Debt Investor Information

Status: FY 2020/Q1 2021
As of 28 May 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.
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
Our Strategic Priorities

Group Strategic Priorities

1. Positioning businesses to mega-trends
   Contribution to health and nutrition

2. Developing innovative products
   Leadership in our relevant markets

3. Sustainability
   Long-term, sustainable growth

4. Focusing on our key strength
   Innovation & operational performance

Divisional Focus

Crop Science
Create a leading innovation engine that transforms agriculture

Pharmaceuticals
Driving performance and delivering new growth opportunities

Consumer Health
Maintain a leading OTC position and improve profitability

1 We also seek to make a responsible contribution to the United Nations Sustainable Development Goals “Good Health and Well-Being” (SDG 3) and “Zero Hunger” (SDG 2)

// Bayer Debt Investor Relations // Status: Q1 2021/FY 2020
We address megatrends that impact lives across the globe

### Megatrends through 2050

#### Aging population

<table>
<thead>
<tr>
<th>Age 60+</th>
<th>2017</th>
<th>2050</th>
</tr>
</thead>
<tbody>
<tr>
<td>People aged 60 and older, in bn</td>
<td>1.0</td>
<td>2.1</td>
</tr>
</tbody>
</table>

\( => 100\% \) >20% of total population

#### Growing population

<table>
<thead>
<tr>
<th>Growing population</th>
<th>2017</th>
<th>2050</th>
</tr>
</thead>
<tbody>
<tr>
<td>People, in bn</td>
<td>7.6</td>
<td>9.8</td>
</tr>
</tbody>
</table>

\(+2.2\text{bn people}\) 

#### Pressure on ecosystems

<table>
<thead>
<tr>
<th>Pressure on ecosystems</th>
<th>2017</th>
<th>2050</th>
</tr>
</thead>
<tbody>
<tr>
<td>area, in m²</td>
<td>2,129</td>
<td>1,700</td>
</tr>
</tbody>
</table>

\(-20\%\) Significant loss in arable land per capita

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1. World Population Prospects: The 2017 Revision |
2. FAO 2017, (FAO Global Perspective Studies) |
4. Nelson et. al, (2014); FAO 2016 “Climate change and food security”

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// Bayer Debt Investor Relations // Status: Q1 2021/FY 2020
Ambitious Measurable Targets for Sustainable Development

2030 Targets, in line with the UN SDGs

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

**Decrease ECOLOGICAL footprint**
- Climate neutrality at own sites + reduced emissions in our supply chain
  - 42% reduction target\(^3\) for Scope 1 & 2
  - 500m € CapEx for emission reduction
  - 50m-200m € OpEx for offsetting projects
  - 12.3% reduction target\(^4\) for Scope 3

Reflected in long-term incentives

Additional divisional targets

Sustainability Council established

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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: Q1 2021/FY 2020
We Create Value by Accelerating our Transformation
Driving Innovation and Returns

1. Enable growth • Clear plan for translating innovation into top-line growth

2. Drive profitability • Comprehensive transformation program launched

3. Focus on cash • Strong capacity to generate cash

4. Sustainability • Inclusive growth by helping more people thrive, and decreasing our ecological footprint

5. Disciplined capital allocation • Priorities: deleveraging, dividends, external growth investments

Value creation
We Focus on Cash Generation

**Improve Free Cash Flow**
Optimize *working capital* focusing on overdue management, inventory and payables; prioritizing *CapEx*

**Adapt incentive scheme**
Free Cash Flow integrated as a key performance metric in our *short-term incentive* plan for all managerial employees

**Capital Employed / Divestments**
Optimization of *fixed asset* portfolio, for example sale of property

*Sale of businesses / brands* below division level (e.g. ES professional)

**Litigation pay-outs & special items**
Our Free Cash Flow is impacted by *litigation* pay-outs and cash-effective *one-time costs* for transformation

ES: Environmental Science
Bayer Key Financials

2020 Sales in €bn

- Consumer Health: 5.1
- Pharma: 17.2
- Crop Science: 18.8
- Other: 0.3
- Group: €41.4

2020 EBITDA before Special Items in €bn

- Pharma: €6.0
- Consumer Health: €1.1
- Crop Science: €4.5

Free Cash Flow in €bn

- 2016: €5.8
- 2017: €5.2
- 2018: €4.7
- 2019: €4.2
- 2020: €1.3

Net Financial Debt in €bn

- 2016: €11.8
- 2017: €3.6
- 2018: €35.7
- 2019: €34.1
- 2020: €30.0

1: As initially reported
### Group Outlook for 2021

<table>
<thead>
<tr>
<th></th>
<th>At constant currencies¹</th>
<th>Expected currency impact²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>€42bn - €43bn</td>
<td>~ -€2bn</td>
</tr>
<tr>
<td>EBITDA margin (before special items)</td>
<td>~ 27%</td>
<td>~ -70bps</td>
</tr>
<tr>
<td>Core EPS</td>
<td>€6.10 – €6.30</td>
<td>~ -€50ct</td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>~ -€3bn - -€4bn³</td>
<td>No major impact</td>
</tr>
<tr>
<td>Net financial debt</td>
<td>~ €36bn - €37bn</td>
<td>~ -€1bn</td>
</tr>
</tbody>
</table>

¹ Reflects our 2021 plan at the average actual currencies for 2020
² Currency assumptions based on month-end December spot rates (1 EUR=) 1.23 USD, 6.37 BRL, 8.00 CNY, 127 JPY, 24.4 MXN, 91.9 RUB. Impact is calculated as difference to constant currencies.
³ Settlement payouts of ~€8bn included

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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: Q1 2021/FY 2020
... and Remains Committed to Rating in Single A Target Category

Development of Ratings and Leverage

(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>
</tr>
</thead>
<tbody>
<tr>
<td>S&amp;P</td>
<td>A</td>
</tr>
<tr>
<td>Moody’s</td>
<td>A3</td>
</tr>
<tr>
<td>Fitch</td>
<td>BBB+</td>
</tr>
</tbody>
</table>

1 Figures as reported in the respective year’s annual report without restatements
2 Ratios of years where 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 Solicited since 2018

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Proven track record of disciplined deleveraging

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// Bayer Debt Investor Relations // Status: Q1 2021/FY 2020
Bayer’s Maturity Profile is Well Balanced

### Currency Exposure incl. Derivatives
as of March 31, 2021

<table>
<thead>
<tr>
<th>Currency</th>
<th>Exposure</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUR</td>
<td>€33.9bn</td>
</tr>
<tr>
<td>USD</td>
<td>2.2bn</td>
</tr>
<tr>
<td>JPY</td>
<td>1.5bn</td>
</tr>
<tr>
<td>Other</td>
<td>2.0bn</td>
</tr>
</tbody>
</table>

**Note:**
- Converted at quarter-end FX rates EURUSD 1.17 and EURJPY 130; not included: $3.8bn USD term loan and €0.75bn EUR bond which were already repaid end of January 2021.
- Based on quarter-end FX rates.

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### Bond and Loan Maturity Profile (€bn)
as of March 31, 2021

<table>
<thead>
<tr>
<th>Year</th>
<th>USD RegS/144a</th>
<th>JPY Private Placements</th>
<th>EUR Senior Bonds</th>
<th>Hybrid (First Call Dates)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>2.0bn</td>
<td>0.5bn</td>
<td>3.5bn</td>
<td>1.0bn</td>
</tr>
<tr>
<td>2022</td>
<td>1.5bn</td>
<td>0.3bn</td>
<td>3.2bn</td>
<td>0.8bn</td>
</tr>
<tr>
<td>2023</td>
<td>1.0bn</td>
<td>0.2bn</td>
<td>2.8bn</td>
<td>0.6bn</td>
</tr>
<tr>
<td>2024</td>
<td>0.5bn</td>
<td>0.1bn</td>
<td>2.5bn</td>
<td>0.4bn</td>
</tr>
<tr>
<td>2025</td>
<td>0.2bn</td>
<td>0.1bn</td>
<td>2.2bn</td>
<td>0.3bn</td>
</tr>
<tr>
<td>2026</td>
<td>0.1bn</td>
<td>0.1bn</td>
<td>1.9bn</td>
<td>0.2bn</td>
</tr>
<tr>
<td>2027</td>
<td>0.05bn</td>
<td>0.05bn</td>
<td>1.6bn</td>
<td>0.15bn</td>
</tr>
<tr>
<td>2028</td>
<td>0.05bn</td>
<td>0.05bn</td>
<td>1.3bn</td>
<td>0.1bn</td>
</tr>
<tr>
<td>2029</td>
<td>0.05bn</td>
<td>0.05bn</td>
<td>1.0bn</td>
<td>0.05bn</td>
</tr>
<tr>
<td>2030</td>
<td>0.05bn</td>
<td>0.05bn</td>
<td>0.7bn</td>
<td>0.03bn</td>
</tr>
<tr>
<td>2031</td>
<td>0.05bn</td>
<td>0.05bn</td>
<td>0.5bn</td>
<td>0.02bn</td>
</tr>
<tr>
<td>2032</td>
<td>0.05bn</td>
<td>0.05bn</td>
<td>0.3bn</td>
<td>0.01bn</td>
</tr>
<tr>
<td>&gt;=2033</td>
<td></td>
<td></td>
<td>0.1bn</td>
<td>0.01bn</td>
</tr>
</tbody>
</table>

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1 Converted at quarter-end FX rates EURUSD 1.17 and EURJPY 130; not included: $3.8bn USD term loan and €0.75bn EUR bond which were already repaid end of January 2021.

2 Based on quarter-end FX rates.
### Net Financial Debt

<table>
<thead>
<tr>
<th>Description</th>
<th>Dec. 31, 2019</th>
<th>Dec. 31, 2020</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bonds and notes / promissory notes</td>
<td>€33,569</td>
<td>€36,745</td>
<td>€40,878</td>
</tr>
<tr>
<td>of which hybrid bonds</td>
<td>€4,528</td>
<td>€4,532</td>
<td>€4,534</td>
</tr>
<tr>
<td>Liabilities to banks</td>
<td>€4,062</td>
<td>€3,671</td>
<td>€639</td>
</tr>
<tr>
<td>Lease Liabilities</td>
<td>€1,251</td>
<td>€1,137</td>
<td>€1,148</td>
</tr>
<tr>
<td>Liabilities from derivatives</td>
<td>€123</td>
<td>€136</td>
<td>€74</td>
</tr>
<tr>
<td>Other financial liabilities</td>
<td>€89</td>
<td>€77</td>
<td>€126</td>
</tr>
<tr>
<td>Receivables from derivatives</td>
<td>€(76)</td>
<td>€(141)</td>
<td>€(215)</td>
</tr>
<tr>
<td><strong>Financial debt</strong></td>
<td>€39,018</td>
<td>€41,625</td>
<td>€42,650</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>€(3,185)</td>
<td>€(4,191)</td>
<td>€(5,550)</td>
</tr>
<tr>
<td>Current financial assets</td>
<td>€(1,765)</td>
<td>€(7,393)</td>
<td>€(3,167)</td>
</tr>
<tr>
<td><strong>Net financial debt</strong></td>
<td>€34,068</td>
<td>€30,041</td>
<td>€33,933</td>
</tr>
</tbody>
</table>

1 For definition see Annual Report 2020, 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 shares in Elanco and Covestro

### Nominal Volume of Major Instruments (bn) as of March 31, 2021

1. **Senior EUR Bonds**  €15.5
2. **Senior USD Bonds**  $24.7
3. **JPY Private Placements**  ¥20.0
4. **Hybrid EUR Bonds**  €4.6

### Other Sources of Liquidity

- **Syndicated Loan Facility**  €4.5
- **Commercial Paper Program**  $8.0

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// Bayer Debt Investor Relations // Status: Q1 2021/FY 2020
Main Issuing Entities at Bayer Group

- Bayer AG
  - Germany
- Bayer Holding Ltd.
  - Japan
- Bayer Capital Corp. B.V.
  - Netherlands

Instruments issued or guaranteed by Bayer AG
Indirect Hold through other entities

- 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

EUR Bonds
JPY Bonds
Hybrid Bonds
USD Bonds
Hybrid Bonds at Bayer

### Key Information

- **Issue Dates:**
  - NC10: Jul 14, 2014
  - NC7.5: Apr 15, 2019
  - NC8: Nov 19, 2021
  - NC5.5: Nov 19, 2021

- **First Call Dates:**
  - NC10: Jul 24, 2024
  - NC7.5: Oct 22, 2022
  - NC8: Aug 27, 2027
  - NC5.5: Feb 25, 2025

- **Maturity Dates:**
  - NC10: Jun 24, 2074
  - NC7.5: Jul 24, 2074
  - NC8: May 79
  - NC5.5: May 79

### Characteristics of Hybrid Bonds

<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/Oct 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 fifths year starting with the first call date.
### 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.

<table>
<thead>
<tr>
<th>Borrower</th>
<th>// Bayer AG, Germany // Bayer Corporation, USA</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 (second extension option also used)</td>
</tr>
<tr>
<td>Syndicate Size</td>
<td>23 Banks</td>
</tr>
<tr>
<td>Purpose</td>
<td>General Corporate Purposes</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 lies 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>Issuer</th>
<th>// Bayer AG, Germany // Bayer Corporation, USA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Guarantor</td>
<td>Bayer AG</td>
</tr>
<tr>
<td>Total Amount</td>
<td>$8bn or equivalent</td>
</tr>
<tr>
<td>Date</td>
<td>Event/ Publication</td>
</tr>
<tr>
<td>-----------------------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td>Wednesday, May 12, 2021</td>
<td>Q1 2021 Quarterly Statement</td>
</tr>
<tr>
<td>Thursday, August 5, 2021</td>
<td>Half-Year Report 2021</td>
</tr>
<tr>
<td>Tuesday, November 9, 2021</td>
<td>Q3 2021 Quarterly Statement</td>
</tr>
</tbody>
</table>

Please note that the event calendar might be subject to changes.
Contacts at Bayer

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