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News Release

CEO Werner Baumann at the Annual Stockholders' Meeting:

"Bayer has excellent prospects for the future"

- Substantial sales and earnings growth in 2022
- Dividend of 2.40 euros per share proposed – up 20 percent
- Baumann to retire at the end of May – Bill Anderson designated as his successor

Leverkusen, April 28, 2023 – Bayer strengthened its position as a successful life science company in 2022 despite the difficult conditions. "We now need to build on these strong foundations and set the course for future growth," CEO Werner Baumann said at the company's virtual Annual Stockholders' Meeting in Leverkusen on Friday. "The need is huge," he added, noting how people will need better and more sustainable healthcare and food systems as the global population continues to grow. Bayer is in a very good position, said Baumann. "With business activities that lead the way and are growing worldwide, immense power to innovate, and innovative products and technologies. With highly motivated and creative minds who have lots of good ideas. And with an excellent leadership team."

Despite the challenging circumstances, 2022 was a highly successful year for Bayer, thanks to "a combination of far-sighted risk management and active countermeasures," said Baumann. "We met or exceeded all our financial targets and continued to deliver, even in challenging times," he emphasized, before joining Supervisory Board Chairman Prof. Dr. Norbert Winkeljohann in thanking the entire workforce for this tremendous achievement and all their hard work. The pandemic and increasing geopolitical tensions, such as the war in Ukraine, have caused a great deal of upheaval, including for Bayer, Baumann said, pointing to the energy crisis, high inflation and supply-chain bottlenecks. "However, we have been affected far less than many other companies." Bayer's currency- and portfolio-adjusted sales increased by around 9 percent to 50.7 billion euros. EBITDA before special items came in at 13.5 billion euros – up 21 percent year on year – and core earnings per share rose by 22 percent to 7.94 euros. The Board of Management and the Supervisory Board therefore proposed that the dividend be increased by 20 percent to 2.40 euros per share.

Baumann expressed his dissatisfaction with the current share price. Although Bayer’s stock performed comparatively well last year in a negative stock market environment, its market capitalization is still well below the actual value of the company, he said. However, the CEO is convinced that “Bayer has excellent prospects for the future.” He is also “very certain that this outstanding company still has its best years ahead of it,” noting how new solutions to the problems of our time are emerging at the intersection of biology, chemistry and cutting-edge data science.

“Leading the way in climate protection”

The progress Bayer has achieved in terms of climate protection has been widely recognized by experts. For example, the renowned CDP organization last year rated Bayer as one of the top companies in this area for the fifth time in a row. Baumann believes that Bayer is leading the way in climate protection and is well on track to becoming a climate-neutral company by 2030. The key lies not only in reducing emissions but also in mitigating the effects of climate change, he explained, adding that Bayer is investing more than virtually any other company in developing crops that can cope better with extreme climatic conditions and require fewer resources.

One of the most recent sustainability-related advances cited by Baumann is Bayer’s new water strategy that he presented at the United Nations Water Conference in New York last month. This strategy is designed to make water an integral part of the company’s business and investment decisions. “We are also looking to influence our suppliers and, in this way, bring about industry-wide changes to address the global water crisis,” said Baumann. He then gave the specific example of Bayer’s commitment to improving water use per kilogram of rice by 25 percent by 2030, by transforming rice-cropping systems for smallholder customers. This would have a major impact since rice is a staple food for nearly half of the global population and rice fields are responsible for up to 43 percent of the world’s irrigation water withdrawals.

Bill Anderson "is the perfect choice for this role"

Winkeljohann welcomed Bill Anderson, Bayer's CEO-elect who joined the Board of Management at the beginning of April, to the Annual Stockholders' Meeting. The Supervisory Board would support Anderson in "realizing Bayer's full potential and creating sustainable value for our stockholders, farmers, patients, consumers, employees and all of the company's stakeholders," said Winkeljohann. Anderson spoke of immense opportunities to "turn potential into products, investments into impact, and visions into value." Baumann added that he is convinced that Bill Anderson, together with the management team, will identify the right steps to guide Bayer on its way to a new, successful chapter. "In my opinion, Bill is the perfect choice for this role. He has an impressive track record as a top innovation-oriented manager and a business developer, and is also a strong leader."

Werner Baumann will retire at the end of May 2023 after 35 years of service. Winkeljohann thanked him on behalf of the Supervisory Board, noting how, in his seven years as CEO, Baumann has transformed the company and steered it toward highly attractive growth markets. "By focusing on health and nutrition, Bayer is exceptionally well positioned, especially in volatile times like these." Given the capabilities of the company and its employees, Winkeljohann added that "we can all be very confident about the future." Werner Baumann also addressed his forthcoming departure. "Bayer has always been more than just an employer to me. Bayer is very close to my heart," he said, adding that, "for me, it has always been a pleasure and also an honor to be part of the Bayer team and to work together on a vision that could hardly be greater or more inspiring: *Health for all, hunger for none.*"

Bayer is now a leading company in the growing agricultural sector, said Baumann. Since 2016, it has invested a total of over 35 billion euros in research and development. On top of that, the Leaps by Bayer impact investment arm has invested more than 1.7 billion U.S. dollars in over 55 companies since 2015, he explained. Bayer has particularly strengthened its Pharmaceuticals business with acquisitions totaling several billion euros, Baumann said, including the creation of a cell and gene therapy platform. "We have also taken our commitment to sustainability to a whole new level by making it a key pillar of our strategy," said Baumann.

Virtual Annual Stockholders' Meeting has proven successful

One of the items on the agenda of the Annual Stockholders' Meeting is the election of two Supervisory Board members: the reelection of the current Chairman Prof. Dr. Norbert Winkeljohann, and the election of Kimberly Mathisen, who was appointed to the Supervisory Board effective September 2022. The agenda also includes an amendment to the Articles of Incorporation that, for a period of two years, would authorize the Board of Management to hold virtual Annual Stockholders' Meetings. The Board of Management and the Supervisory Board of Bayer are of the view that holding the Annual Stockholders' Meeting as a virtual event has proven successful. The rights of stockholders have been significantly extended and are now largely in line with those at Annual Stockholders' Meetings attended in person. In certain cases, however, there could be reasons to hold Annual Stockholders' Meetings in person.

Notes:

Further information is available online at ***www.bayer.com/stockholders-meeting****:*
- Livestream of the entire Annual Stockholders' Meeting (from approx. 10 a.m. CEST)
- Recording of the speeches by Prof. Dr. Norbert Winkeljohann and Werner Baumann (as soon as possible after the event)
- Voting results (as soon as possible after the event)
- Agenda and further information on the event

Further information is available at ***www.bayer.com/news****:*
- Addresses by Prof. Dr. Norbert Winkeljohann and Werner Baumann
- Recent Bayer photo material and images from the Annual Stockholders' Meeting (as soon as they are available)

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