



Glyphosate Five-Point-Plan
Litigation Update

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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.



Bayer takes control with Five-Point-Plan

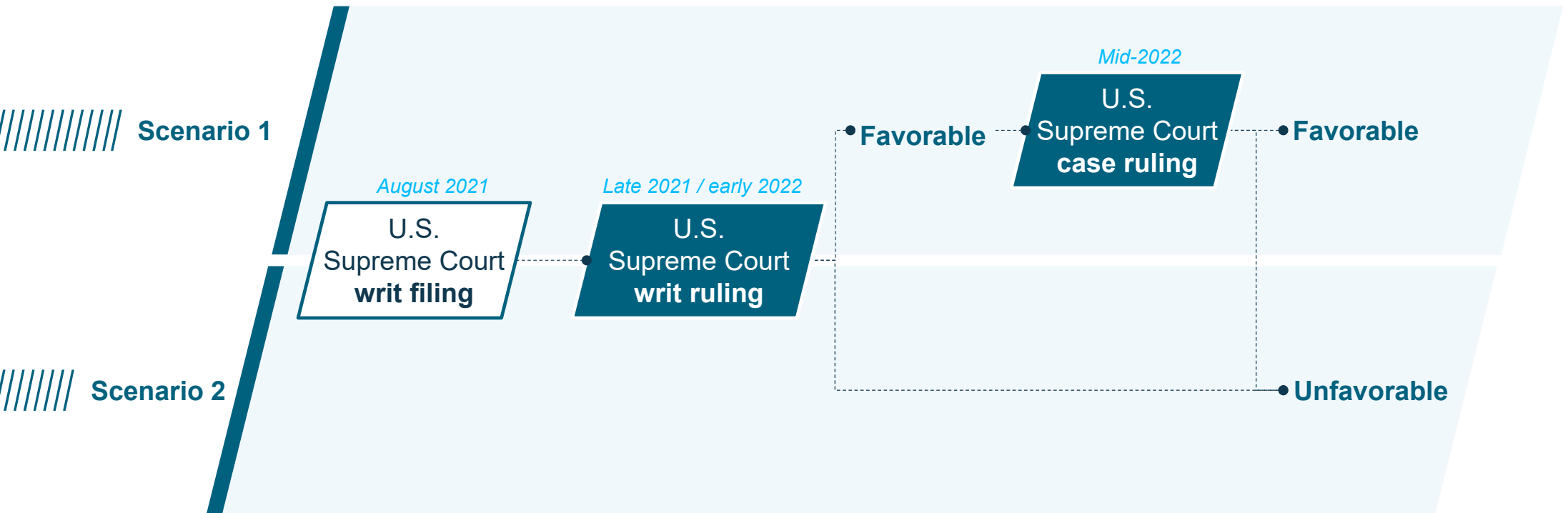


Recap May '21: Five-Point-Plan aims to effectively address potential future Roundup™ claims

- 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





Short-term
(until 2021)

Present cases

Negotiate &
settle existing claims



Addressed by respective element in Five-Point-Plan

Selective engagement in settlements only until petition is accepted



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



Mid- to long-term
(2022 onwards)

Future cases¹

Scenario 1

U.S.
Supreme Court
win
(2022)

Scenario 2

U.S.
Supreme Court
loss
(2022 until ~2037)

2

3

#

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



Mid- to long-term
(2022 onwards)

Future cases¹

Scenario 2

Additional gross provision of
\$ 4.5 bn

3

Addressed by respective element in Five-Point-Plan

Additional gross provision of \$ 4.5 bn (~ € 3.8 bn) accounted for in Q2 2021

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



Long-term
(~2037 onwards)

Post-latency

Largely eliminate new claims after
latency period

4 & 5

Addressed by respective element in Five-Point-Plan

Long-term measures taken to essentially eliminate the base for new claims post-latency



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



Summary



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

