Science for a Better Life

Morgan Stanley Global Chemicals and Ag Conference

November 10, 2020
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President of the Crop Science Division
Bob Reiter,
Vice President of R&D
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.
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

- **Drive operational excellence**
- **Deliver world-class innovation**
- **Pioneer the Digital Transformation**
- **Set New Standards in Sustainability**
Crop year 2020: expanding our leadership in Crop Science

Strong CP performance muted by currency, pandemic effects in U.S. corn and cotton and U.S. soybean competition

<table>
<thead>
<tr>
<th>Global Market Position¹</th>
<th>Crop Year 2020 Sales²</th>
<th>2020 Key Performance Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Herbicides</strong></td>
<td>#1</td>
<td>1 new formulation launched</td>
</tr>
<tr>
<td></td>
<td>0.9%</td>
<td>Increased global glyphosate volume</td>
</tr>
<tr>
<td></td>
<td></td>
<td>New 5-year registration for</td>
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<td></td>
<td></td>
<td>TENDIMAX</td>
</tr>
<tr>
<td><strong>Corn S&amp;T</strong></td>
<td>#1</td>
<td>200+ new hybrids deployed globally³</td>
</tr>
<tr>
<td></td>
<td>0.1%</td>
<td>Launched VITALA short-stature corn in Mexico</td>
</tr>
<tr>
<td><strong>Soybeans S&amp;T</strong></td>
<td>#1</td>
<td>200+ new varieties deployed in NA³</td>
</tr>
<tr>
<td></td>
<td>0.0%</td>
<td>&gt;75 m acres</td>
</tr>
<tr>
<td></td>
<td></td>
<td>50+ m acres</td>
</tr>
<tr>
<td></td>
<td></td>
<td>ROUNDUP READY 2 TENDIMAX Soybeans</td>
</tr>
<tr>
<td></td>
<td></td>
<td>TENDFLEX</td>
</tr>
<tr>
<td><strong>Fungicides</strong></td>
<td>#2</td>
<td>4 new formulation launches</td>
</tr>
<tr>
<td></td>
<td>8.2%</td>
<td>Strong growth in</td>
</tr>
<tr>
<td></td>
<td></td>
<td>FOX Xpro</td>
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<tr>
<td></td>
<td></td>
<td>DELARO Competitor</td>
</tr>
<tr>
<td></td>
<td></td>
<td>iblon (isoflucypram) for cereals</td>
</tr>
<tr>
<td><strong>Insecticides</strong></td>
<td>#3</td>
<td>3 new formulation launches</td>
</tr>
<tr>
<td></td>
<td>5.4%</td>
<td>Launched vavego (tepraloxyfop) for corn, rice, horticulture and other crops</td>
</tr>
<tr>
<td></td>
<td></td>
<td>120+ vegetable varieties...</td>
</tr>
<tr>
<td>Other, Vegetables,</td>
<td>#1</td>
<td>6 new formulation launches</td>
</tr>
<tr>
<td>Environmental Science,</td>
<td>veg seeds, cotton, E.S.</td>
<td>in seed growth</td>
</tr>
<tr>
<td>Seed Growth</td>
<td></td>
<td>Strong sales growth in Env. Science and Roundup L&amp;G</td>
</tr>
</tbody>
</table>

Cross-Segment

Expect >70% of €870m cost synergies by end of 2020

Bayer Plus program drives US C.P. share and sales synergies ~140m subscribed FieldView acres

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¹ Internal Estimates  ² Sales growth, Q4 2019 to Q3 2020, currency and portfolio adjusted  ³ Measured from Q4 2019 to Q3 2020 to align to crop year.
Integration and synergies ahead of plan in Crop Science

Sales Synergies\(^1\): ~€170m (~$200m) as of 2022

\[\text{Four countries} \] to generate >60% of the sales synergies

\[\text{U.S.A., Brazil, Argentina and Mexico}\]

Bayer PLUS Rewards program promotes integrated management solutions and multiple modes of action, while generating incremental sales in the U.S. in its first season

\[\text{Rewards our most loyal customers}\]

\[\text{Sales and industry research confirm Bayer gains in market share in U.S. fungicides and herbicides in 2020}\]

\[> 50 \text{ Bayer seed and crop protection products eligible}\]

\[\text{As retailers begin to order products, the trend continues; complementary Climate FieldView added for 2021}\]

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

\[\text{Annual Cost Synergies}\]

\[\text{H2 2018: ~5%} \]
\[\text{2019: >40%} \]
\[\text{2020e: ~70%} \]
\[\text{2021e: ~80%} \]
\[\text{2022e: 100%} \]

Cost Synergies:

\[\text{Now expect ~70% of the synergy target complete by end of 2020 vs. original target of 55%}\]

\[\text{Focused on headcount, IT and infrastructure savings}\]

\[\text{REWARDS}\]

\[\text{Sales Synergies}\]

\[\text{1 Net EBITDA impact before special items, net of estimated dissynergies}\]

\[\text{2 Majority of expected one time costs of ~1.3bn to achieve synergies expected to be recorded as special items}\]

\[\text{Applied FX rate of USD/EUR of 1.15}\]
Advanced breeding underpins leadership in corn seed & traits
Deployed >200 Corn Hybrids in Crop Year 2020; Well Ahead of Annual Target of 150

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.
Short stature corn offers transformational shift in production

Phase 3 technology with potential opportunity across >220m corn acres in second half of the decade

Benefits:

// **Reduced Crop Loss**
Improved plant stability and lodging tolerance; annual yield losses due to stalk lodging in the U.S. range from 5% to 25%\(^1\)

// **Precision of Crop Input Applications**
Extended in-season crop access due to shorter height supports tailored solutions

// **Increased Environmental Sustainability**
Potential to optimize use of key nutrients like nitrogen, as well as reducing land and water requirements

Three Development Approaches:

// **Breeding: PHASE 3**

// **Biotech: PHASE 3**  In Collaboration with BASF

// **Genome Editing: DISCOVERY**

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\(^1\) Purdue University (http://www.extension.purdue.edu/ay/ay-262.html)

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Targeting a robust transition to XtendFlex soybeans in 2021
Built on the proven performance of Roundup Ready 2 Xtend soybeans

- Built on the proven performance of Roundup Ready 2 Xtend Technology with triple tolerance to dicamba, glyphosate and glufosinate to provide application flexibility to manage tough-to-control weeds
- Targeting ~20m acres in the U.S. in 2021
- Accepting orders in Bayer brands with EU import approval now received
- Broadly out-licensed to seed brands in the United States
- NEW!: Top volume XtendFlex soybeans have a 4+ Bu/A advantage vs. Enlist E3 soybeans in germplasm trials

"#1 Soybean system planted by farmers" appears to have been cut off, but it is likely referring to the soybean system being the top choice among farmers.

~50m acres in the U.S. in 2020
Proven performance, high-yield potential, strong agronomic characteristics

1. Data based on number of traited acres per Bayer internal estimates

Enables continued use of conservation tillage and no-till systems which improve carbon sequestration and soil health
New 5-year XtendiMax registration fully enables Xtend crop system

14-day soil activity\(^1\) helps control weeds longer and activates with little moisture

June 2020: Renville, Minnesota, U.S.A., with predominant weed species: Glyphosate Resistant Waterhemp

PRE: Warrant\(^{\circledR}\) Ultra herbicide (48 fl oz/A) + XtendiMax\(^{\circledR}\) herbicide with VaporGrip\(^{\circledR}\) Technology (22 fl oz/A)

PRE: Enlist One\(^{\circledR}\) herbicide (24 fl oz/A) + Sonic\(^{\circledR}\) herbicide (4 oz/A)

PRE: Verdict\(^{\circledR}\) herbicide (5 fl oz/A)

\(^1\) Results may vary, depending on rainfall and soil type. Always use dicamba with residual herbicides in pre-emergence and post-emergence applications that have different, effective sites of action, along with other Diversified Weed Management Practices. Photos are representative of weed control results. Pending approval in MN. ALWAYS READ AND FOLLOW LABEL DIRECTIONS. PRODUCTS FEATURING XTENDIMAX\(^{\circledR}\) HERBICIDE WITH VAPORGRIp\(^{\circledR}\) TECHNOLOGY MAY NOT BE APPROVED IN ALL STATES. Contact your state pesticide regulatory agency regarding the approval status of XtendiMax herbicide in your state.
Intacta 2 Xtend to broaden insect and weed control spectrum

Intacta RR2 PRO on >65m acres in South America in 2018/2019; Intacta 2 Xtend in phase 4

Intacta 2 Xtend trait technology to provide an additional mode of action for insect control and both glyphosate and dicamba tolerance for weed control

Stewarded trials expected in 2019/2020 and launch in 2021

1 Pending regulatory approvals
2 2019 soybean screenhouse trials, various Bayer Crop Science Research Centers in the U.S. and Argentina
    Always read and follow label instructions. Products not registered in all jurisdictions.

Deliver world-class innovation

Reduces insecticide use and the environmental impact of the crop protection program

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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

- 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

¹ Internal estimates
² In collaboration with Sumitomo. Always read and follow label instructions. Products not registered in all jurisdictions.
iblon Fungicide for Cereals Launching in 2020 in New Zealand

Novel solution for control of leaf diseases in cereals; > €400m peak sales opportunity

Builds on #1 position in cereal fungicides¹

- iblon Technology is an advanced chemistry behind a new family of products powered by Isoflucypram, the latest and most mature compound from the highly valued class of SDHIs²
- Wheat treated with iblon exceeded the standards with on average 2.2% higher yields, at an 80% success rate.
- Offers the most reliable control of the relevant leaf diseases in cereals, along with beneficial physiological effects and activity for several weeks
- Targeted markets: Europe, Argentina, South Africa, Mexico, New Zealand and Australia

¹ Internal estimates
² succinate dehydrogenase inhibitor
³ Pending regulatory approvals

Always read and follow label instructions. Products not registered in all jurisdictions.
Vayego launched; new broad-spectrum insecticide

Asia Pacific focus with initial launch in Korea in 2019; >€300m peak sales potential

Builds on #1 position in insecticides in horticulture and #3 in both corn and soybeans¹

- Fast-acting and long-lasting control of all important caterpillars and selected beetles and sucking pests with this tetraniliprole diamide insecticide
- Regulatory submissions planned or submitted across key markets of India, China, Indonesia, Australia, Chile, Argentina; up to 17 launches expected in 2020 and 2021
- Expect use in a number of key crops; corn, rice, potatoes, fruits & nuts and vegetables via multiple application methods, including foliar, drone, drip & drench and seed treatment

¹ Internal estimates
Always read and follow label instructions. Products not registered in all jurisdictions.
FieldView: the leading brand & digital ag platform for growers

Growth Fueled by Platform Advantages

- **~140m Acres**
  subscribed acres for 2020

- **#1 Brand**
  in digital ag space

- **Largest Database**
  of grower and field trial seed performance data in the industry

- **~1bn Global Acre**
  Opportunity for corn, soybean, wheat

- **>70 Partners**
  on the FieldView Platform

- **New Business Models**
  enabling sharing of value and risk

- **>35 Next-Gen Projects**
  in the pipeline

Data Collection Accelerating

- **Months to Collect 10m Connected Hours**
  - First 10m Hours: 32
  - Second 10m Hours: 9

FieldView Drive

- Connected combines, planters and sprayers uploading data to complement our R&D data to inform, improve models & tools

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1. Internal estimates
2. 2019 Brand Health Monitor
3. Harvested acres – USDA FAS 2018-10-11, ex China
Enhancing sustainability and biodiversity in agriculture

Bayer’s 2030 sustainability commitments

**Advancing a carbon-zero future for agriculture**
through helping our customers reduce field greenhouse gases by crop production.

**Produce higher-yielding crops with fewer natural resources and inputs**

**Empower 100 million smallholder farmers**

**30%**
Reduction in field greenhouse gases emitted per kg of crops produced

**30%**
Reduction in impact on the environment

**100m**
Smallholders benefit e.g. from access to education, tailored solutions & partners

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

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

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

Set New Standards in Sustainability
Making carbon sequestration a new revenue stream on-farm
Program designed to help reduce Ag’s carbon footprint, greenhouse gas emissions

// Bayer Carbon Initiative rewards farmers for the adoption of climate-smart practices that sequester carbon from the atmosphere

// Examples of these practices include no-till farming and implementing cover crops

// As part of the Bayer Carbon Initiative, the Carbon Pilot Program was launched for 2020/2021 season and will include about 1,200 farmers in Brazil and the U.S. who are transitioning acres to sustainable farming practices

// The future of the pilot is to expand the program in the U.S. and Brazil to other farmers and then later into other world regions

// Multiple enrollment windows meet a wide range of farmers and their needs
Q&A Participants

Liam Condon
President,
Crop Science Division

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

Laura Meyer
Senior Manager,
Investor Relations
Appendix

Q3 2020 financial results

Guidance
Q3 2020: Challenging quarter – currency-adjusted group outlook confirmed

- **Sales**: €8,506m (-5% yoy*)
- **EBITDA**: €1,795m (-21% yoy)
- **Core EPS**: €0.81 (-30% yoy)
- **Free Cash Flow**: €1,237m (-2% yoy)

* Δ% yoy, Fx & portfolio adj
Q3 2020: Crop Science significantly impacted by seed returns and currency headwinds

- Sales decline driven by North America (-41%) primarily due to higher corn and cotton seed returns from lower than expected planted acres
- Herbicides (-13%) impacted by phasing
- Strong sales growth in Fungicides (12%), as well as Environmental Science (24%)
- Product returns and lower licensing income (~€200m) and currency headwinds (~€120m) as well as phasing in hedging weigh on bottom-line
Q3 2020: Pharmaceuticals shows sequential improvement and significant margin uplift

- Xarelto’s growth trajectory remains intact (+14%)
- Resumption of elective treatments led to recovery of Eylea (+2%) and the IUD-franchise (+1%)
- China still impacted by volume-based procurement
- Margin uplift due to very tight expense control
- Positive study results for finerenone and for the combination of copanlisib and rituximab
- Acquisition of Asklepios BioPharmaceuticals (AskBio)
Q3 2020: Consumer Health with strong growth momentum and margin expansion

Sales
In million €, ∆% yoy, Fx & portfolio adj.

<table>
<thead>
<tr>
<th></th>
<th>Q3'19</th>
<th>Q3'20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>1,288</td>
<td>1,205</td>
</tr>
</tbody>
</table>

Volume +6%  
Currency -7%
Price +1%  
Portfolio -5%

EBITDA*
In million €, ∆% yoy, before special items

<table>
<thead>
<tr>
<th></th>
<th>Q3'19</th>
<th>Q3'20</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>268</td>
<td>301</td>
</tr>
</tbody>
</table>

Volume +6%  
Currency +12%
Price +5%  
Portfolio +5%

- Sales growth across all regions driven by Nutritionals (+21%) due to continued consumer demand for preventive health solutions as well as product launches in North America
- Digestive Health with strong growth (14%)
- Allergy & Cold down -7% as protective and hygiene measures increased due to Covid-19 pandemic
- EBITDA before special items up 12% despite negative currency and portfolio effects
- Margin expansion driven by growth acceleration, efficiency program and portfolio optimization

*2019 figures are restated

EBITDA Margin before special items

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Appendix

Q3 2020 financial results

Guidance
We confirm our currency-adjusted Group guidance for 2020

<table>
<thead>
<tr>
<th></th>
<th>Currency-adjusted</th>
<th>Including currency impact</th>
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<tbody>
<tr>
<td></td>
<td>Outlook as of Aug 2020</td>
<td>Outlook as of Nov 2020</td>
</tr>
<tr>
<td>Sales</td>
<td>€43-€44bn</td>
<td>✓</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>~ 28%</td>
<td>✓</td>
</tr>
<tr>
<td>(before special items)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Core EPS</td>
<td>€6.70 – €6.90</td>
<td>✓</td>
</tr>
<tr>
<td>Free cash flow*</td>
<td>-€0.5-€0bn¹</td>
<td>✓ ✓</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net financial debt</td>
<td>~€33bn (incl. AskBio)</td>
<td>✓ ✓</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

Outlook as of Nov 2020³: €41-€42bn

Outlook as of Aug 2020: €43-€44bn

Outlook as of Nov 2020: ~28%

Outlook as of Aug 2020: ~28%

Outlook as of Nov 2020: €6.70 – €6.90

Outlook as of Aug 2020: €6.70 – €6.90

Outlook as of Nov 2020: €0.5-€1bn²

Outlook as of Aug 2020: -€0.5-€0bn¹

Outlook as of Nov 2020: ~€33bn (incl. AskBio)

Outlook as of Aug 2020: ~€33bn
# Updated Guidance 2020: Group and divisions

<table>
<thead>
<tr>
<th></th>
<th>Sales Growth 2020 (cpa)</th>
<th>EBITDA-margin 2020 (before special items)</th>
<th>Sales Growth 2020 (cpa)</th>
<th>EBITDA-margin 2020 (before special items)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Group</strong></td>
<td>0-1%</td>
<td>~28%</td>
<td>0-1%</td>
<td>~28%</td>
</tr>
<tr>
<td><strong>Crop Science</strong></td>
<td>~2%</td>
<td>~25%</td>
<td>~1%</td>
<td>~25%</td>
</tr>
<tr>
<td><strong>Pharma</strong></td>
<td>~1%</td>
<td>34-35%</td>
<td>~1%</td>
<td>34-35%</td>
</tr>
<tr>
<td><strong>Consumer Health</strong></td>
<td>~4%</td>
<td>22-23%</td>
<td>~5%</td>
<td>22-23%</td>
</tr>
</tbody>
</table>

* Guidance for cEBITDA Reconciliation (FY 2020): ~ - €300