Glyphosate Five-Point-Plan

Litigation Update

29 July 2021
Objectives

Provide an update to the market...

- on our Five-Point-Plan to address potential future Roundup™ claims ahead of anticipated August U.S. Supreme Court writ filing

Recap on 27 May...

- when Bayer made the decision to withdraw from the national class process to improve control of future scenarios, impact and timing

Define and compartmentalize...

- the potential scenarios and financial impact of the glyphosate litigation

Allow investors to refocus on Bayer’s long-term intrinsic value...

- by addressing any remaining investor and analyst questions relating to potential future Roundup™ claims
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.
Recap May ‘21: Five-Point-Plan aims to effectively address potential future Roundup™ claims

1. Continue to be open to settlement discussions to resolve claims and bring an end to litigation & liability risk

2. Continue ongoing appeals (Hardeman, Pilliod, Carson) to aim for significantly reducing future liability risk

3. Explore alternative solutions addressing potential future Roundup™ claims

4. Engage with distribution partners to discuss the future of glyphosate-based products in the U.S. residential market

5. Create a new website with scientific studies relevant to Roundup’s™ safety, and request EPA approval of corresponding language on labels
We will file our petition of the “Hardeman case” in August 2021 to the U.S. Supreme Court

Scenario 1
- August 2021: U.S. Supreme Court writ filing
- Late 2021 / early 2022: U.S. Supreme Court writ ruling
- Mid-2022: U.S. Supreme Court case ruling
  - Favorable

Scenario 2
- August 2021: Late 2021 / early 2022: Mid-2022: U.S. Supreme Court case ruling
  - Unfavorable
Selective engagement in settlements only until petition is accepted

**Short-term**
(until 2021)

**Present cases**

- Continue further settlement discussions of ~30,000 inventory cases
- Re-assess each case and enforce selective settlement approach
- No further settlements after U.S. Supreme Court petition acceptance

Addressed by respective element in Five-Point-Plan
Scenario 2: Claims Administration program will allow to manage potential longer-term tail

- Consider longer-term impacts of new claims in absence of possible positive U.S. Supreme Court ruling (Scenario 2)
- Set up a Claims Administration program with pre-determined compensation values
  
  Focus today: Provide transparency on our methodology that determines potential long-term exposure and related provisioning in Q2 2021

1 Incl. remaining hold-out cases

Glyphosate Five-Point-Plan /// Litigation Update /// 29 July 2021
Additional gross provision of $ 4.5 bn (~ € 3.8 bn) accounted for in Q2 2021

### Future cases

**Scenario 2**

Additional gross provision of $ 4.5 bn

**Mid- to long-term**

(2022 onwards)

**Epidemiology**
- NHL cases per year based on National Cancer Institute incidence statistics
- Current inventory statistics as a base for % of alleged NHL cases related to glyphosate
- Correction for unsubstantiated claims based on current inventory stats

**Program duration**
- Latency period of 15 years assumed
- Statute of limitations

**Cost per case**
- Average based on current inventory stats and Feinberg pilot program
- Adjustment for plaintiff lawyer fees

**Other**
- Administration cost
- Litigation/defense for individual court cases

1 Incl. remaining hold-out cases

Addressed by respective element in Five-Point-Plan

Glyphosate Five-Point-Plan /// Litigation Update /// 29 July 2021
Long-term measures taken to essentially eliminate the base for new claims post-latency

Long-term
(~2037 onwards)

Post-latency

Largely eliminate new claims after latency period

Glyphosate-based products for U.S. residential market
Start to replace all glyphosate-based products for the U.S. residential market with non-glyphosate alternatives in 2023

Potential label adaptation
Further engagement with EPA as we explore reasonable options to confine the future litigations risk

Website (scientific studies)
Launch of new website with scientific studies on safety of glyphosate planned for Fall 2021

# Addressed by respective element in Five-Point-Plan
We are in control of the process and have taken clear action to allow investors to focus on the long-term intrinsic value of Bayer.

We are moving forward with a clear legal defense strategy to manage our short-term and medium-term exposure.

We are taking decisive action to limit any potential long-term liabilities.

We have strong arguments for our U.S. Supreme Court appeal.

We include an additional gross provision of $4.5 bn (~€3.8 bn), i.e. before tax and discounting, in Q2 2021 reflecting the company's potential long-term exposure - which leaves significant upside in case of a favorable U.S. Supreme Court ruling.
Thank you
We will file our petition of the “Hardeman case”… in August 2021 to the U.S. Supreme Court

Timeline

27 March 2019  Verdict  $80.3 m
15 July 2019  Post-trial rulings  $25.3 m
14 May 2021  9th Circuit Appeal  Affirms
August 2021  Expected petition to U.S. Supreme Court to review the “Hardeman case”

Federal preemption

Question, whether state-based failure-to-warn claims central to this litigation are barred under FIFRA

FIFRA expressly prohibits states from imposing conditions on a label different from (or in addition to) those required under federal law

U.S. government amicus in 9th Circuit appeal stated: “The label is the law […] EPA has never required a labeling warning of a cancer risk […] and such a warning would be inconsistent with the agency’s scientific assessments of the carcinogenic potential of the product.”

Favorable Supreme Court ruling that state-based failure-to-warn claims are preempted would largely mitigate future litigation risk