



Science for a Better Life

BMO Farm to Market Conference

May 14, 2020
Liam Condon,
President of the Crop Science Division





Forward-Looking Statements

This presentation 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 <http://www.bayer.com/>.

The company assumes no liability whatsoever to update these forward-looking statements or to conform them to future events or developments.



Agenda

Bayer Group Overview



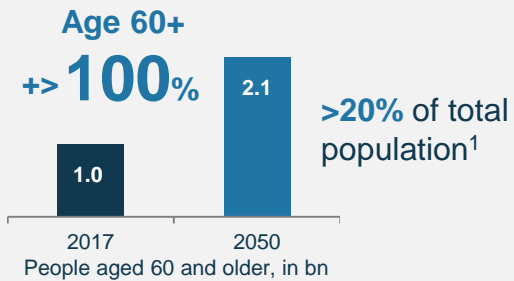
Vision and Strategic Pillars for Crop Science



We address megatrends that impact lives across the globe

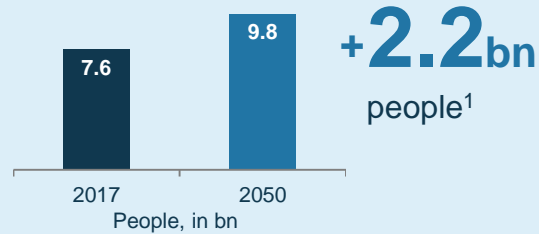
Megatrends through 2050

Aging population



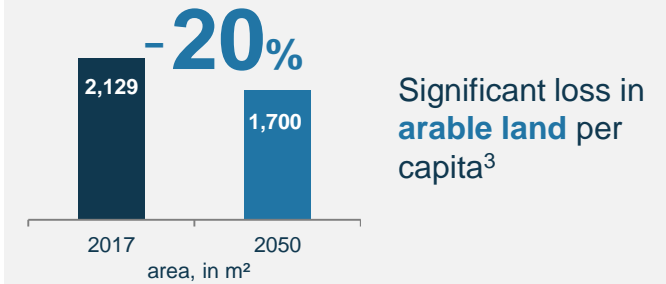
Age 80+
+> **200%**
Number of people aged 80 and older to increase from **137m to 425m**¹

Growing population



+ **50%**
More food and feed required to meet growing demand²

Pressure on ecosystems



- **17%**
Harvest losses from climate change⁴

¹ World Population Prospects: The 2017 Revision | ² FAO 2017, (FAO Global Perspective Studies) | ³ FAOSTAT (accessed Oct 30, 2018) for 1961-2016 data on land, FAO 2012 for 2030 and 2050 data on land, and UNDEDA 2017: World Population Prospects for world population data | ⁴ Nelson et. al, (2014); FAO 2016 "Climate change and food security"



This is the hour of science; health and nutrition are essential

// As the globe addresses the **COVID-19** pandemic, the **basic supply of health and nutrition** has never been more relevant and the role of **science** in **providing solutions**, never more pressing





We are a global leader in health and nutrition



Our purpose:

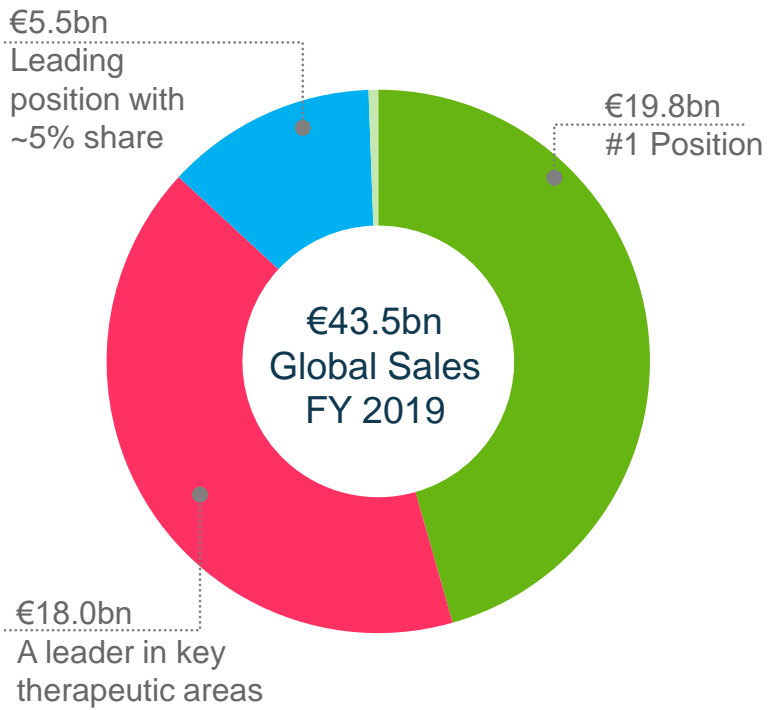
Science for a Better Life

Our vision:

**health for all.....
hunger for none**



We are well positioned in attractive markets



Market	Market Size ¹
Crop Science 	~ €100 bn ²
Pharmaceuticals 	~ €880 bn ³
Consumer Health 	~ €140 bn ⁴

1 2019 market size
 2 Source: Bayer CS market model (CP, Seed & ES) – March 2020
 3 Source: IQVIA 2019 – 955bn USD; 1.08 translation rate
 4 Source:CH Market – MAT Dec. 2019



Innovation, sustainability and operational excellence intersect to drive value creation

What We Do

*Through our leading positions in Health & Nutrition
we create value for our shareholders and society*

Our Value Levers
Are Designed to
Deliver Attractive
Returns



World-class
innovation



Operational
excellence



Disciplined
capital allocation



Highest
sustainability
standards



In 2019 we delivered on our commitments

- ✓ **Operational targets** achieved:
Sales and earnings increased
- ✓ **Strategic targets** achieved:
All the announced portfolio measures implemented or agreed upon
- ✓ **Efficiency targets** achieved:
Savings and synergies ahead of budget
- ✓ Ambitious **sustainability targets** set and anchored
- ✓ **Record investment in research and development**





2020: Good start to the year; COVID-19 influences outlook and priorities for the remainder



1

Employee Health

- Securing health and safety of employees



2

Business Continuity

- Safeguarding supply, production, logistics and business operations

3

Humanitarian Efforts

- Health for all, hunger for none – using our expertise in health and nutrition in global crisis



Focus areas 2020

1 *Group*

- Maintain operational targets; adapt as necessary from COVID-19
- Continued focus on cash flow

2 *Crop Science*

- Continue with integration
- Focus on pipeline execution

3 *Pharmaceuticals*

- Progress with pipeline developments, launch new indications / products

4 *Consumer Health*

- Continue to drive growth acceleration program

5 *Efficiency / Bayer 2022*

- Follow through with efficiency improvement program and realize synergies

6 *Portfolio Measures*

- Closing of Animal Health sale, expected by mid 2020



Agenda

Bayer Group Overview



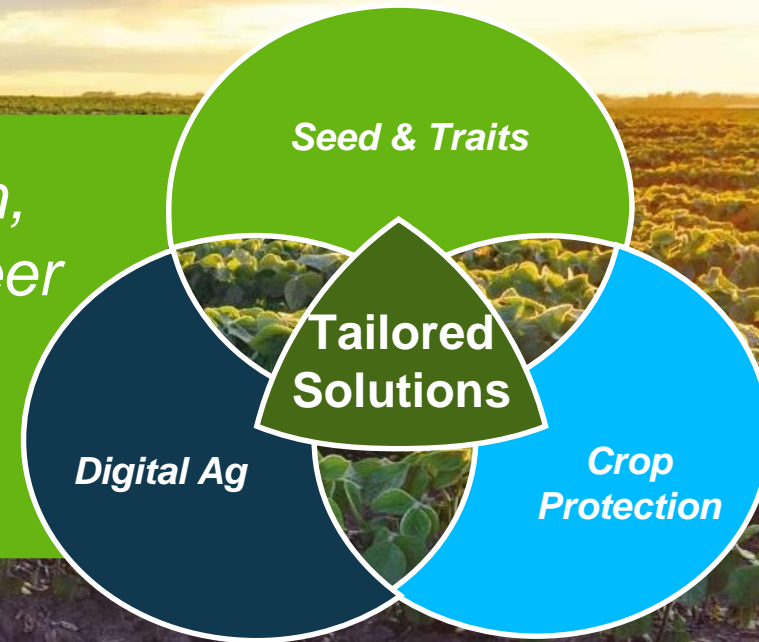
Vision and Strategic Pillars for Crop Science



Shaping agriculture to benefit farmers, consumers and our planet

As the industry leader uniquely positioned to create value through innovative tailored solutions

*We seek to deliver world-class innovation,
new standards in sustainability and pioneer
a digital transformation in agriculture
to feed a growing global population*





Four core pillars underpin our vision for Crop Science

4

Core Crop Science Pillars



Drive operational excellence



Deliver world-class innovation



Pioneer the Digital Transformation



Set New Standards in Sustainability





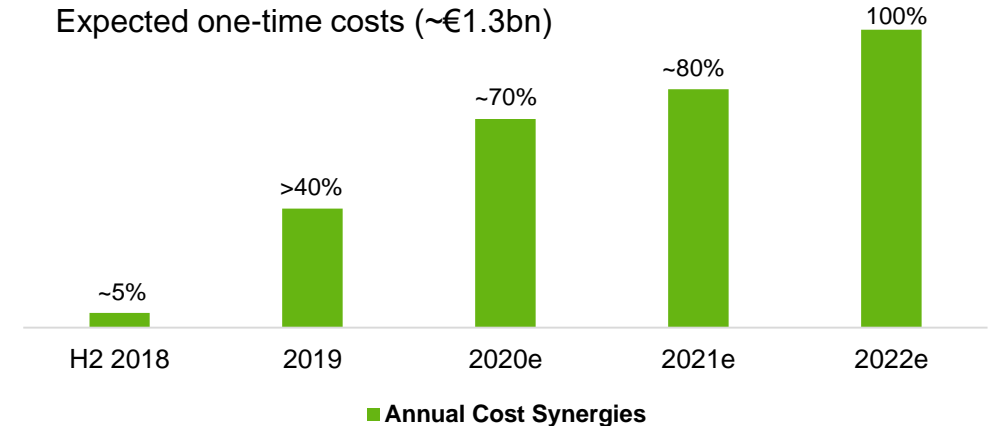
Integration and synergies ahead of plan in Crop Science

Integration Achievements

- // Crop Science functions advancing rapidly with **organizational integration**; selections essentially complete
 - // Support functions to be completed in alignment with Bayer 2022 project
- // **Cultural Integration:** Continued high levels of employee engagement; ~75%
- // **Cost Synergies:**
 - // Now expect ~70% of the synergy target complete by end of 2020 vs. original target of 55%
 - // Focused on headcount, IT and infrastructure savings



Cost Synergies ^{1,2}: ~€870m (~\$1bn) as of 2022



Sales Synergies¹: ~€170m (~\$200m) as of 2022

- // **Four countries** to generate **>60%** of the sales synergies
 - // U.S.A., Brazil, Argentina and Mexico
- // Bayer Plus program generating incremental sales in the U.S. in first season

¹ Net EBITDA impact before special items, net of estimated dissynergies such as termination of selected distribution agreements as well as sales disruptions

² Majority of one time costs to achieve synergies expected to be recorded as special items
Applied FX rate of USD/EUR of 1.15



Unmatched R&D investment powers industry-leading profitability

#1 R&D Platform in Crop Science

// **>7,800** R&D employees² in **>50** countries

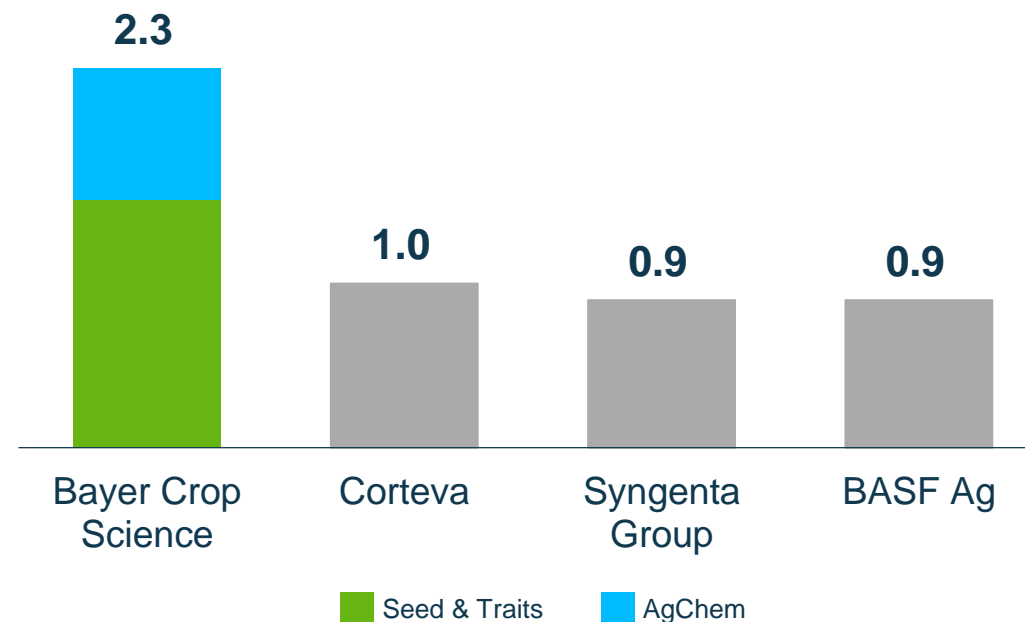
// **>20** large-scale R&D centers

// **Partner of choice**

// **Technology provider to the industry**



Ag R&D Expense (€bn)¹



¹ Bayer and Corteva based on 2019 reported R&D and there is an internal proforma estimate derived from company reports for the newly formed Syngenta Group. Proforma estimate for the SYT group includes the 2019 reported R&D expense for Syngenta – not including capitalized R&D of \$344M– to be comparable to peers in the chart. The Syngenta Group estimate does not consider Sinochem R&D. BASF is based on 2018 reported R&D expense.

² Includes permanent and temporary employees



Advancing agriculture with a decade of transformative products

Key product highlights featured represent >€22bn³ of peak sales potential

Select Planned Product Launches¹

Expected Ongoing Refreshment		2020	2021	2022	2023	2027	2028	2029	2030
Herbicides	35+ New Formulation Launches in the next Decade						New Soybean Selective Herbicide Mixtures New Autumn Herbicides for Cereals	New Non-Selective PPO Herbicide ²	New Mode of Action Herbicide
Corn	150+ New Hybrids Commercialized Annually						FieldView Advanced Seed Scripting FieldView Seed Advisor	SmartStax ^{PRO} trait	3 rd , 4 th and 5 th Generation Herbicide Tolerance Traits Short Stature Corn Hybrids/Short Stature Corn Trait
Soybeans	150+ New Varieties Commercialized Annually						TENDFLEX ^{SOYBEANS} PLATAFORMA INTACTA ² XTEND	FieldView Seed Placement	4 th and 5 th Generation Herbicide Tolerance Traits
Fungicides	20+ New Formulation Launches in the next Decade						DELARO Complete iblon ^{TECHNOLOGY} (isoflucypram) for Cereals	Fox Supra (Indiflin®) for Soybeans ²	New Fungicide for Asian Soybean Rust
Insecticides	20+ New Formulation Launches in the next Decade						vayego [®] (tetraniliprole) for Corn, Rice, Horticulture and Other Crops	Novel Mite Solution	
Other, Vegetables, Environmental Science, Seed Growth	~150 Vegetable Hybrids/Varieties Commercialized Annually 20+ New Formulation Launches in the next Decade						ThryvON ^{TECHNOLOGY} Lygus & Thrips Control Cotton Trait	3 rd Gen BioRise Microbial Seed Treatment	

¹ Subject to regulatory approvals and pending registrations. Represents a subset of the pipeline. Launches are all approximates.

² In collaboration with Sumitomo. ³ Internal estimate; ~45% of the peak sales potential is incremental



FieldView: the leading brand and digital platform for growers

Growth Fueled by Platform Advantages

110m Acres

Subscribed acre target for 2020

>70 Partners

on the FieldView Platform

#1 Brand

in digital Ag space²

New Business Models

enabling sharing of value and risk

Largest Database

of grower and field trial seed performance data in the industry

>35 Next-Gen Projects

in the pipeline

Global

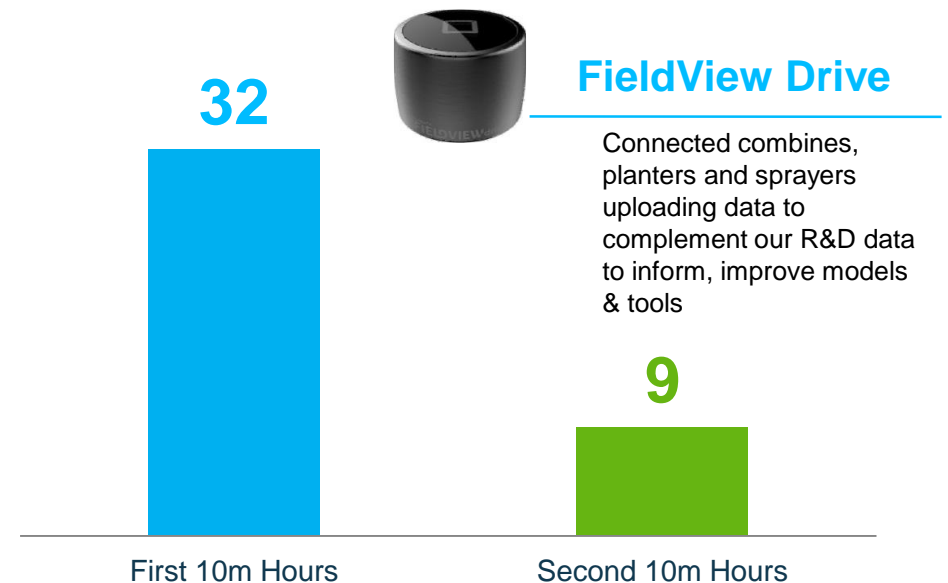
distribution footprint established

~1bn Global Acre

Opportunity for Corn, Soybean, Wheat³

Data Collection Accelerating

Months to Collect 10m Connected Hours



¹ Internal estimates

² 2018 Brand Health Monitor

³ Harvested acres – USDA FAS 2018-10-11, ex China



Enhancing sustainability and biodiversity in agriculture

Bayer's Sustainability Commitments by 2030

Advancing a carbon-zero future for agriculture

through helping our customers reduce field greenhouse gases by crop production.

30%

Reduction in field greenhouse gases emitted per kg of crops produced

- // Climate-smart practices:
 - // No-tillage Highly Productive Crops
 - // Cover Crops Precision Agriculture
- // Optimize use of synthetic fertilizers through the use of microbes



Produce higher-yielding crops with fewer natural resources and inputs

30%

Reduction in impact on the environment

- // Climate FieldView for precision application of pesticides /fertilizers
- // Resistant traits help to reduce pesticide use
- // Develop crop protection products with lower environmental impact



Empower 100 million smallholder farmers

100m

Smallholders benefit e.g. from access to education, tailored solutions & partners

- // Enhancing social innovation (e.g. with Better Life Farming)
- // Digital transformation with FarmRise
- // Introduce new, higher-yielding, resource efficient rice hybrids





Q&A Session



/////////
Liam Condon
President,
Crop Science Division



/////////
Robert Reiter, Ph. D.
Head of R&D,
Crop Science Division



/////////
Laura Meyer
Senior Manager,
Investor Relations



Appendix

Q1 2020 financial results

Divisional summaries

Crop science pipeline highlights

Pharma pipeline highlights



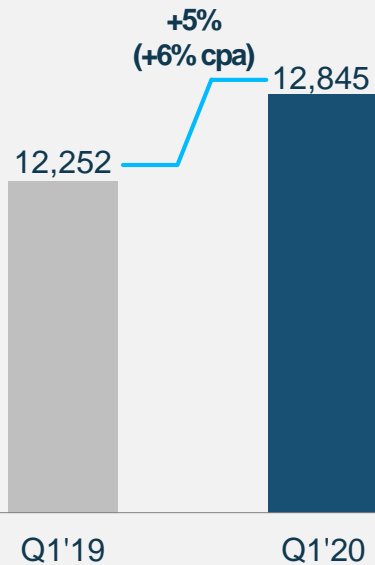


2020: Good start to the year

Sales

In million €, Δ% yoy, Fx & portfolio adj.

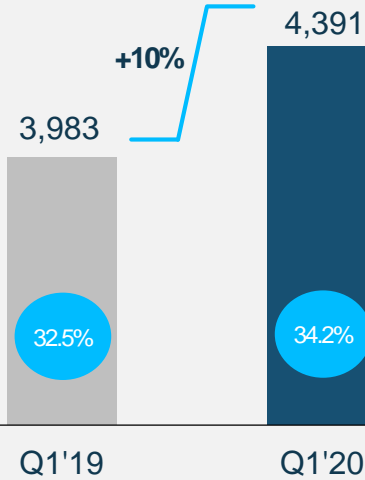
Positive FX effect of €44 million



EBITDA*

In million €, before special items

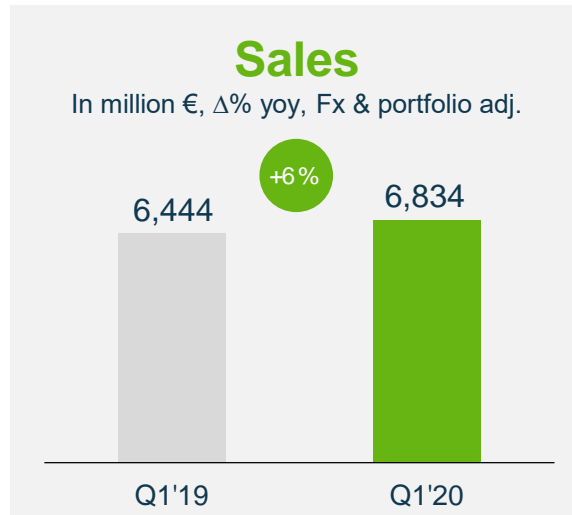
Positive FX effect of €41 million



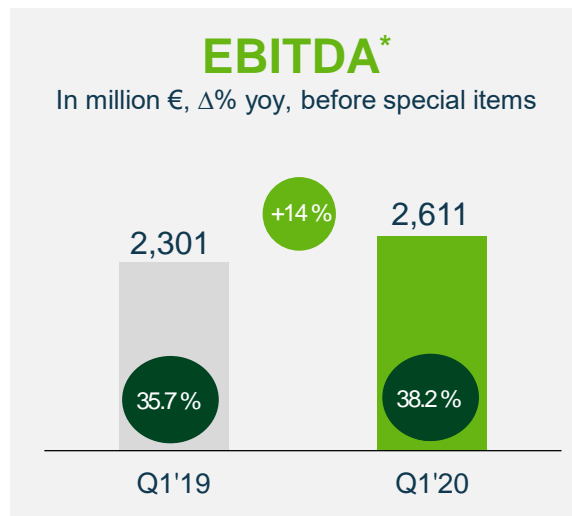
- Sales and earnings growth in all three divisions
- Sharp rise in demand for some consumer health products, e.g. nutritional supplements, and some increased stocking of crop protection due to COVID-19
- Limited negative impact from pandemic restrictions in certain parts of the business
- Strong increase of EBITDA before special items due to volume increases and cost synergies



Crop Science off to a good start



Volume	+6%	Currency	+0%
Price	+0%	Portfolio	0%

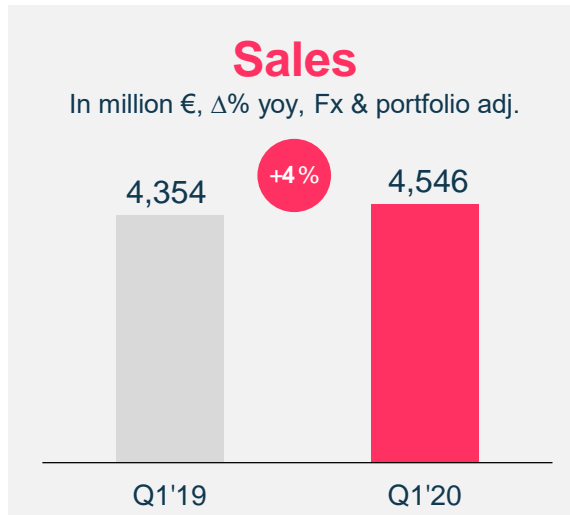


- 6% cpa sales growth, with contributions from all regions
- Good growth across insecticides, fungicides, corn seed & traits and herbicides
- Soybean seed & traits continue to decline due to competition
- Strong increase of EBITDA before special items due to volume increases and cost synergies

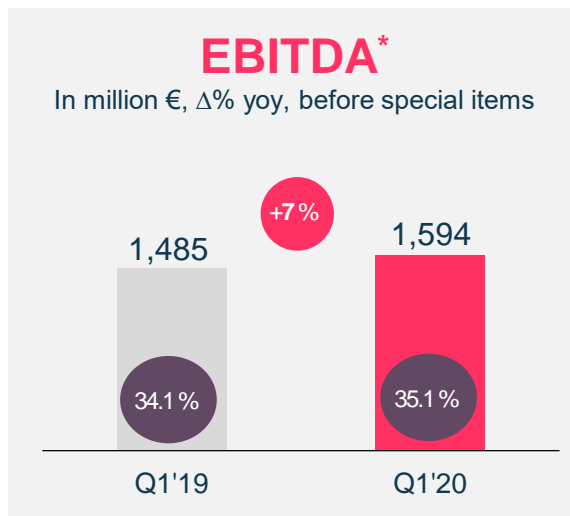
● EBITDA Margin before special items *2019 figures are restated



Pharmaceuticals performance driven by Xarelto



Volume	+7%	Currency	+1%
Price	-3%	Portfolio	0%

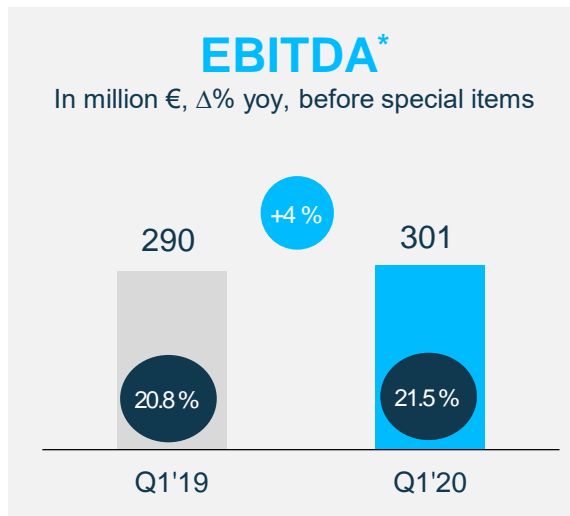
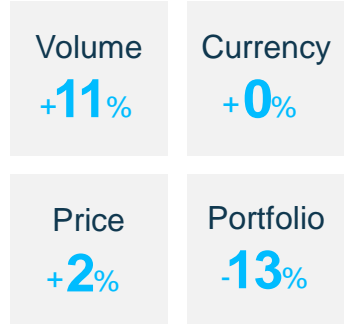
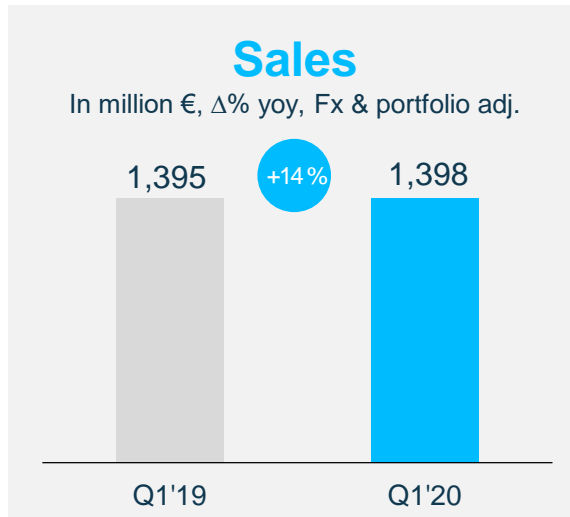


- Xarelto (+19%) as main growth contributor
- Eylea (+1%) impacted by phasing
- China with softer growth partly due to phasing in anticipation of volume-based procurement introduction
- Solid increase in EBITDA before special items
- EU approval for darolutamide and pre-filled syringe for Eylea
- Positive phase III data for Vericiguat (VICTORIA) and Xarelto (VOYAGER PAD)

● EBITDA Margin before special items *2019 figures are restated



Strong demand for Consumer Health products in all regions



- All regions with elevated demand primarily related to the COVID-19 epidemic
- Strong growth across categories, especially in Nutritionals (+34%), Pain and Cardio (+20%) and Allergy & Cold (+15%)
- Margin expansion driven by sales growth offsetting negative portfolio effect and higher marketing expenses
- Positive effect on earnings by growth acceleration program (“Fit to Win”)

● EBITDA Margin before special items *2019 figures are restated

Outlook: Impact variables of COVID-19 situation



Production and Supply

Stability of entire supply chain

Inventory / Safety stock

Logistics, also impact on costs

Demand Dynamics

Demand patterns, e.g. stockpiling

Impact on elective treatments

Bio-fuel demand & seasonal labor

Clinical trials and regulatory processes

Financial Markets

Debt market access / interest rates

Payment behavior of customers and solvency of suppliers

FX volatility

Trends / Opportunities

Cost management

Acceleration of digitalization

Role of science in society



Appendix

◆ Q1 2020 financial results

◆ **Divisional summaries**

◆ Crop science pipeline highlights

◆ Pharma pipeline highlights



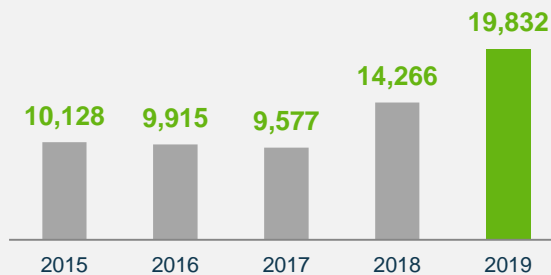


Crop Science: number one global platform

FINANCIALS

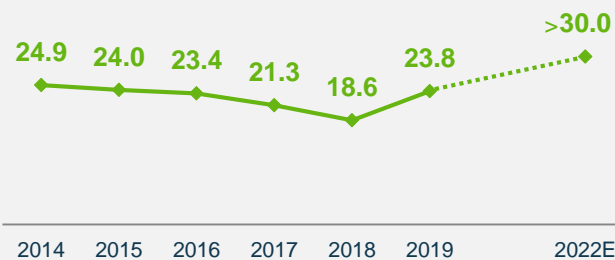
Sales development

In €m



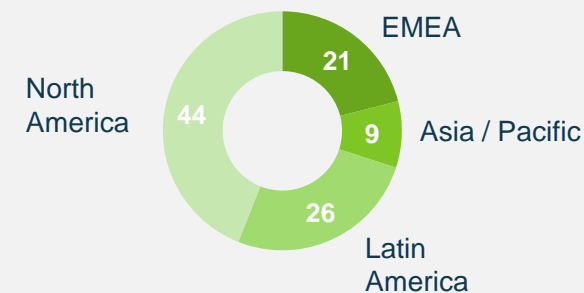
EBITDA margin development

In %, before special items²



Sales by region

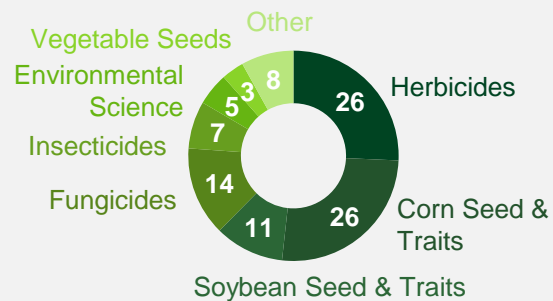
In %, in 2019



PRODUCTS

Leading product areas

In %, based on sales 2019



Market positions¹



- Corn
- Soybean
- Horticulture
- Cereals
- Digital Farming

Key products



¹ Source: Bayer CS market model ² 2019 cEBITDA restated for change in value flow concept

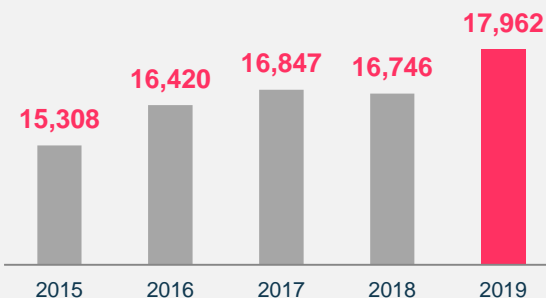


Pharma: focused on therapeutic areas with high unmet needs

FINANCIALS

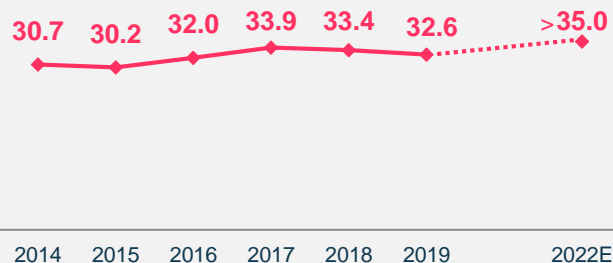
Sales development

In €m



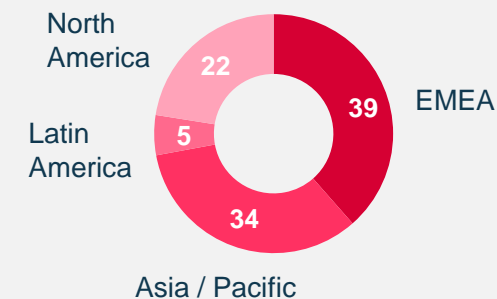
EBITDA margin development

In %, before special items ²



Sales by region

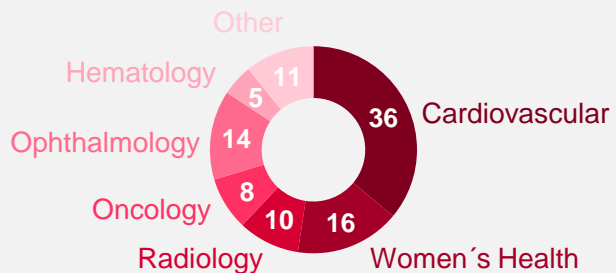
In %, in 2019



PRODUCTS

Therapeutic areas

In %, based on sales 2019



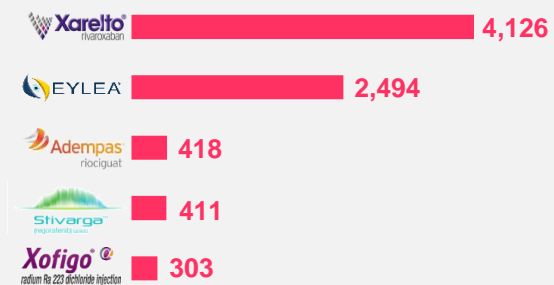
Leading positions in key therapeutic areas¹



- Cardiovascular
- Hematology
- Retinal Diseases
- Women's Health
- Radiology

Key products

In €m



¹ Source: IQVIA 2017 ² 2019 cEBITDA restated for change in value flow concept

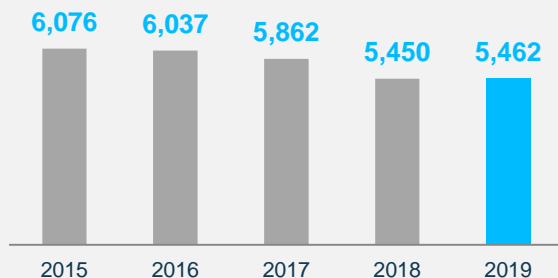


Consumer Health: focus on five core OTC categories

FINANCIALS

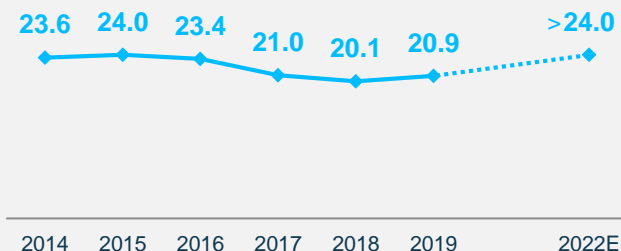
Sales development

In €m



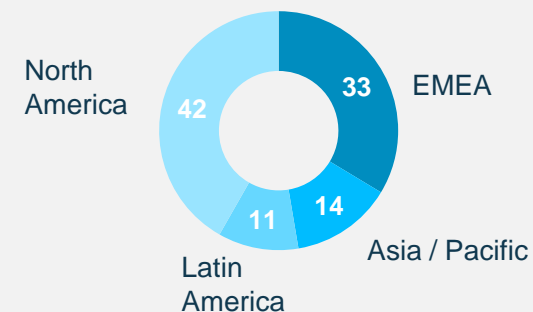
EBITDA margin development

In %, before special items²



Sales by region

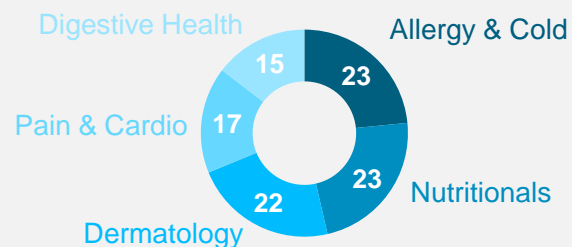
In %, in 2019



PRODUCTS

Categories

In %, based on sales 2019



Market positions¹



Key products



¹ PARS database January 2019 ² 2019 cEBITDA restated for change in value flow concept



Appendix

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◆ Divisional summaries



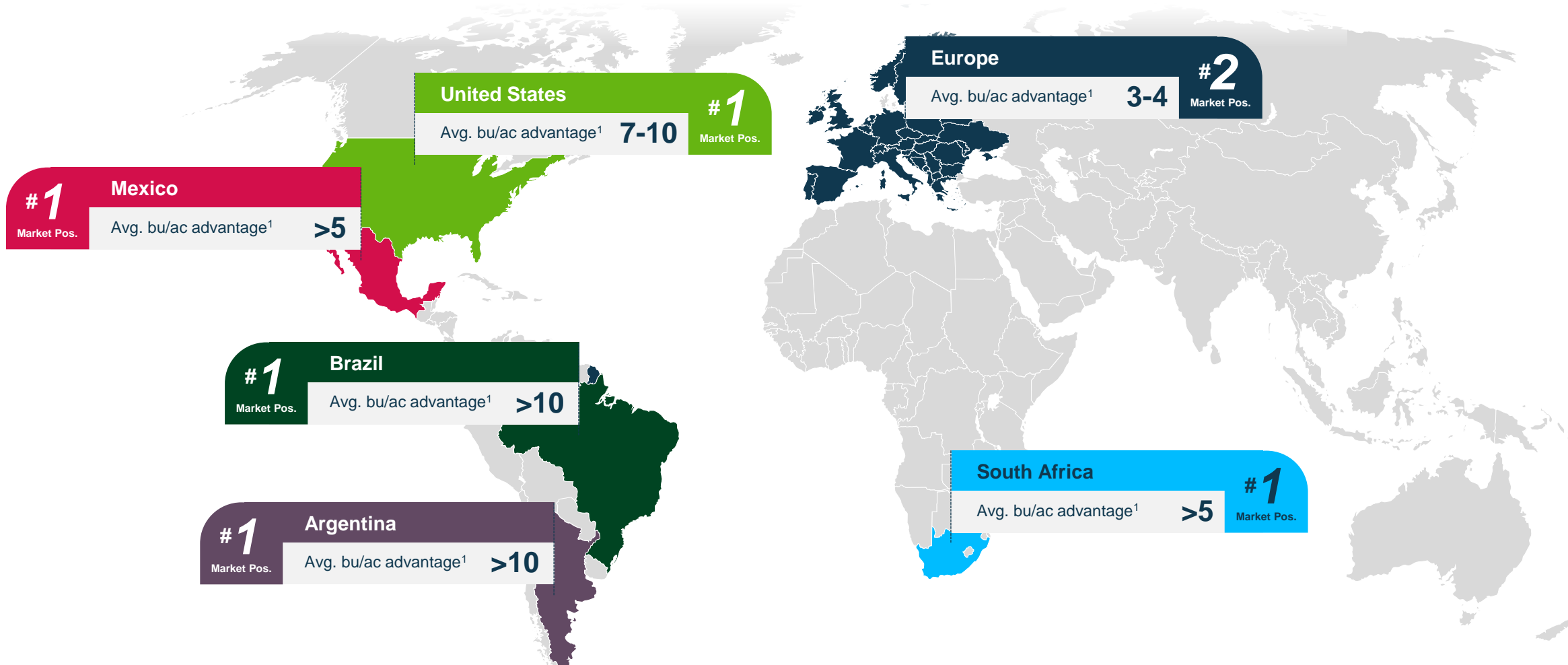
◆ **Crop science pipeline highlights**

◆ Pharma pipeline highlights



Advanced Breeding Underpins Leadership in Corn Seed & Traits

Expect to Commercialize >150 Corn Hybrids a Year to Drive Growth in €5.2bn² Corn Seed & Traits Sales



¹ Range is either less than or inclusive of the current 3-year average yield advantage based on a comparison of yield data from new Bayer Crop Science products in their year of deployment against competitive market leaders for said region or country.

Averages weighted in countries/regions by hybrid market size and exclude non-grain market.

² 2019 proforma sales



XtendFlex Soybeans; Planting Production for 20M Acres in 2021¹

Built on the Proven Performance Roundup Ready 2 Xtend Soybeans

ROUNDUP READY[®]
X TEND
CROP SYSTEM

#1 Soybean system
planted by farmers

ROUNDUP READY 2
X TEND
SOYBEANS

Roundup
PowerMAX[®]
HERBICIDE

Glyphosate

X TENDIMAX[®]
with VaporGrip[®]
Technology

Low-Volatility Dicamba

X TENDFLEX[®]
SOYBEANS

- // Provides exceptional weed control and yield with a triple-stack herbicide-tolerance trait providing growers with the flexibility of three over-the-top herbicide options:

Glyphosate	Low-Volatility Dicamba	Glufosinate
-------------------	-----------------------------------	--------------------

- // Increases spectrum of control from 350 to 375 weed species; Enlist E3™ system only controls 260²
- // Average 2019 yield and agronomic performance consistent with Roundup Ready 2 Xtend soybeans³
- // Planting stewarded production plan to enable 20M acres in the U.S. in 2021



Enables continued use of conservation tillage and no-till systems which improve carbon sequestration and soil health

¹ Commercial availability pending regulatory approval

² Based on EPA labels for the chemistries.

³ Derived from 26 site locations in SC, NE, IN, IL, WI, MO, IN, AR, IA, NC, KS, SD, OH & GA

Xtendimax with VaporGrip Technology is a Restricted Use Pesticide. Always read and follow label instructions. Products not registered in all jurisdictions. Enlist E3™ is trademark of Corteva



Fox Xpro Fungicide Upgrades Fox Franchise in Brazil

Full Control of All Relevant Diseases in Soybeans; €600m Peak Sales Potential Opportunity



Builds on #1 position in soybean fungicides¹; >400% sales growth in 2019/20 season

- // Long-lasting solution to offer **full control of all relevant soybean diseases** including Asian Soybean Rust
- // Combines **three different actives** from different classes to provide excellent disease control and unmatched resistance management properties
- // AGROW Award 2019 “**Best Formulation Innovation**”:
Optimized formulation to boost performance and minimize environmental impact by reducing off-target losses
- // **Enables use in major crop rotation systems** with cotton, corn, cereals and sunflower
- // **Next-generation** technology, Fox Supra (Indiflin®²), in Phase 4



Reduces environmental impact through innovative formulation

¹ Internal estimates

² In collaboration with Sumitomo.

Always read and follow label instructions. Products not registered in all jurisdictions.



Two Approaches to Short Stature Corn Advance

Genome Editing Reveals Promising Third Option

Three Development Approaches to Short Stature Corn Provide Options to Access Multiple Markets

// **Breeding: *ADVANCED TO PHASE 3***

Advanced breeding used to introgress naturally occurring short stature characteristic into elite germplasm.

 **VITALA** commercial beta in Mexico in 2020

// **Biotech: *ADVANCED TO PHASE 3***

In collaboration with BASF, uses transgene to shorten internodes; enables applicability across wide-array of germplasm.

NEW! // **Genome Editing: *DISCOVERY***

Multiple, elegant approaches to generate short-stature corn, creating potential for opportunities in multiple markets.





New Herbicide Molecule Unlocks Greater Flexibility

First New Post-Emergence Mode of Action for Broad Acre Weed Control in 30 Years

Potential to build on #1 position in global herbicides¹

- // Entirely new mode of action advanced to **Phase 2 early development**
- // Demonstrates effective control of key resistant grasses, including **Goosegrass and Sourgrass**
- // **Discovery** program launched in biotechnology to discover a matching **herbicide tolerant trait**; initial approaches under evaluation



Enables continued use of conservation tillage and no-till systems which improve carbon sequestration and soil health

¹ Internal estimates



Appendix

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◆ Crop science pipeline highlights

◆ **Pharma pipeline highlights**





Late-stage pipeline with progress in oncology

	Larotrectinib (Vitrakvi)	Darolutamide (Nubeqa)	Copanlisib (Aliqopa)	Finerenone	Vericiguat
Indication	// TRK-fusion Cancer	// Prostate Cancer	// Lymphoma	// Diabetic Kidney Disease	// Chronic Heart Failure
Status	// Launched	// Launched (nmCRPC) // Phase III (mHSPC)	// Launched in the US // Phase III	// Phase III	// Phase III (HFrEF) // Phase II (HFpEF)
Commercial Potential	// PSP >€750m	// PSP ≥€1bn	// PSP ≥€0.5bn	// PSP ≥€1bn	// PSP ~€0.5bn
Clinical Completion	// Clinical program ongoing	// Completed (ARAMIS, nmCRPC) // Aug 2022e (ARASENS, mHSPC)	// Sep 2020e (CHRONOS-3) // Sep 2021e (CHRONOS-4)	// Completed (FIDELIO-DKD) // June 2021e (FIGARO-DKD)	// Completed (VICTORIA, HFrEF) // Completed (VITALITY, HFpEF)

NTRK: Neurotrophic receptor tyrosine kinase; nmCRPC: Non-metastatic castration resistant prostate cancer; mHSPC: Metastatic hormone sensitive prostate cancer; HFrEF: Heart failure with reduced ejection fraction; HFpEF: Heart failure with preserved ejection fraction; PSP: Peak sales potential