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News Release

Not intended for U.S. and UK Media

Bayer to acquire UK-based biotech KaNDy Therapeutics Ltd.

- Further expansion of Bayer's drug development pipeline in Women's Healthcare
- Innovative non-hormonal oral compound NT-814 to alleviate menopausal symptoms
- Development compound recently completed Phase IIb
- Reinforces Bayer's position in Women's Healthcare
- Upfront consideration of USD 425 million and additional potential consideration in the form of milestone payments

Berlin, Germany, August 11, 2020 – Bayer, a global leader in women's healthcare, and KaNDy Therapeutics Ltd, a UK clinical-stage biotech company, today announced that Bayer will acquire KaNDy Therapeutics Ltd. to expand its drug development pipeline in women's healthcare. KaNDy Therapeutics Ltd. recently completed the Phase IIb with NT-814, a first in class, non-hormonal, once-daily, oral neurokinin-1,3 receptor antagonist, publishing positive data for the treatment of frequent symptoms of the menopause, hot flashes and night sweats (vasomotor symptoms). The start of Phase III clinical trial is expected for 2021. Once approved, the compound could generate peak sales potential of more than Euro 1 billion globally.

Up to 75% of women going through menopausal transition experience menopausal vasomotor symptoms. These symptoms can impact both their work and private life and are debilitating for several years for those affected and result in significant incremental healthcare and economic costs.

Under the terms of the agreement Bayer will pay an upfront consideration of USD 425 million, potential milestone payments of up to USD 450 million until launch followed by potential additional triple digit million sales milestone payments. Closing is subject to customary conditions, in particular anti-trust approval, and is expected by September 2020.

“Bayer is focusing on innovative options to address the unmet medical needs of women worldwide”, said Stefan Oelrich, Member of the Board of Management of Bayer and President Pharmaceuticals. “With this acquisition Bayer will broaden its women’s healthcare pipeline by adding a potential novel non-hormonal oral treatment option for women during menopause.”

“Bayer has been our preferred partner due to its leading position in the area of women’s healthcare”, said Dr. Mary Kerr, Co-Founder and CEO of KaNDy Therapeutics Ltd. “We believe that under the ownership of Bayer, this potential groundbreaking medicine can be optimally developed to become an important non-hormonal treatment option for women suffering debilitating symptoms of the menopause.”

The acquisition of KaNDy Therapeutics Ltd. is another important milestone in augmenting Bayer’s own women’s healthcare portfolio through strategic collaborations and agreements. Earlier in 2020, Bayer announced the expansion of its partnership with Evotec with a new five-year, multi-target collaboration to develop multiple clinical candidates for the treatment of polycystic ovary syndrome (PCOS), the most frequent endocrine disorder in women. Bayer’s exclusive license agreement with Daré Bioscience for the US market, signed in January 2020, is focused on its investigational, hormone-free, monthly vaginal contraceptive currently in clinical development for the prevention of pregnancy.

The Pharmaceuticals Business Development & Licensing team of Bayer facilitated this transaction.

Morgan Stanley is serving as financial advisor to Bayer, while Linklaters is serving as legal counsel. Goldman Sachs International is serving as financial advisor to KaNDy Therapeutics Ltd., while Goodwin is serving as legal counsel.

About Women’s Healthcare at Bayer

Bayer is a recognized leader in the area of women’s healthcare, with a long-standing commitment to delivering science for a better life by advancing a portfolio of innovative treatments. Bayer offers a wide range of effective short- and long-acting birth control methods as well as therapies for menopause management and gynecological diseases. Today, Bayer’s research efforts focus on finding new treatment options for gynecological diseases with a high medical need and includes several investigational compounds in

various stages of pre-clinical and clinical development. Together, these projects reflect the company's approach to research, which prioritizes targets and pathways with the potential to alter the way that gynecological diseases are treated. Additionally, Bayer intends to provide 100 million women in low-and-middle income countries by 2030 with access to family planning by funding multi-stakeholder aid programs and by ensuring the supply of affordable modern contraceptives. This is part of the comprehensive sustainability measures and commitments from 2020 onwards and in line with the Sustainable Development Goals of the United Nations.

About Business Developing & Licensing at Bayer Pharmaceuticals

As an innovation-driven company, making a difference to the lives of patients is a continuous priority for us at Bayer in line with our company's vision of Health for all, Hunger for none. We want to continue developing innovative treatments as efficiently as possible, so we value collaboration with likeminded partners who share our quest to provide new options for patients. Through strong partnerships we are looking to complement our comprehensive in-house expertise with the know-how of excellent partners from academia and industry. Partnering gives us the chance to establish scientific relationships across indications to foster scientific progress and benefits for patients. Our ultimate goal is always to provide more options for patients as fast and efficiently as possible.

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 KaNDy Therapeutics Ltd.

KaNDy Therapeutics Ltd. is a UK-based private clinical-stage biotech that was founded in 2017 as a spin-off from NeRRe Therapeutics Ltd. It is led by an experienced management team and backed by internationally recognised life sciences investors: Advent Life

Sciences, Fountain Healthcare Partners, Forbion Capital Partners, OrbiMed and Longitude Capital. KaNDy Therapeutics is based at the state-of-the-art Stevenage Bioscience Catalyst, a leading location for companies to develop and commercialise cutting edge therapeutics.

About NT-814

NT-814 is a non-hormonal, orally administered, potent and selective small molecule dual antagonist of both the neurokinin-1 and 3 receptors. NT-814 addresses vasomotor symptoms by modulating a group of oestrogen sensitive neurones in the hypothalamus in the brain (the KNDy neurones), that in menopausal women due to the absence of oestrogen, become hyperactive and consequently disrupt body heat control mechanisms resulting in the debilitating vasomotor symptoms of hot flashes and night sweats.

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Forward-Looking Statements

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