing

organizations in 14 countries, as well as a factory in Segrate, Italy. Assuming the successful close, around 450 people will join LEO Pharma as part of this transaction.

Subject to applicable laws, LEO Pharma and Bayer will continue to work closely together with the aim of securing an effective transition of the business in the rest of the world and an uninterrupted supply of prescription dermatology treatments that patients have come to rely on and trust.

About LEO Pharma

LEO Pharma helps people achieve healthy skin. By offering care solutions to patients in more than 130 countries globally, LEO Pharma supports people in managing their skin conditions. Founded in 1908 and owned by the LEO Foundation, the healthcare company headquartered in Denmark has devoted decades of research and development to delivering products and solutions to people with skin conditions. In 2017 LEO Pharma employed around 5,200 people worldwide and had sales of 1.4 billion euros. For more information, go to:

www.leo-pharma.com

www.linkedin.com/company/leo-pharma

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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.

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Forward-Looking Statements

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