



Elanco Animal Health
2500 Innovation Way
Greenfield, IN 46140 USA
www.elanco.com

Valid only after closing of the transaction

Dear Sir / Madam,

Action needed: Important supplier information for August 2020

Please ensure that a copy of this letter is made available to members of your account management team and finance personnel responsible for customer data/records. They will likely need to take action in your system to ensure that we can continue to process and pay invoices that we receive from you.

As a current supplier to either Bayer Animal Health or both Elanco and Bayer Animal Health, there are specific actions that we need you to take in preparation for the expected transaction closing, which we anticipate will take place early August, pending regulatory approvals. The parties remain separate and independent companies until the transaction closes, but taking these actions now will allow a more seamless transition upon closing.

We are committed to providing a smooth transition for you. To help, we have outlined what we are expecting to happen over the next few months.

For a period of time after closing, Elanco will process purchase orders (PO) and invoice payments from effectively two separate financial systems:

1. The current Elanco system, and
2. A new system being implemented for the processing of all POs and invoices that have been or will be generated through the acquired legacy-Bayer Animal Health business units.

As a result, if you are currently a supplier to both Elanco and Bayer Animal Health, you will be required to have two customer codes for the respective businesses in your system to allow for interaction with the two separate financial systems described above.

Please pay close attention to the PO numbers and the corresponding invoice delivery address as they will differ depending on the issuing system. While Elanco is working hard to streamline processes and minimize issues, invoicing the incorrect address could cause delays in payment.

From early August 2020 (the expected transaction closing timing)

- Continue to engage in business as usual with both Elanco and the legacy-Bayer Animal Health business units.

- You will see name changes being implemented as we fully integrate under Elanco and begin operating as a combined organization.
- Elanco procurement and/or business units, including legacy-Bayer Animal Health teams, will be happy to answer any questions or concerns you may have; please feel free to engage with your procurement contacts directly.
- For further information around the expectations and processes of being a supplier to Elanco, including FAQs and Terms & Conditions, I encourage you to view the Elanco supplier portal at www.elanco.com/suppliers.

There will be a brief blackout period over the closing period where new Bayer Animal Health purchase orders will not be able to issue Purchase Orders or pay invoices within the new system, i.e. the system which supports the legacy-Bayer Animal Health business units, in order to safely transition critical SAP systems. This will not impact existing Elanco business, which will continue to operate as normal throughout the blackout period.

At this time, our top priority is to maintain business continuity. Contract changes, renewals, and business relationships will be re-examined in due course as Elanco fully integrates its new acquisition of the legacy-Bayer Animal Health business units. We will provide you with further information shortly after the closing of the transaction.

We look forward to having the opportunity to work with you and we thank you for your ongoing support through this transition period and beyond.

Sincerely,

Rick Risley
Senior Procurement Director