



# *Bayer Pharmaceuticals*



**39th Annual J.P. Morgan Healthcare  
Conference**

Stefan Oelrich,  
President Pharmaceuticals

January 13, 2021





## Cautionary Statements Regarding Forward-Looking Information

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.

Guidance at constant currencies, not including portfolio divestitures if not mentioned differently.



# Driving Performance and Delivering New Growth Opportunities



## **Maximize the value of the existing portfolio**

Exploit full potential of Xarelto and Eylea



## **Deliver on key pipeline assets**

Three new potential blockbusters in Oncology, Cardiovascular and Women's Healthcare



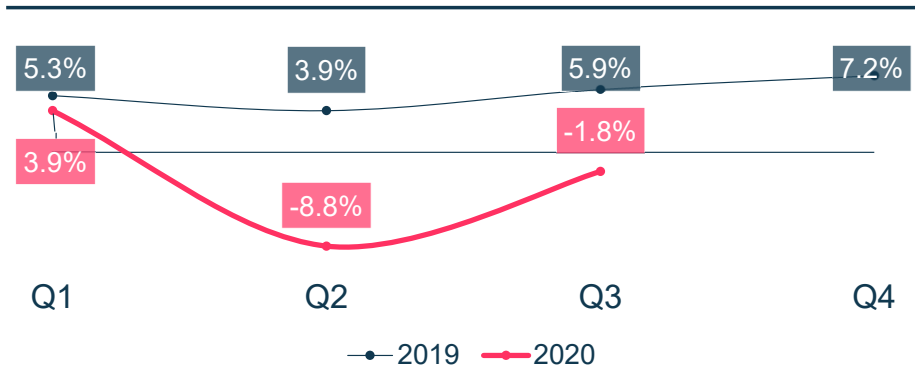
## **Take advantage of breakthrough technologies**

Expand into Cell & Gene Therapy

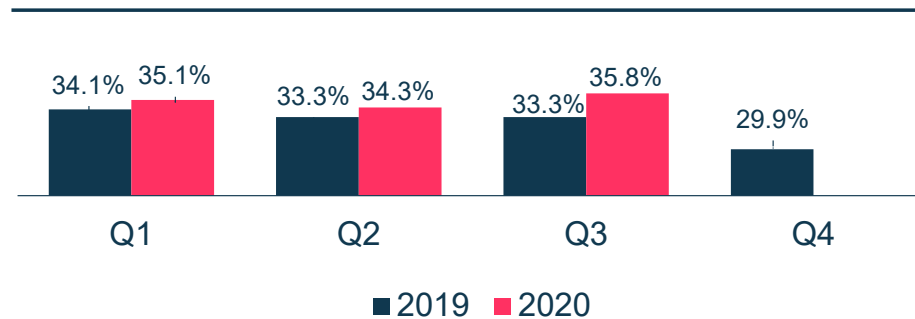


# After a Challenging Q2, V-shaped Recovery in Q3

### Sales Growth vs Prior Year (cpa) by Quarter



### EBITDA margin before special items



- Pharma business recovering in Q3 from Covid-19 impact
- Xarelto's growth trajectory intact (+13% YTD)
- Stringent cost management to protect the bottom-line
- Outlook for FY2020 confirmed on November 3, 2020:
  - Expected Sales growth: -1%
  - Expected underlying EBITDA margin: 34-35%

\* Sales related growth rates are reported as currency and portfolio adjusted, and compared to the previous year



# Increased Momentum to Deliver Innovation for Patients

Major achievements 2019/2020

## Phase Transitions; New Trials<sup>1</sup>

- Finerenone HFmr/pEF
- Aflibercept high dose nAMD & DME
- Aflibercept retinopathy of prematurity
- Regorafenib IO combi
- Regorafenib glioblastoma
- Factor XI portfolio
- P2X3 inhibitor
- PEG ADM inhale
- Runaciguat


## Positive Phase III Trial Results

- Finerenone (FIDELIO-DKD)
- Vericiguat (VICTORIA)
- Copanlisib (CHRONOS-3)
- Darolutamide (ARAMIS OS-data)
- Rivaroxaban (PRONOMOS, VOYAGER PAD, EINSTEIN-Jr.)

## Filings & Approvals

- Darolutamide
- Larotrectinib
- Vericiguat
- Finerenone
- Eylea PFS
- Rivaroxaban pediatric

## External Innovation

- BlueRock
- AskBio
- KaNDy
- Atara
- Daré Bioscience
- leaps  investments

<sup>1</sup> Key Phase II and III trials only



# A Successfully Matured Late-stage Pipeline that May Deliver Three New Potential Blockbusters

## Nubeqa<sup>1</sup> – AR-Antagonist



- Launched in nmCRPC - global roll-out underway
- Differentiated clinical profile - 31% OS benefit & favourable safety profile (ARAMIS)
- Prim. completion of phase III trial in mHSPC mid-2021e (ARASENS)
- Peak sales potential  $\geq$ €1bn

## KaNDy NT-814 – Dual NK 1,3 Receptor-Antagonist



- First-in-class oral, non-hormonal, once-daily neurokinin-1,3 receptor antagonist
- Positive phase IIb data for the treatment of frequent menopausal symptoms
- Phase III to be initiated in 2021
- Peak sales potential  $>$ €1bn

## Finerenone – MR-Antagonist



- Significant reduction of renal and cardiovascular outcomes in patients with CKD and T2D
- Filed in key markets for CKD in T2D
- Phase III trials in CKD/T2D (FIGARO) and in HFm/pEF (FINEARTS-HF) ongoing
- Peak sales potential  $\geq$ €1bn

## Vericiguat<sup>2</sup> – sGC-Stimulator







- Significant reduction of the combined risk of CV-death or HF-hospitalization in HFrEF-patients (VICTORIA)
- Dosed on top of existing HF-therapies
- Filed - FDA action date January 20, 2021
- Peak sales potential  $\sim$ €500m

<sup>1</sup>In collaboration with Orion Corporation; <sup>2</sup>In collaboration with Merck & Co. Inc., Kenilworth, NJ, USA



# We Provide the Resources Needed for a Successful Commercialization of our Late-stage Pipeline Assets

Asset	Short- to mid-term Investment Areas
 <b>Nubeqa</b> <sup>1</sup>	<ul style="list-style-type: none"><li>• Continued global rollout in additional markets</li><li>• Preparation for ARASENS readout</li><li>• Continue to leverage positive OS data and differentiated safety profile</li></ul>
 <b>Finerenone</b>	<ul style="list-style-type: none"><li>• Preparation for potential first launches in 2021</li><li>• Investing to re-enter the US-market in CV diseases</li><li>• Preparation for FIGARO readout</li><li>• Continuation of the HFm/pEF development program</li></ul>
 <b>KaNDy NT-814</b>	<ul style="list-style-type: none"><li>• Initiation of pivotal Phase III trial in 2021</li></ul>
 <b>Vericiguat</b> <sup>2</sup>	<ul style="list-style-type: none"><li>• Potential launches in first markets in 2021</li></ul>

<sup>1</sup>In collaboration with Orion Corporation; <sup>2</sup>In collaboration with Merck & Co. Inc., Kenilworth, NJ, USA



# Increased Focus on External Innovation to Accelerate Replenishment of Pipeline and Broaden Modalities

Selected high-level overview

## Momentum Significantly Increased

---

- **More than 20 Transactions** signed in 2020
  - Deals covering the entire spectrum from **equity investments** (with LEAPS), over **licensing agreements** to **acquisitions**
  - **Active portfolio management** taking internal assets outside (e.g. Vincera Pharma)

## Strategic Focus

---

- Venturing into **new modalities** (Cell & Gene Therapy)
- Broadening the **Oncology** pipeline (e.g. Systems Oncology, Atara)
- Commercial partnerships in **China** (e.g. Hua Medicine)
- Deals in the **Digital** Space (e.g. R&D: Schroedinger, Exscientia, Recursion; Commercial: One Drop)
- Continued augmentation of core TAs: (**WHC**: KaNDy)
- Strengthening the **Cardiovascular** pipeline (PeptiDream, Broad Institute)





# Our Cell & Gene Therapy Strategy Builds on Four Integrated Platforms to Drive the Next Wave of Innovation at Pharma

## Gene Augmentation



- Industry-leading AAV vector gene augmentation platform
- Monogenic & pathway diseases
- CDMO business (Viralgen) already generates revenues

## Stem Cells



- Creating induced pluripotent stem cells (iPSC) with broad differentiation
- Create an entirely new generation of cellular medicines
- IND for lead program in Parkinson's disease

## Allogeneic Cell Therapy

### Collaboration with Atara Biotherapeutics

- Next-generation, mesothelin-directed CAR-T cell therapies
- Focus on potential allogeneic, "off the shelf" tumor therapies

**Gene Editing** as cross-functional enabling technology



# Comprehensive Cell & Gene Therapy Pipeline that has Proven Ability to Yield Commercial Stage Assets

Project	Discovery	Preclinical	Phase I/II
<b>Pompe Disease - Gene Therapy</b>			
<b>Parkinson's Disease - Gene Therapy</b>			
<b>Congestive Heart Failure - Gene Therapy</b>			
<b>Factor VIII - Gene Therapy<sup>1</sup></b>			
<b>MSLN CAR-T Therapy (ATA2271)<sup>2</sup></b>			
<b>Parkinson's Disease - Cell Therapy</b>			
<b>MSLN CAR-T Therapy (ATA3271)<sup>2</sup></b>			
> 15 preclinical assets			

- Comprehensive Cell & Gene Therapy pipeline established
- Pipeline already comprises 6 clinical assets and multiple IND generating opportunities
- AAV technology included in commercialized assets

<sup>1</sup> In collaboration with Ultragenyx; <sup>2</sup> In collaboration with Atara Biotherapeutics



# Key Takeaways

1

We continue to maximize the value of the existing portfolio

2

Increased momentum to deliver innovation - late-stage pipeline may deliver three new potential blockbuster products

3

We provide the resources needed for a successful commercialization of our late-stage pipeline assets

4

Cell & Gene Therapy platform in place to drive the next wave of breakthrough innovation

5

C&GT-Pipeline established – 6 clinical assets and multiple IND generating opportunities



# *Bayer Pharmaceuticals*



**39th Annual J.P. Morgan Healthcare  
Conference**

Stefan Oelrich,  
President Pharmaceuticals

January 13, 2021





# Abbreviations

AAV	Adeno-associated virus	IO	Immuno-oncology
AR	Androgen receptor	iPSC	Induced pluripotent stem cells
CAR-T	Chimeric antigen receptor modified T cells	mHSPC	Metastatic hormone sensitive prostate cancer
CDMO	Contract development and manufacturing organization	MRA	Mineralocorticoid receptor antagonist
CKD	Chronic kidney disease	nAMD	Neovascular age-related macular degeneration
C&GT	Cell and gene therapy	NK	Neurokinin
cpa	Currency and portfolio adjusted	nmCRPC	Non-metastatic castration resistant prostate cancer
CV	Cardiovascular	OS	Overall survival
DKD	Diabetic kidney disease	PAD	Peripheral artery disease
DME	Diabetic macula edema	PFS	Pre-filled syringe
EBITDA	Earnings before interest, tax, depreciation, and amortization	R&D	Research & Development
FDA	U.S. Food and drug administration	sGC	Soluble guanylate cyclase
HF	Heart failure	T2D	Type 2 diabetes mellitus
HFmrEF	Heart failure with mid-range ejection fraction	YTD	Year to date
HFpEF	Heart failure with preserved ejection fraction		
HFrfEF	Heart failure with reduced ejection fraction		
IND	Investigational New Drug		