Debt Investor Information

Status: September 30, 2020
Cautionary Statements Regarding Forward-Looking Information

Forward-Looking Statements
This release 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.
Our Business Areas

**Crop Science**
- Innovative chemical & biological crop protection, seeds & traits, digital technologies & services

**Pharmaceuticals**
- Prescription drugs

**Consumer Health**
- Over-the-counter medicines, dietary supplements and dermatology products
We address megatrends that impact lives across the globe

### Megatrends through 2050

<table>
<thead>
<tr>
<th>Aging population</th>
<th>Growing population</th>
<th>Pressure on ecosystems</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Age 60+</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>+ &gt; 100%</td>
<td>+ &gt; 20% of total population(^1)</td>
<td>+ 2.2bn people(^1)</td>
</tr>
<tr>
<td>1.0</td>
<td>2.1</td>
<td>7.6</td>
</tr>
<tr>
<td>2017</td>
<td>2050</td>
<td>People aged 60 and older, in bn</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Age 80+</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>+ &gt; 200%</td>
<td></td>
<td>+ 50%</td>
</tr>
<tr>
<td>Number of people aged 80 and older to increase from 137m to 425m(^1)</td>
<td>More food and feed required to meet growing demand(^2)</td>
<td>Harvest losses from climate change(^4)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Pressure on ecosystems</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Significant loss in arable land per capita(^3)</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>2050</td>
</tr>
<tr>
<td>2,129</td>
<td>1,700</td>
</tr>
<tr>
<td>area, in m²</td>
<td>area, in m²</td>
</tr>
</tbody>
</table>

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/// Bayer Debt Investor Relations /// Status: September 30, 2020
Sustainability is an integral part of our business strategy
Measurable Group-level targets for Sustainable Development until 2030

**Help more PEOPLE thrive**
- Support 100m smallholder farmers in LMIC\(^1\)
- Expand access to self-care for 100m people in underserved\(^2\) communities
- Provide 100m women in LMIC with access to modern contraception

**Decrease ECOLOGICAL footprint**
- Climate neutrality at own sites + reduced emissions in our supply chain
- CS: -30% greenhouse gas emissions produced by key crops in the main regions we serve
- CS: -30% environmental impact of crop protection
- CH: Sustainable production and transition to circular options that reduce, recycle, reuse, and replace\(^2\)

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1) LMIC: low- and middle-income countries - All countries included in the World Bank list as per 1 July 2019
2) underserved: Economically or medically

\/// Bayer Debt Investor Relations /// Status: September 30, 2020
Transformation into a Leader in Health & Nutrition Completed

Group Profile

Past

- HealthCare
- Crop-Science
- Polymers
- Basic and Fine Chemicals
- Specialty Products
- Wolff Walbrode
- H. C. Starck

Today

- Consumer Care, Diagnostics
- Animal Health
- Pharmaceuticals, Biological Products
- Specialty Chemicals
- Specialty Products
- Basic and Fine Chemicals
- Wolff Walbrode
- H. C. Starck

Measures

- Organic top-line growth and profitability improvement
- Transformational M&A in all of today’s businesses
- Synergies realized from strategic acquisitions
- Value crystallized through optimally-timed divestments
- Growth ahead of competition in health and nutrition
- Driving long term profitable growth
- Strong free cash flow generation
- Disciplined capital allocation

Focus

Shaping the future of health & nutrition
Our Strategic Priorities

Group Strategic Priorities

1. Positioning businesses to mega-trends
   Contribution to health and nutrition\(^1\)

2. Developing a leading portfolio
   Leadership in our relevant markets

3. Driving value
   Long-term profitable growth

4. Focusing on our key strength
   Innovation

Divisional Focus

Crop Science
- Create a leading innovation engine that transforms agriculture

Pharmaceuticals
- Deliver growth and create value from focused leadership strategy

Consumer Health
- Maintain a leading OTC position and improve profitability

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\(^1\) We also seek to make a responsible contribution to the United Nations Sustainable Development Goals "Good Health and Well-Being" and "Zero Hunger"
Our Position: Global Leadership in Health & Nutrition

Crop Science
- Growing ahead of competition over last five years on average
- Best-in-class profitability through the cycle
  - Leading portfolio of seed & traits, crop protection and digital farming
  - World-class R&D platform with best talent and technology in the industry
  - Positioned to shape the future of agriculture: development of tailored solutions to address farmers’ individual needs and challenges

Pharmaceuticals
- One of the fastest growing Pharma businesses over the past five years
  - Xarelto and Eylea among the world’s leading Pharma brands
  - Innovative medicines in areas of high unmet medical need
  - Therapeutic focus areas: Cardiology, Oncology, Gynecology, Hematology and Ophthalmology
  - Strong position in emerging markets
  - Leading in Radiology and Women’s Health

Consumer Health
- Strong positions in 7 of the top 10 OTC markets
  - Focus categories:
    - Allergy & Cold, Cough, Sinus and Flu; Nutritional; Dermatology; Pain and Cardio; Digestive Health
  - Concentrated portfolio of 16 mega-brands with annual sales of >€ 100m

€43.5bn 2019 Sales

Crop Science
€ 19.8bn 2019 Sales

Pharmaceuticals
€ 18.0bn 2019 Sales

Consumer Health
€ 5.5bn 2019 Sales

1 2019 Sales show continuing operations of the Divisions plus €0.2bn attributable to all other segments
// Bayer Debt Investor Relations // Status: September 30, 2020
Bayer Key Financials

2019 Sales in €bn

- **Pharma**: €18.0bn
- **Crop Science**: €19.8bn
- **Consumer Health**: €5.5bn
- **Other**: €0.2bn
- **Group**: €43.5bn

2019 EBITDA before Special Items

- **Pharma**: €6.0bn
- **Consumer Health**: €1.1bn
- **Crop Science**: €4.8bn

Capital Expenditures 2019

- **CAPEX**: €2.9bn

Research & Development Expenses 2019

- **R&D**: €5.3bn

Free Cash Flow in €bn

- 2015: 3.8bn
- 2016: 5.8bn
- 2017: 5.2bn
- 2018: 4.7bn
- 2019: 4.2bn

Net Financial Debt in €bn

- 2015: 17.5bn
- 2016: 11.8bn
- 2017: 3.6bn
- 2018: 35.7bn
- 2019: 34.1bn

/// Bayer Debt Investor Relations /// Status: September 30, 2020
We confirm our currency-adjusted Group guidance for 2020

<table>
<thead>
<tr>
<th></th>
<th>Outlook as of Aug 2020</th>
<th>Currency-adjusted</th>
<th>Outlook as of Nov 2020</th>
<th>Including currency impact</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td>€43-€44bn</td>
<td></td>
<td>€43-€44bn</td>
<td>€41-€42bn</td>
</tr>
<tr>
<td><strong>EBITDA margin</strong></td>
<td>~ 28%</td>
<td></td>
<td>~ 28%</td>
<td>~ 28%</td>
</tr>
<tr>
<td>(before special items)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Core EPS</strong></td>
<td>€6.70 – €6.90</td>
<td></td>
<td>€6.70 – €6.90</td>
<td>€6.30 – €6.50</td>
</tr>
<tr>
<td><strong>Free cash flow</strong></td>
<td>-€0.5-€0bn¹</td>
<td></td>
<td>€0.5-€1bn²</td>
<td>No major impact</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net financial debt</strong></td>
<td>~€33bn</td>
<td></td>
<td>~€33bn (incl. AskBio)</td>
<td>No major impact</td>
</tr>
</tbody>
</table>

Note: Outlook based on underlying assumption that there are no severe lockdown measures related to COVID-19 in Q4;¹ Assumption of settlement payouts of ~€4.5 bn;² Assumption of settlement payouts of ~€3.5 bn;³ Currency assumptions based on month-end September spot rates (1 EUR=) 1.17 USD, 6.61 BRL, 7.98 CNY, 124 JPY, 26.2 MXN, 91.8 RUB

¹ ² ³ // Bayer Debt Investor Relations // Status: September 30, 2020
Bayer Pursues Conservative Financial Policy…

Key objectives
- Ensure liquidity and creditworthiness
- Long term target of investment grade rating in single A category
- Sustained increase in enterprise value

Financing instruments
- Syndicated credit facilities
- Global Commercial Paper program
- Senior bonds in different currencies
- Hybrid bonds
- Equity-linked instruments

Prudent debt management with excellent access to diverse sources of liquidity

// Bayer Debt Investor Relations // Status: September 30, 2020
... and Remains Committed to Rating in Single A Target Category

Development of Ratings and Leverage

Schering

Merck OTC

Monsanto

(Net Financial Debt + Pensions – 50% of Hybrid Volume) / reported EBITDA before special items

<table>
<thead>
<tr>
<th>Agency</th>
<th>Long Term Rating over time</th>
<th>Agency</th>
<th>LT-Rating</th>
<th>Outlook</th>
<th>ST-Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>S&amp;P</td>
<td>A BBB+</td>
<td>S&amp;P</td>
<td>BBB</td>
<td>Stable</td>
<td>A2</td>
</tr>
<tr>
<td>Moody’s</td>
<td>BBB+</td>
<td>Moody’s</td>
<td>Baa1</td>
<td>Negative</td>
<td>P2</td>
</tr>
<tr>
<td>Fitch</td>
<td>A-</td>
<td>Fitch</td>
<td>BBB+</td>
<td>Stable</td>
<td>F2</td>
</tr>
</tbody>
</table>

1 Figures as reported in the respective year’s annual report without restatements
2 Ratios of years were closing of acquisition took place are not fully comparable as EBITDA before special items of acquired business is only considered for months after closing
3 Full year 2018 multiple results in 3.7x instead of 4.4x if based on 2018 unaudited pro forma EBITDA of combined business as shown on Capital Markets Day in December 2018
4 Pensions 2020 flat at 2019 level
5 Solicited since 2018
Bayer’s Maturity Profile is Well Balanced

Bond and Loan Maturity Profile (€bn)
as of September 30th, 2020

- Hybrid (First Call Dates)
- EUR Senior Bonds
- JPY Private Placements
- USD RegS/144a
- USD Term Loan

Currency Exposure incl. Derivatives
as of September 30th, 2020

- €28.3bn
- Net Financial Debt

1 Converted at quarter-end FX rates EURUSD 1.17 and EURJPY 124
2 Based on quarter-end FX rates

// Bayer Debt Investor Relations // Status: September 30, 2020
### Overview of Bayer’s Funding Structure

#### Net Financial Debt

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Bonds and notes / promissory notes</td>
<td>€33,569</td>
<td>€32,678</td>
<td>€37,695</td>
</tr>
<tr>
<td>of which hybrid bonds(^2)</td>
<td>€4,528</td>
<td>€4,530</td>
<td>€4,531</td>
</tr>
<tr>
<td>Liabilities to banks(^3)</td>
<td>€4,062</td>
<td>€4,075</td>
<td>€3,882</td>
</tr>
<tr>
<td>Lease Liabilities</td>
<td>€1,251</td>
<td>€1,186</td>
<td>€1,146</td>
</tr>
<tr>
<td>Liabilities from derivatives(^4)</td>
<td>€123</td>
<td>€202</td>
<td>€71</td>
</tr>
<tr>
<td>Other financial liabilities</td>
<td>€89</td>
<td>€3,178</td>
<td>€656</td>
</tr>
<tr>
<td>Receivables from derivatives(^4)</td>
<td>(€76)</td>
<td>(€243)</td>
<td>(€249)</td>
</tr>
<tr>
<td>Financial debt</td>
<td>€39,018</td>
<td>€41,076</td>
<td>€43,201</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>(€3,185)</td>
<td>(€3,148)</td>
<td>(€5,067)</td>
</tr>
<tr>
<td>Current financial assets(^5)</td>
<td>(€1,765)</td>
<td>(€1,935)</td>
<td>(€9,866)</td>
</tr>
<tr>
<td>Net financial debt</td>
<td>€34,068</td>
<td>€35,993</td>
<td>€28,268</td>
</tr>
</tbody>
</table>

1 For definition see Annual Report 2019, A 2.3 “Alternative Performance Measures Used by the Bayer Group.”
2 Classified as debt according to IFRS
3 Including both financial and nonfinancial liabilities
4 Including the market values of interest-rate and currency hedges of recorded transactions
5 Including short-term receivables with maturities between 3 and 12 months outstanding from banks and other companies, financial investments in debt and equity instruments that were recorded as current on first-time recognition, and Covestro shares

#### Nominal Volume of Mayor Instruments (bn) as of September 30, 2020

- **Senior EUR Bonds**: €12.3bn
- **Senior USD Bonds**: $24.7bn
- **JPY Private Placements**: ¥20.0bn
- **Hybrid EUR Bonds**: €4.6bn
- **USD Term Loan**: $3.8bn
- **Syndicated Loan Facility**: €4.5bn
- **Commercial Paper Program**: $8.0bn
Main Issuing Entities at Bayer Group

Bayer AG
- Germany
  - Hybrid Bonds
  - EUR Bonds
  - Indirect Hold through other entities

Bayer Holding Ltd.
- Japan
  - JPY Bonds

Bayer US Finance LLC
- USA
  - USD Bonds

Bayer US Finance II LLC
- USA
  - USD Bonds

Bayer Corp.
- USA
  - USD Bonds

Monsanto Company
- USA
  - USD Bonds

Bayer Capital Corp. B.V.
- Netherlands
  - EUR Bonds

1 EUR Bonds
2 USD Bonds
3 USD Bonds
4 USD Bonds
2 Hybrid Bonds at Bayer

<table>
<thead>
<tr>
<th>Hybrid Bond</th>
<th>Coupon (in%)</th>
<th>Outstanding Volume (in bn €)</th>
<th>Initial Credit Spread</th>
<th>1st Step-Up</th>
<th>2nd Step-Up</th>
</tr>
</thead>
<tbody>
<tr>
<td>NC10</td>
<td>3.75</td>
<td>1.5</td>
<td>230 bps spread + 5Y Swap¹</td>
<td>+25 bps/Jul 24</td>
<td>+75 bps/Jul 44</td>
</tr>
<tr>
<td>NC7.5</td>
<td>2.45</td>
<td>1.3</td>
<td>200.7 bps spread + 5Y Swap¹</td>
<td>+25 bps/Oct 27</td>
<td>+75 bps/Jun 42</td>
</tr>
<tr>
<td>NC8</td>
<td>3.125</td>
<td>0.75</td>
<td>310.8 bps spread + 5Y Swap¹</td>
<td>+25 bps/Nov 32</td>
<td>+75 bps/Nov 47</td>
</tr>
<tr>
<td>NC5.5</td>
<td>2.375</td>
<td>1</td>
<td>264.7 bps spread + 5Y Swap¹</td>
<td>+25 bps/May 30</td>
<td>+75 bps/May 45</td>
</tr>
</tbody>
</table>

¹ Swap is reset every fifth year starting with the first call date

// Bayer Debt Investor Relations // Status: September 30, 2020
### $56.9bn Monsanto Acquisition Loan Facilities

<table>
<thead>
<tr>
<th>Transaction Value at Closing</th>
<th>Acquisition Facilities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>$63bn</strong></td>
<td><strong>$56.9bn</strong></td>
</tr>
<tr>
<td>Net Debt</td>
<td></td>
</tr>
<tr>
<td><strong>$6bn</strong></td>
<td></td>
</tr>
<tr>
<td>Equity Value</td>
<td></td>
</tr>
<tr>
<td><strong>$57bn</strong></td>
<td></td>
</tr>
</tbody>
</table>

#### Bridge Loan
- **$46.9bn**

<table>
<thead>
<tr>
<th>Tranche</th>
<th>Final Maturity</th>
<th>Initial Amount in $bn</th>
<th>Outstanding in $bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan A1</td>
<td>Jun. 2019</td>
<td>39.9</td>
<td>-</td>
</tr>
<tr>
<td>Loan A2</td>
<td>Jun. 2020</td>
<td>7.0</td>
<td>-</td>
</tr>
</tbody>
</table>

#### Term Loan
- **$10bn**

<table>
<thead>
<tr>
<th>Tranche</th>
<th>Maturity</th>
<th>Initial Amount in $bn</th>
<th>Outstanding in $bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan B1</td>
<td>Jun. 2020</td>
<td>4.0</td>
<td>-</td>
</tr>
<tr>
<td>Loan B2</td>
<td>Sep. 2021</td>
<td>6.0</td>
<td>3.8</td>
</tr>
</tbody>
</table>
### Commercial Paper Program

Commercial Paper (CP) is a short-term unsecured debt instrument. CP are normally issued at a discount and redeemed at nominal value. The term of CP generally lie between 1 and 364 days. Bayer’s CP program allows the company to issue in both the U.S. market (USCP) and the Euro market (ECP). It is structured as a SEC regulation’s section 4(a)(2) program so that there are no restrictions related to the use of proceeds.

<table>
<thead>
<tr>
<th>Borrower</th>
<th>Bayer AG, Germany</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Amount</td>
<td>€4.5bn, thereof €1.5bn/$1.5bn Swingline</td>
</tr>
<tr>
<td>Signing</td>
<td>December 2018</td>
</tr>
<tr>
<td>Initial Tenor</td>
<td>5Y + two 1Y extension options (first extension option already used)</td>
</tr>
<tr>
<td>Syndicate Size</td>
<td>23 Banks</td>
</tr>
<tr>
<td>Purpose</td>
<td>General Corporate Purposes</td>
</tr>
<tr>
<td>Issue</td>
<td>Bayer AG, Germany</td>
</tr>
<tr>
<td>Guarantor</td>
<td>Bayer AG</td>
</tr>
<tr>
<td>Total Amount</td>
<td>$8bn or equivalent</td>
</tr>
<tr>
<td>Dealer</td>
<td>ECP: Barclays, Bayerische Landesbank, Citigroup, Goldman Sachs, ING</td>
</tr>
<tr>
<td>Issue and</td>
<td>ECP: The Bank of New York Mellon, London Branch</td>
</tr>
<tr>
<td>Paying Agent</td>
<td>USCP: The Bank of New York Mellon</td>
</tr>
</tbody>
</table>

### Syndicated Loan Facility

The multicurrency Syndicated Loan Facility can be used for general corporate purposes and is primarily a back-up line. Thus, it is not intended to be drawn in the course of ordinary business. The participating banks form Bayer’s global banking group. Last renewed in December 2018, the credit facility was self-arranged.

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// Bayer Debt Investor Relations // Status: September 30, 2020
Contacts at Bayer

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