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News Release

Annual Stockholders' Meeting
April 25, 2025

Explanations relating to the Supervisory Board Report

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Chairman of the Supervisory Board of Bayer AG

(Please check against delivery)

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Dear stockholders, ladies and gentlemen,

I would now like to deliver the Report of the Supervisory Board, which forms part of Agenda Item 1 of today’s Annual Stockholders’ Meeting. You can also find the Report of the Supervisory Board on pages 13 to 22 of the Annual Report.

Over the course of fiscal 2024, the Supervisory Board focused extensively on Bayer's strategic alignment and the challenges our company faces. The specific topics addressed included the ongoing US litigations, the high leverage ratio and the further development of the pharmaceutical pipeline, as well as delayering and the elimination of bureaucracy within the company through Dynamic Shared Ownership, our new operating model. We also focused extensively on the profitability of the Crop Science business. I will address each of these points in more detail.

Last year, the Supervisory Board also took an important decision with regard to the composition of the Board of Management, with Julio Triana appointed as a member of the Board of Management effective April 1, 2024. He then became head of the Consumer Health Division on May 1, 2024.

There were also changes on the Supervisory Board. Three longstanding stockholder representatives were due to step down from the Supervisory Board at the end of the 2024 Annual Stockholders' Meeting, meaning that successors needed to be elected at that Meeting. The three new Supervisory Board members – Lori Schechter, Dr. Nancy Simonian and Jeffrey Ubben – introduced themselves to you at last year’s Annual Stockholders’ Meeting. In addition, there were two changes among the employee representatives on the Supervisory Board, with Marianne Maehl succeeding the departing member Heinz-Georg Webers and Nadine Dietz replacing Barbara Gansewendt. I introduced these two new Supervisory Board members to you at the beginning of today's Annual Stockholders’ Meeting.

Ladies and gentlemen,

The Supervisory Board convened for seven meetings last year. Our key annual meetings were held in person, including the February meeting on the financial statements, the September strategy meeting spanning several days, and the annual planning meeting in December. However, since a substantial number of members live outside Germany, some meetings of the full Supervisory Board and its committees were held in hybrid or virtual form, in the interest of sustainability and cost-effectiveness.

In between the meetings of the Supervisory Board, I was in regular and close contact with our CEO, Bill Anderson, as well as with the other members of the Board of Management and other senior leaders.

I'd now like to highlight some of the key topics the Supervisory Board focused on this past year.

Engaging with stockholders and other stakeholders is a top priority for Bayer and the Supervisory Board. Following the 2024 Annual Stockholders' Meeting, we focused on a range of topics during engagement with stockholders and other stakeholders. A focal topic that arose during all of these talks was the Supervisory Board's role in overseeing the Board of Management and the development of our strategy.

That aspect mainly related to the challenges in our core businesses, which I mentioned at the outset of my remarks. During these conversations, we outlined our objectives, set out our approach to tackling these challenges, and demonstrated the progress we have already made. These discussions centered around our operational progress and financial target attainment, particularly at Pharmaceuticals and Crop Science, as well as on Bayer's efforts to resolve or contain the litigations in the United States.

During our most recent Corporate Governance Roadshow, we engaged with stockholders representing 33 percent of Bayer shares – which is approximately 55 percent of shares held by institutional investors. As Supervisory Board Chairman, I participated in many of these engagements and am very grateful for the constructive dialogue and comprehensive feedback shared by our stockholders. These conversations give the Supervisory Board a wider and deeper perspective on the issues discussed.

In addition, two of the topics on the agenda for today's Annual Stockholders' Meeting also played an important role in our dialogue with stockholders. While most expressed support for these two agenda items, we also heard from stockholders with divergent opinions.

The first of these topics is the proposal to create authorized capital. This authorized capital would, however, only be used in very specific cases: either in connection with potential future settlements with plaintiffs in the United States or with other measures to substantially contain the litigations in that country. It would not be used to finance external growth, such as M&A transactions. Bill Anderson talked about that in his speech.

The second of these topics is the authorization to hold virtual Annual Stockholders' Meetings in 2026 and 2027. Since the current authorization is set to expire, a new resolution is required. During our talks with investors, we heard a diverse range of perspectives on how the Annual Stockholders' Meeting should be held, with some feeling very strongly about the matter. We can very much understand why some stockholders would prefer stockholders' meetings to be held as in-person events. Each year, we examine which format would be more suitable for the upcoming Annual Stockholders' Meeting. Bayer may in future return to holding in-person stockholders' meetings. However, like many other DAX-listed companies, we felt that the arguments in favor of holding a virtual Annual Stockholders' Meeting outweighed those for the in-person option.

About 75 percent of Bayer shares are held by stockholders who are based or live outside Germany. As stockholders are afforded the same rights in both formats, we partly base our decision on how we can best facilitate shareholder participation in the Annual Stockholders' Meeting. The decision on the format of each year's Annual Stockholders' Meeting is taken by the Board of Management and is subject to Supervisory Board approval. That approach was applied in recent years. Our proposal on the authorization to hold virtual Annual Stockholders' Meetings entails explicitly enshrining this requirement to obtain Supervisory Board approval into the company's Articles of Incorporation.

Advocates of in-person Annual Stockholders' Meetings have often pointed to a reduced level of interaction at virtual meetings. This is an argument that we take seriously. In a bid to address these concerns, we have introduced a number of new elements for interaction at this year's Annual Stockholders' Meeting. If these interaction options prove effective, we will examine further possibilities for interaction at future virtual Annual Stockholders' Meetings.

Ladies and gentlemen,

The Supervisory Board very intensively scrutinized the Board of Management’s business strategy and the company’s performance.
In my report to the Annual Stockholders’ Meeting last year, I listed five priorities for the Supervisory Board’s work in 2024:

1. Improving performance in all areas
2. Further evolving the pipelines at Pharmaceuticals, Crop Science and Consumer Health
3. Improving the cash flow and reducing net financial debt over the long term
4. Implementing Dynamic Shared Ownership to demonstrably enhance performance
5. Proactively finding solutions to Bayer’s litigation issues

Allow me to now briefly describe how Bayer fared in each of these areas. Bill Anderson already addressed some of these points in his speech, so I will intentionally keep my remarks here brief.

2024 marked the launch of a comprehensive, multi-year transformation plan that is currently ongoing. We had to adjust our targets for 2024 over the course of the year, but we ultimately attained them. While 2025 is shaping up to be another challenging year, we are already seeing a number of very positive developments in various areas. That also applies to the areas I had listed as priorities for the Supervisory Board's work in 2024.

At Pharmaceuticals, we had some highly important and successful product launches with Nubeqa™ and Kerendia™. The pipeline for future products is also developing in the right direction. We successfully concluded nine Phase III trials in 2024 and have advanced or completed more than 25 clinical trials in less than two years. The Crop Science innovation pipeline has also shown encouraging progress, and we are confident that it will deliver 3.5 billion euros in incremental sales by 2029 alone. And the Crop Science pipeline is well-stocked beyond 2029, too. We also see further value creation potential in our third division, Consumer Health.

In 2024, our Group free cash flow came in at 3.1 billion euros, marking a significant increase against the prior year and also surpassing our own projections. We were therefore able to reduce net financial debt by 1.9 billion euros, to 32.6 billion euros.

Moving on to Dynamic Shared Ownership, I can report that we have made substantial progress in implementing the new operating model. As part of these efforts, we have so far reduced some 10,000 positions worldwide and roughly halved the number of management levels in the Group. This extensive realignment will enable us to work more innovatively, rapidly and effectively. At the same time, we were already able to deliver savings of some 500 million euros last year. By the end of next year, we plan to have hit the annual savings target of 2 billion euros that we announced at Capital Markets Day.

Last year, we also worked diligently on tackling the major litigations in the United States – not only in the courtroom, but also in discussions with legislators and in our public communications. We are continuing to pursue this strategy in 2025. The Board of Management just recently confirmed its goal of significantly containing the litigations by the end of 2026.

The Supervisory Board closely supported the Board of Management in its efforts to address the litigations. At several of its meetings, the Supervisory Board received detailed reports on the Board of Management's strategy for tackling the litigations and on the specific progress being made in implementing this strategy, and also engaged in in-depth discussions with the Board of Management. In addition, the Supervisory Board last year established a Legal Risk Committee that is chaired by Lori Schechter, a US legal expert who has extensive experience with complex litigations in the United States. This committee examined these issues very closely at a number of meetings and also consulted with external experts.

Ladies and gentlemen,

I'd now like to say a few words about the agenda for today’s Annual Stockholders’ Meeting from the viewpoint of the Supervisory Board:

The new compensation system for the Board of Management was applied for the first time last year. Developed by the Supervisory Board and the Human Resources and Compensation Committee, it was approved with a large majority of 93 percent at last year’s Annual Stockholder’s Meeting. This new compensation system is also detailed in the 2024 Compensation Report presented to this year’s Annual Stockholders’ Meeting, in which we explain how we have responded to critical feedback on the 2023 Compensation

Report and the previous compensation system. We are confident that the new compensation system addresses the major points of criticism raised.

The updated compensation system was designed to ensure that variable compensation remains aligned with the general performance of the company and its businesses, while also reflecting the investor experience. Since some of the targets set for short-term variable compensation at the beginning of the year were not met, the payouts for the Board of Management members for fiscal 2024 were below target compensation. The average direct compensation awarded to Board of Management members for 2024 was approximately 50 percent of the target, demonstrating strong alignment between performance and pay outcomes in what was a challenging environment for the company and its workforce. Let me give you a few details here:

- At the beginning of the year, the Supervisory Board defined targets for the three equally weighted components of the short-term variable compensation (STI), comprising core earnings per share, free cash flow and adjusted sales growth. Target attainment for the financial STI components amounted to 71.9 percent overall.
- For the long-term variable compensation (LTI), the payout for the tranche granted in 2021 was substantially below target, at 22.3 percent at the end of the four-year performance period. This reflects Bayer’s disappointing share price performance in the years 2021 through 2024, both in absolute terms and relative to the EURO STOXX 50 Total Return, as well as the fact that the company did not earn its cost of capital (ROCE) in 2024.

Since the updated compensation system was approved at the 2024 Annual Stockholders’ Meeting, the Supervisory Board plans to undertake its next regular review of the compensation system in 2027. The compensation system – with or without modifications – can then be presented for approval at the 2028 Annual Stockholders’ Meeting. However, the Supervisory Board will conduct a mid-cycle review this year. Should this review indicate that changes need to be made, the compensation system could be amended within a short space of time and presented for approval at the 2026 Annual Stockholders’ Meeting. If, however, the Supervisory Board’s review confirms that the compensation system is working appropriately – a conclusion that will also take into account feedback from you, our valued stockholders – then the legally stipulated four-year cycle for obtaining shareholder approval for the compensation system at the Annual Stockholders' Meeting will remain in place.

I'd now like to move on to the Supervisory Board compensation system, which we have presented for approval at this year's Annual Stockholders' Meeting. The compensation system for the Supervisory Board was most recently updated in 2021, with shareholder approval granted at that year's Annual Stockholders' Meeting. In line with the legal requirements, it is therefore an agenda item for this year's Annual Stockholders' Meeting. As you may have seen from reading the notice of this year's event, the Board of Management and the Supervisory Board are proposing to you that the existing compensation system be reapproved. The level and structure of Supervisory Board compensation will thus remain unchanged. However, this does not preclude system changes being made in the future, and perhaps even before the end of the four-year cycle, especially where the modifications in question would result in a more simplified system.

Ladies and gentlemen,

Now let's turn to the audit of the financial statements for fiscal 2024. The Audit Committee and the Supervisory Board extensively discussed and examined the Annual Financial Statements of Bayer AG, the Consolidated Financial Statements of the Bayer Group, the Combined Management Report, and the audit reports prepared by the external auditor for fiscal 2024. There were no objections, and we therefore concurred with the result of the external audit.

We agree with the Combined Management Report and, in particular, with the assessment of the future development of the enterprise.

The same applies to the proposed dividend. The Supervisory Board has assented to the proposal by the Board of Management for the use of the distributable profit, which provides for payment of a dividend of 0.11 euros per share. As announced last year, the Board of Management and the Supervisory Board agreed to adopt a dividend policy that involves paying out only the legally required minimum for a period of three fiscal years: from 2023 through 2025. This is now the second year in which we are proposing to the Annual Stockholders' Meeting that Bayer pay out only the legally required minimum dividend. The Supervisory Board is aware that the substantial reduction of the dividend represents a significant burden for our stockholders. However, given the fact that Bayer needs to reduce its debt – an area in which we made encouraging progress last year – we believe that this remains the right decision.

Dear stockholders,

2024 was a challenging year that was marked by volatile business dynamics for your company, Bayer AG. At the same time, however, it was also the first year of our comprehensive, multi-year turnaround that is built on a clear plan for the future and is already paying off in some areas. Bill Anderson talked about that in detail.

On behalf of the Supervisory Board – and I am sure on your behalf as well – I would like to thank the members of the Board of Management and the entire workforce for their hard work, particularly in view of these very challenging times for Bayer.

Ladies and gentlemen,

I'd like to conclude by sharing the following remarks:

Last year, I informed you about the priorities the Supervisory Board had set for its work in 2024 as it looks to support the company's multi-year transformation. We made encouraging progress on these priority issues. As expected, however, these challenges have not yet been overcome. Over the next 12 months, we will therefore continue to focus on the following issues and closely oversee and support the Board of Management in its related efforts:

1. Improving performance in all areas
2. Further evolving the pipelines at Pharmaceuticals, Crop Science and Consumer Health, including in the medium term
3. Improving the cash flow and reducing net financial debt over the long term
4. Implementing Dynamic Shared Ownership to demonstrably enhance performance
5. Proactively finding conclusive solutions to Bayer's litigation issues

Dear stockholders,

I firmly believe that by focusing on these five priorities, the Supervisory Board together with the Board of Management will continue to significantly advance Bayer's transformation over the next 12 months. The Supervisory Board and I personally will closely monitor and oversee developments. We look forward to our continued dialogue with you. Thank you very much.

Forward-Looking Statements
These explanations may contain forward-looking statements based on current assumptions and forecasts made by Bayer management. Various known and unknown risks, uncertainties and other factors could lead to material differences between the actual future results, financial situation, development or performance of the company and the estimates given here. These factors include those discussed in Bayer's public reports which are available on the Bayer website at www.bayer.com. The company assumes no liability whatsoever to update these forward-looking statements or to conform them to future events or developments.