

Bayer Acquires Asklepios BioPharmaceutical to Broaden Innovation Base in Cell and Gene Therapy

- *Acquisition fuels Bayer's cell and gene therapy platform with potential to bring urgently needed treatments to patients across multiple disease areas with high unmet need -*
- *AskBio's industry leading AAV-based gene therapy platform already yielding commercial and clinical-stage assets with the potential to help larger patient populations -*
- *Portfolio includes pre-clinical and clinical-stage development candidates for the treatment of neuromuscular, central nervous system, cardiovascular and metabolic diseases such as Pompe disease, Parkinson's disease and congestive heart failure, as well as out-licensed clinical candidates for hemophilia and Duchenne muscular dystrophy -*
- *Acquisition secures additional revenue-generating CDMO based on highly efficient Pro10™ cell line -*
- *AskBio to operate autonomously and on an arm's-length basis -*
- *Purchase price of USD 2 billion upfront and up to USD 2 billion in success-based milestone payments -*

Berlin, Germany and Research Triangle Park, N.C. – October 26, 2020 – Bayer AG and Asklepios BioPharmaceutical, Inc. (AskBio) today announced an agreement under which Bayer will acquire AskBio, a U.S.-headquartered biopharmaceutical company specializing in the research, development and manufacturing of gene therapies across different therapeutic areas. AskBio's development portfolio includes investigational pre-clinical and clinical-stage candidates for the treatment of neuromuscular, central nervous system, cardiovascular and metabolic diseases.

As a result of the acquisition, Bayer will own AskBio's gene therapy platform, including a broad intellectual property portfolio and established contract development and manufacturing organization (CDMO) – laying the foundation for future partnerships in the area of adeno-associated virus (AAV) therapies. The addition of AskBio to Bayer's emerging cell and gene therapy (CGT) business strengthens Bayer's commitment to the field. It complements its 2019 acquisition of BlueRock Therapeutics and advances Bayer's efforts to create platforms with the potential to have an impact in multiple therapeutic areas. Under the terms of the agreement, Bayer will pay upfront consideration of USD 2 billion and potential success-based milestone payments of up to USD 2 billion. Some 75 percent of the potential milestone-based contingent payments are expected to be due during the course of the next five years and the remaining amount thereafter.

"In line with our purpose 'science for a better life,' we are committed to bringing significant improvements for patients through innovation," said Werner Baumann, Chairman of the Board of Management (CEO) of Bayer AG. "With this acquisition, Bayer significantly advances the establishment of a cell and gene therapy platform that can be at the forefront of breakthrough science contributing to, preventing, or even curing diseases caused by gene defects and further driving company growth in the future."

"As part of our strategy, we are building new therapeutic platforms including cell and gene therapies," said Stefan Oelrich, Member of the Board of Management, Bayer AG and President of Bayer's Pharmaceuticals Division. "As an emerging leader in the rapidly advancing field of gene therapies, AskBio's expertise and portfolio support us in establishing highly innovative treatment options for patients and further strengthen our portfolio. We want to help patients whose medical needs are not yet met by today's treatment options, and we are looking forward to pursuing this important work with the AskBio team."

"Our innovation in capsid re-engineering and promoter design, coupled with our scaled manufacturing processes, gives us the tools to provide gene therapy solutions to more people suffering from a wider spectrum of diseases that are not being adequately treated today," said R. Jude Samulski, PhD, Chief Scientific Officer and Co-Founder of AskBio. "With Bayer's worldwide reach and translational expertise,

especially in pathway diseases, our combined cultures of scientific advancement and commitment to patients, along with the retention of AskBio's independent structure, position us to provide accelerated development of gene therapies to treat more patients who can benefit from them," said Sheila Mikhail, CEO and Co-Founder of AskBio.

Through the acquisition, Bayer will add an industry-leading adeno-associated virus (AAV)-based gene therapy platform to its portfolio, which has already demonstrated applicability across different therapeutic areas. Besides multiple clinical-stage assets for indications with high unmet need, the acquisition includes a state-of-the-art gene therapy technology platform and gene therapy manufacturing capabilities.

Gene therapy offers new treatment options for many currently untreatable diseases, particularly genetic diseases caused by a single genetic defect.

AskBio's gene therapy platform includes Pro10™, an industry-leading cell line manufacturing process, and an extensive AAV capsid and promoter library. The company has generated hundreds of proprietary third-generation AAV capsids and promoters that offer differentiation through potentially improved efficacy, immune response and tissue and organ specificity. The platform represents one of the most advanced gene therapy platforms with the promise to also tackle polygenetic indications thereby also helping a larger number of patients. AskBio's lead research programs, which are focused on Pompe disease, Parkinson's disease and congestive heart failure, are currently in early phases of clinical development.

To preserve its entrepreneurial culture as an essential pillar for nurturing successful innovation, AskBio will continue to operate as an independent company on an arm's-length basis. Bayer's newly established CGT unit will bundle Bayer's activities in this area moving forward to establish an innovation ecosystem for participating partners within the Bayer organization.

AskBio's existing minority shareholders, [TPG Capital](#) and [Vida Ventures](#), supported the transaction. TPG Capital and Vida Ventures invested in AskBio in 2019 and have worked with the company to advance and expand clinical trials, enhance its manufacturing capabilities and drive long-term growth. The firms have collaborated in the past, and each has notable experience in the gene and cell therapy spaces.

Closing of the transaction is contingent upon customary closing conditions, including receipt of the required regulatory approvals, and is expected to take place during the fourth quarter of 2020.

Credit Suisse is serving as financial advisor to Bayer, while Baker McKenzie is serving as legal counsel. JP Morgan is serving as financial advisor to AskBio, while Ropes & Gray is serving as legal counsel.

About AskBio

Founded in 2001, Asklepios BioPharmaceutical, Inc. (AskBio) is a privately held, clinical-stage gene therapy company dedicated to improving the lives of children and adults with genetic disorders. AskBio's gene therapy platform includes an industry-leading proprietary cell line manufacturing process called Pro10™ and an extensive adeno-associated virus (AAV) capsid and promoter library. Based in Research Triangle Park, North Carolina, the company has generated hundreds of proprietary third-generation AAV capsids and promoters, several of which have entered clinical testing. An early innovator in the space, the company holds more than 500 patents in areas such as AAV production and chimeric and self-complementary capsids. AskBio maintains a portfolio of clinical programs across a range of neuromuscular, central nervous system, cardiovascular and metabolic disease indications with a current clinical pipeline that includes therapeutics for Pompe disease, Parkinson's disease and congestive heart failure, as well as out-licensed clinical indications for hemophilia and Duchenne muscular dystrophy. Learn more at <https://www.askbio.com>.

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 2018, the Group employed around 117,000 people and had sales of 39.6 billion euros. Capital expenditures amounted to 2.6 billion euros, R&D expenses to 5.2 billion euros. For more information, go to www.bayer.com.

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Forward-Looking Statements

This release contains “forward-looking statements” regarding Bayer and AskBio. Any statements contained in this press release that are not statements of historical fact may be deemed to be forward-looking statements. These forward-looking statements include statements regarding the proposed transaction with Bayer, including the expected timing of the completion of the transaction; the outlook for AskBio’s business, AskBio’s pipeline of development candidates and goal of developing life-saving medicines aimed at curing genetic diseases; and the potential benefits of AskBio’s development candidates to patients.

These forward-looking statements involve risks and uncertainties, many of which are beyond the control of Bayer and AskBio, respectively. Known risks include, among others: uncertainties as to the timing of the completion of the transaction; the possibility that various closing conditions for the transaction may not be satisfied or waived, including that a governmental entity may prohibit, delay or refuse to grant approval for the consummation of the transaction (or that any clearance or approval may result in the imposition of conditions that could adversely affect the expected benefits of the transaction); the occurrence of any event, change or other circumstances that could give rise to the termination of the merger agreement; the effects of the transaction (or announcement thereof) on relationships with employees, customers or other business partners or governmental entities; unexpected liabilities, costs, charges or expenses in connection with the transaction; litigation that may arise from or relate to the transaction; that the AskBio business plans and goals of the AskBio business, including meeting expected or planned regulatory milestones and timelines, clinical development plans and bringing product candidates to market, may not be achieved for a variety of reasons, including the ongoing COVID-19 pandemic, possible limitations of company financial and other resources, manufacturing limitations that may not be anticipated or resolved in a timely manner, potential disagreements or other issues with our third-party collaborators and partners and regulatory, court or agency feedback or decisions, such as feedback and decisions from the United States Food and Drug Administration or similar regulatory authorities outside of the United States or the United States Patent and Trademark Office.

Any of the foregoing risks could materially and adversely affect the AskBio business and results of operations. You should not place undue reliance on the forward-looking statements contained in this press release. Except as may be required by law, neither Bayer nor AskBio undertakes any obligation to publicly update any of these forward-looking statements based on events or circumstances after the date hereof.