Science for a Better Life
A Global Leader in Health & Nutrition

Investment Case

November 2021 / Bayer AG
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.
Bayer: A Global Leader in Health and Nutrition
Well Positioned to Create Value in Growing Markets using Science to Address Societal Megatrends

Bayer Group Sales

- Leading Positions in Key Therapeutic Areas
  - Pharma
  - Crop Science
  - Consumer Health

- #3 OTC Player
  - Consumer Health

- #1 in Sales and Profitability & R&D
  - Crop Science

- 46% Crop Science
- 12% Consumer Health
- 42% Pharma


Market Size

- Crop Science
  - ~€100bn\(^1\)

- Pharmaceuticals
  - ~€1,000bn\(^2\)

- Consumer Health
  - ~€150bn\(^3\)

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\(^1\)Source: Company Estimates
\(^2\)Source: IQVIA MIDAS MAT Q3-20
\(^3\)Source: Nicholas Hall & Company DB6
Global Megatrends in Health & Nutrition

Attractive Macro Drivers of Our Strategy and Underpin the Need for Innovation

Megatrends through 2050

Societal Needs

Our Mission

We leverage science to address these societal needs – and help people and the planet thrive

2 FAO 2017, (FAO Global Perspective Studies)
3 Nelson et. al, (2014); FAO 2016 “Climate change and food security”
Leadership and Innovation Set the Course for Our Future Growth

Key Growth Drivers

- Long-term megatrend tailwinds are propelling growing demand in the Life Sciences
- Number one position in Ag inputs and leading positions in key Pharma and Consumer categories
- World-class innovation: technological breakthroughs driven by the bio-revolution
- Accelerated transformation and further efficiency gains in our operations
- Focus on sustainability to create new value

Crop Science Innovation Pipeline

- Short Stature Corn
- Soybean Herbicide Trait Stack with Five-Tolerances
- Fox Supra (Indiflin®)¹
- New Mode of Action Herbicide

Pharmaceuticals Innovation Pipeline

- Finerenone
  - Non-diabetic CKD
  - Heart Failure
- Factor XI(a) portfolio
  - Thrombo-embolic diseases
- Elinzanetant (KaNDy NT-814)
  - Vasomotor symptoms during menopause
- P2X3 Receptor Antagonist
  - Multi-indication opportunity

Note: Subject to regulatory approvals and pending registrations. Represents a subset of the pipeline.

¹ In collaboration with Sumitomo

Annual R&D Investment:

- €2.0bn
- €2.7bn
### Profitable Growth Expected in the Mid-Term

Anticipate €43-45bn Sales and €5bn in Annual Free Cash Flow by 2024 for the Group

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#### Group Overview

1. **Enable growth**
   - **Sales in €bn**
     - 2020: 41.4
     - 2021e: ~44
     - 2024e: ~43

2. **Drive profitability**
   - **Core EPS in €**
     - 2020: 6.39
     - 2021e: 6.50 - 6.70
     - 2024e: 7.00 - 7.50

3. **Focus on cash**
   - **Free Cash Flow in €bn**
     - 2020: 1.3
     - 2021e: -0.5 - 1.5

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1. Reflects our 2021 plan at the average actual currencies for 2020
2. Currency assumptions based on month-end September 2021 spot rates (1 EUR) = 1.16 USD, 6.26 BRL, 7.49 CNY, 130 JPY, 23.8 MXN, 84.3 RUB
3. Currency assumptions based on month-end December spot rates (1 EUR) = 1.23 USD, 6.37 BRL, 7.98 CNY, 126 JPY, 24.4 MXN, 91.5 RUB
4. Settlement payouts of ~€5.5bn included
5. Settlement payouts and special items of ~€1bn included

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* Bayer AG Investment Case November 2021

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= Indicates corridor between high- and low case
New Transformation Program with Gross Contributions of >€1.5bn
Expect Partial Reinvestment to Drive New Opportunities; Remainder to Drive Margin Expansion

- Implementation of Bayer 2022 ahead of plan
- We accelerate our transformation to become leaner and more agile
  - Divisions and Enabling Functions
  - Improving our go-to-market models
  - Strengthening our digital and data capabilities
  - Structural measures and optimization of external spend
- Going forward, we will keep you updated and jointly implement and track both programs

* Gross contributions will be partially re-invested to fuel growth and are included in our guidance for 2021-24
  Note: One-time costs in same magnitude as for Bayer 2022 (1.7x the total contribution)
Focus on Cash Generation Now Embedded in Incentive Plans

Improvements Expected from Sales Growth, Working Capital & Divestments; Litigation Pay-outs and One-Time Costs for Transformation Mitigating Factors

**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
Disciplined Capital Allocation to Delever, Pay Dividends and Invest

Expect Net Debt to Increase in 2021 with Planned Settlements and Return to €28-30bn by 2024

Capital allocation priorities

- **Deleveraging**
  - Rating target: A category

- **Dividends**
  - Pay-out range: 30-40% of cEPS

- **External growth investments**
  - Bolt-on M&A, Leaps

- **Free Cash Flow**

- **Divestment proceeds**

Net financial debt development

<table>
<thead>
<tr>
<th>Year</th>
<th>Net financial debt (€bn)</th>
<th>Leverage ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>30</td>
<td>3.2</td>
</tr>
<tr>
<td>2021</td>
<td>~35</td>
<td></td>
</tr>
<tr>
<td>2024</td>
<td>28-30</td>
<td></td>
</tr>
</tbody>
</table>

1 From non-strategic divestments below divisional level and sale of other fixed assets
2 Currency assumptions based on month-end September 2021 spot rates (1 EUR=) 1.16 USD, 6.26 BRL, 7.98 CNY, 128 JPY, 24.4 MXN, 84.3 RUB
3 Currency assumptions based on month-end December spot rates (1 EUR=) 1.23 USD, 6.37 BRL, 8.05 CNY, 126 JPY, 24.4 MXN, 91.5 RUB

= Indicates corridor between high- and low case
Ambitious Measurable Targets for Sustainable Development

2030 Targets in Line with UN SDGs and Our Vision; **Health for All, Hunger for None**

**Help more PEOPLE thrive: Drive growth in underserved regions**

- Support 100m\(^1\) smallholder farmers in LMIC\(^2\)
- Provide 100m\(^1\) women in LMIC with access to modern contraception
- Expand access to self-care for 100m\(^1\) people in underserved\(^3\) communities

**Decrease ECOLOGICAL footprint: Drive growth through sustainable resource use**

- Climate neutrality at own sites + reduced emissions in our supply chain
  - 42%\(^1\) reduction target for Scope 1 & 2\(^4\)
  - 12.3%\(^1\) reduction target for Scope 3\(^4\)
  - Net Zero emission target until 2050 in line with long term goal of Paris Agreement (Scope 1, 2 & 3)\(^4\)

**U.N. Sustainable Development Goals within Our Focus Areas**

1. **Clean Water and Sanitation**
2. **Zero Hunger**
3. **Health and Wellbeing**
4. **Climate Action**
5. **Gender Equality**
6. **Clean Air**
7. **Life on Land**
8. **Life Below Water**
9. **Industry, Innovation and Infrastructure**
10. **Indoor Sanitation**
11. **Primary Education**
12. **Affordable and Clean Energy**
13. **Sustainable Cities and Communities**
14. **Responsible Consumption and Production**
15. **Peace, Justice and Strong Institutions**

**Established a Sustainability Council comprised of highly renowned experts to provide advice and review progress on sustainable business strategy and social innovation in consultation with our CEO and Boards**

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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. Baseline(2019). Numbers reflect people; preliminary figures; pending external audit: ~42m smallholder farmers; ~38m women; ~41m people; 3.7m tCO\(_2\)e for Scope 1&2; 10m tCO\(_2\)e for Scope 3.
3. Underserved - Economically or medically.
4. Scope 1: emissions from own operations; Scope 2: emissions from purchased energy; Scope 3: emissions along the value chain.
Investment Thesis

Key Takeaways

1. We are a global leader in Health & Nutrition that addresses societal megatrends

2. We are well-positioned to shape disruption in the bio-revolution

3. We expect to translate innovation into profitable mid-term growth

4. We expect to improve our profitability by accelerating our transformation

5. We have disciplined capital allocation priorities: delever, pay dividends and invest

6. We have integrated sustainability in our business strategy and incentive systems
Science for a Better Life
Shaping the Future of Agriculture

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Shaping the Future of Agriculture

1. Market & Position
2. Strategy
3. Operational Performance
4. World-Class Innovation
5. Digital Transformation
6. New Standards in Sustainability
7. Financial Targets
The Established Leader in Crop Science

Industry Leading Sales, Profitability and Unmatched Investment in R&D to Fund Future Growth

**Largest in Sales**

<table>
<thead>
<tr>
<th>Company</th>
<th>Total Sales1 (€bn)</th>
<th>Crop Protection/ES</th>
<th>Seed &amp; Traits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bayer</td>
<td>10.2</td>
<td>8.6</td>
<td>18.8</td>
</tr>
<tr>
<td>Syngenta + Adama2</td>
<td>16.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corteva</td>
<td>12.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BASF</td>
<td>7.7</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Highest Profitability**

<table>
<thead>
<tr>
<th>Company</th>
<th>EBITDA1 (€bn) / EBITDA1 Margin (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bayer</td>
<td>10.2 / 24.1%</td>
</tr>
<tr>
<td>Syngenta + Adama2</td>
<td>16.2 / 19.6%</td>
</tr>
<tr>
<td>Corteva</td>
<td>12.5 / 14.7%</td>
</tr>
<tr>
<td>BASF</td>
<td>7.7 / 21.9%</td>
</tr>
</tbody>
</table>

1 Company information; exchange rate: FY 2020: ~1.14 USD/EUR. EBITDA before special items. FY2020 sales
2 Represents the legacy Syngenta results plus Adama
Global #1 in Seed & Traits with Leading Crop Protection Portfolio

Product areas – Bayer Crop Science
€18.8bn

Product areas – Ag Input Market
~€100bn

Sales by Region – Bayer Crop Science
€18.8bn

Sales by Region – Ag Input Market
~€100bn

Market Positions¹

Key Products

¹ Source: Company estimates. Market positions based on 2019 data.
Megatrends Drive Market Growth and Need for Innovation

Ag Market Remains Attractive with Expected ~3% CAGR\(^1\) to 2030

<table>
<thead>
<tr>
<th>Demand</th>
<th>Supply</th>
</tr>
</thead>
<tbody>
<tr>
<td>More food, feed &amp; biofuel(^2) needed</td>
<td>Harvest losses from climate change(^2)</td>
</tr>
<tr>
<td>50%</td>
<td>17%</td>
</tr>
<tr>
<td>World population(^2)</td>
<td>Ha of agricultural land loss annually</td>
</tr>
<tr>
<td>10(\text{bn})</td>
<td>12(\text{m})</td>
</tr>
<tr>
<td>More meat in developing nations(^2) needed</td>
<td>Reduction in arable land per capita(^2)</td>
</tr>
<tr>
<td>70%</td>
<td>20%</td>
</tr>
</tbody>
</table>

\(^1\) Source: Company estimates. Total of ~€100bn includes ~€6bn value of Environmental Science; graph does not.

\(^2\) Source: FAO 2017, The Future of Food and Agriculture, by 2050
Four Core Pillars Anchor our Vision to Shape Agriculture

Plan to Out-Perform the Market and Expand Leadership in Innovation, Digital and Sustainability

1. Accelerate operational performance
2. Deliver world-class innovation
3. Pioneer the digital transformation
4. Set new standards in sustainability
A Clear Plan to Accelerate Growth and Outperform the Market

### 2021: Transition

<table>
<thead>
<tr>
<th>Sales Growth(^1)</th>
<th>EBITDA Margin(^2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>~9%</td>
<td>~23%</td>
</tr>
</tbody>
</table>

### 2022-2024: Acceleration

<table>
<thead>
<tr>
<th>Sales Growth(^1,4)</th>
<th>EBITDA Margin(^3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>3% to 5%</td>
<td>27% to 29%</td>
</tr>
</tbody>
</table>

1. Deliver growth in crop protection sales through new products, integrated offerings
2. Grow corn seed & traits with annual portfolio refresh and new insect traits
3. Upgrade the Americas to next-gen soybean trait technology
4. Implement new vegetable seeds strategy and launch new traits in cotton to drive growth
5. Achieve planned 2022 synergies in 2021; accelerate with new efficiency program until 2024

1 Currency and portfolio adjusted
2 Before special items. Currency assumptions based on month-end September 2021 spot rates (1 EUR=1.16 USD, 6.26 BRL, 7.49 CNY, 130 JPY, 23.8 MXN, 84.3 RUB)
3 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)
4 Sales growth projections per March 11, 2021 Capital Markets Day

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Innovation, Integrated Offerings Drive Crop Protection Growth

Key New Products:
- Corvus / Adengo in Corn
- XtendiMax with VaporGrip Technology

Integrated Offerings:
- Bayer Plus in the U.S.
- Alion/Provence in sugarcane/fruits

Key New Products:
- Fox Xpro and Fox Supra in soybeans in Brazil
- iblon in cereals in EMEA
- Delaro Complete in NA
- Luna and Serenade (biologic) families in fruits & vegetables globally

Key New Products:
- Velum/Verango and Sivanto in horticulture
- Vayego in APAC

Sales Growth by Region 2021-'24:
- EMEA: 3 to 4%
- LATAM: 6 to 7%
- NA: 6 to 7%
- APAC: 6 to 7%

2021-'24 CAGR (cpa)

Sales Growth by Category 2021-'24:
- Herbicides: €4.7bn
- Fungicides: €2.6bn
- Insecticides: €1.4bn

Deploying New Corn Hybrids and Traits to Grow Sales

Expect 3-4%\(^1\) Sales CAGR 2020-'24 in Corn Seed & Traits

Mid-Term Key Growth Drivers in Corn

Deploying >150 new hybrids annually around the globe to grow leading germplasm share in corn key growing regions.

<table>
<thead>
<tr>
<th>United States</th>
<th>#1 Market Pos.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market Size:</td>
<td>~93m acres</td>
</tr>
<tr>
<td>Germplasm Share:</td>
<td>&gt;55%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Argentina</th>
<th>#1 Market Pos.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market Size:</td>
<td>~20m acres</td>
</tr>
<tr>
<td>Germplasm Share :</td>
<td>~60%(^2)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Mexico</th>
<th>#1 Market Pos.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market Size:</td>
<td>~20m acres</td>
</tr>
<tr>
<td>Germplasm Share:</td>
<td>&gt;65%(^2)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Brazil</th>
<th>#1 Market Pos.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market Size:</td>
<td>~52m acres</td>
</tr>
<tr>
<td>Germplasm Share¹:</td>
<td>~30%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Europe</th>
<th>#2 Market Pos.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market Size:</td>
<td>~80m acres</td>
</tr>
<tr>
<td>Germplasm Share:</td>
<td>~20%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>South Africa</th>
<th>#1 Market Pos.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market Size:</td>
<td>~8m acres</td>
</tr>
<tr>
<td>Germplasm Share:</td>
<td>&gt;70%</td>
</tr>
</tbody>
</table>

Launching CRW3 as a part of VTPro4 and SmartStax Pro stacked offerings in the near-term; game-changing short-stature corn expected launch in the mid-term in the U.S. and Brazil.

CRW3 is Industry’s Only RNAi-Based Insect Trait for Rootworm Control

2021: ~500K acres

2023/27 F

Launch 2022

LAUNCHING 2021

SmartStax PRO

Add CRW3 to SmartStax

CRW3 is Industry’s Only RNAi-Based Insect Trait for Rootworm Control

VTPro4

Add CRW3 and addl. mode of above-ground insect control to VT3Pro

2021: ~500K acres

Note: Size of market, market position and germplasm share measured as of 2021.

¹ Currency and portfolio adjusted. Sales growth projections per March 11, 12, 2021 Capital Markets Day ² In hybrid corn market only ³ Eu27 + UK, Russia and Ukraine

// Bayer AG /// Investment Case /// November 2021
**Upgrading the Americas to Next-Gen Soybean Trait Technology**

**South America**

**Bayer Soybean Trait Offerings:**

- **NEW! LAUNCHING 2021/2022**
  - INTACTA RR2 PRO
  - ~85m acres
  - Insect Resistance & Glyphosate Tolerance

- **2020/2021**
  - 3rd Gen. Insect Control
  - HT4 Industry's First Five-Tolerance Soybean Trait Stack

- **2028F+1**
  - 30 varieties avail.
  - Brazil Only
  - Adds Mode of Action for Insect Resistance & Dicamba Tolerance

**United States and Canada**

**Bayer Soybean Trait Offerings:**

- **LAUNCHED 2021**
  - Glyphosate & Dicamba Tolerance
  - Adds Glufosinate Tolerance to Roundup Ready 2 Xtend

- **2026/27 F**
  - 2,4-D, HPPD tolerance to XtendFlex

**2020**

- ~50m acres
- Glyphosate & Dicamba Tolerance

**2021:**

- ~15m acres
- Adds Glufosinate Tolerance to Roundup Ready 2 Xtend

**2021/22e:**

- ~600k acres

**Operational Performance**

**NEW! LAUNCHING 2021/2022**

- HT4 Industry’s First Five-Tolerance Soybean Trait Stack
- Launch timing reflects Brazil
- Currency and portfolio adjusted
- Compared to similar varieties in checks across 500 locations in 2020/2021 crop year

**+2.89 bu/acre^3**
R&D Investment Powers Industry-Leading Portfolio

Shaping the Future of Agriculture with Sector’s Most Productive Innovation Platform

Ag R&D Investment (€bn)$^3$

- Bayer Crop Science: 2.0
- Syngenta + Adama$^1$: 1.2
- Corteva: 1.0
- BASF Ag: 0.8

$^1$ Represents the legacy Syngenta results plus Adama. Excludes non-agro business sales of ADAMA (nutritional supplements, aromatic products, industrial products). Syngenta Group formal reporting did not begin until H1 2020.

$^2$ Includes permanent and temporary employees


#1 R&D Platform in Crop Science

- Fueled by ~7,100 R&D employees$^2$ in >50 countries
## Unmatched Innovation Pipeline is Set to Drive Growth

Total Pipeline Peak Sales Potential up to €30bn\(^2\); ~50% Incremental

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Corn S&amp;T</td>
<td>~€10-11bn</td>
<td>150+ New Hybrids Commercialized Annually</td>
<td>SmartStaxPRO</td>
<td>Short Stature Corn Hybrids</td>
</tr>
<tr>
<td>Soybean S&amp;T</td>
<td>~€4-5bn</td>
<td>150+ New Varieties Commercialized Annually</td>
<td>VTPro4</td>
<td>Soybean Herbicide Trait Stack with Five-Tolerances</td>
</tr>
<tr>
<td>Hericides</td>
<td>~€3bn</td>
<td>35+ New Formulation Launches in the next Decade</td>
<td>INNOLO</td>
<td>New Non-Selective PPO Herbicide(^1)</td>
</tr>
<tr>
<td>Fungicides</td>
<td>~€3bn</td>
<td>20+ New Formulation Launches in the next Decade</td>
<td>iBlon(^1) (Isocapryram)</td>
<td>New Fungicide for Asian Soybean Rust(^3)</td>
</tr>
<tr>
<td>Insecticides</td>
<td>~€2bn</td>
<td>20+ New Formulation Launches in the next Decade</td>
<td>Mateno</td>
<td>Decis Phoenix</td>
</tr>
<tr>
<td>Other, Vegetable Seeds, Environmental Science</td>
<td>~€5-6bn</td>
<td>~130 Vegetable Hybrids/Varities Commercialized Annually</td>
<td>ThyrvOn(^1) Carbon Business Model</td>
<td>4th Generation Bollgard Cotton Trait</td>
</tr>
</tbody>
</table>

**Note:** Subject to regulatory approvals and pending registrations. Represents a subset of the pipeline. Launches are all approximates.

\(^1\) In collaboration with Sumitomo  
\(^2\) Company estimate  
\(^3\) Products not registered in all jurisdictions.
Short-Stature Corn Offers Transformational Shift in Production
Anticipated Fit on >220m Acres Enabled by Three Development Approaches

Field Plots Around the Globe Demonstrate Key Features and Benefits of Short-Stature Corn

Game-Changing Innovation
- Unparalleled production stability with improved standability in high winds and challenging weather conditions
- Annual yield losses due to stalk lodging in the U.S. range from 5% to 25%¹

Digitally Optimized System
- Extended in-season crop access due to shorter height
- Supports tailored solutions with precise in-season crop protection

More Sustainable Future
- Potential to optimize use of key nutrients like nitrogen, as well as reducing land and water requirements
- Opportunity to plant at higher densities, as evidenced in Vitala commercial beta in Mexico

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

Iowa 2020 Trials Following Derecho Windstorm
Spray Rig in Short-Stature Corn Plot Jerseyville, IL
+35% Seed Density Planting Sinaloa, MX 2020
Digital Platform is Core To Driving Growth
Enabler of Tailored Solutions and New Business Models

1 Expand Industry-Leading Platform

- **NEW** >180m subscribed acres in 2020
  - #1 brand in digital ag
  - Operates in 23 countries

2 Unlock Growth from New Digital Business Models

- **NEW** Showcasing portfolio strength; increased corn seed volume purchases from U.S. FieldView Plus users, compared to non-users, '18 to '20
  - Predicting seed & chemistry performance
  - Partnering on outcomes

- **NEW** Tailored Solutions
- **NEW** Carbon Farming
- **NEW** Smallholder Access

- **NEW** Translating unique knowledge of on-farm practice into carbon credits

- **NEW** Envision 100% of 2030 Sales Enabled by Digital Enhancements and Increasingly Based on Partnered Outcomes

- **NEW** Largest database of grower and field trial seed performance data in industry
- **NEW** >70 partners on platform

- **NEW** Scalable, end-to-end smallholder support through value-chain partnerships & common data foundation
Bayer’s 2030 Sustainability Commitments

**Advancing a carbon-zero future for agriculture**

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

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

- Climate FieldView for precision application of crop protection
- Resistant traits help to reduce crop protection use
- Develop and promote crop protection solutions with lower environmental impact

**Empower 100 million smallholder farmers to access sustainable Ag solutions**

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

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

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

*100m Smallholders benefit from access to products, services and partnerships*
Crop Science Mid-Term Targets

A Clear Plan to Outperform the Market and Expand Industry-Leading Profitability

### Sales / Sales Growth

<table>
<thead>
<tr>
<th></th>
<th>Actual</th>
<th>cpa</th>
<th>At month-end Dec. 20 rates(^2,4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>€18.8bn</td>
<td>~ 9%</td>
<td>3% to 5%</td>
</tr>
</tbody>
</table>

### EBITDA Margin (before special items)

<table>
<thead>
<tr>
<th></th>
<th>At month end Sep 20 rates(^1)</th>
<th>At month-end Dec. 20 rates(^2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>24.1%</td>
<td>2021e</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2024e</td>
</tr>
<tr>
<td></td>
<td></td>
<td>~ 23%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>27% to 29%</td>
</tr>
</tbody>
</table>

### Divisional Drivers

<table>
<thead>
<tr>
<th>CAGR cpa</th>
<th>Sales:</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020-’24(^3,4)</td>
<td>3-4% • Herbicides: Xtendimax with VaporGrip Xtra recovery, Bayer Plus and other integrated offerings, pricing</td>
</tr>
<tr>
<td></td>
<td>6-7% • Fungicides and Insecticides: New products like Fox Xpro, iblon, Luna and Vayego, integrated offerings</td>
</tr>
<tr>
<td></td>
<td>3-4% • Corn S&amp;T: New hybrids, VTPro4 and SmartStax PRO traits</td>
</tr>
<tr>
<td></td>
<td>1-2% • Soybean S&amp;T: Transition in 2021, then grow thereafter with trait upgrades in the Americas</td>
</tr>
<tr>
<td></td>
<td>4-5% • Vegetable Seeds: New hybrids/varieties</td>
</tr>
<tr>
<td></td>
<td>1-2% • Other: ThryvOn Technology, U.S.and Brazil cotton, offset by loss of TSA sales to BASF</td>
</tr>
</tbody>
</table>

### cEBITDA

- Pricing lift from innovation and FX recovery in Brazil, augmented by new cost efficiency program; assumes Dec. 20 currency rates throughout plan.

---

\(^{1}\) Currency assumptions based on month-end Sep 2021 spot rates (1 EUR= 1.16 USD, 6.26 BRL, 7.49 CNY, 130 JPY, 23.8 MXN, 84.3 RUB

\(^{2}\) Currency assumptions based on month-end December spot rates (1 EUR= 1.23 USD, 6.37 BRL, 7.98 CNY, 126 JPY, 24.4 MXN, 91.5 RUB

\(^{3}\) CAGR from 2020 base year

\(^{4}\) Sales growth projections per March 11,12, 2021 Capital Markets Day

---

As updated in November 2021

cpa: currency and portfolio adjusted

1 Currency assumptions based on month-end Sep 2021 spot rates (1 EUR=) 1.16 USD, 6.26 BRL, 7.49 CNY, 130 JPY, 23.8 MXN, 84.3 RUB
2 Currency assumptions based on month-end December spot rates (1 EUR=) 1.23 USD, 6.37 BRL, 7.98 CNY, 126 JPY, 24.4 MXN, 91.5 RUB
3 CAGR from 2020 base year
4 Sales growth projections per March 11,12, 2021 Capital Markets Day
Science for a Better Life
Transforming Pharma to Deliver Sustainable Long-term Growth

Investment Case
November 2021 / Bayer AG
Transforming Pharma to Deliver Sustainable Long-Term Growth

1. Market & Position
2. Strategy
3. Growth Drivers
4. Innovation
5. Sustainability
6. Financial Targets
Pharma: Focused on Therapeutic Areas with High Unmet Needs

Sales development
In €m

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>16,420</td>
<td>16,847</td>
<td>16,746</td>
<td>17,962</td>
<td>17,243</td>
</tr>
</tbody>
</table>

EBITDA margin development
In %, before special items

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Margin</td>
<td>32.0</td>
<td>33.9</td>
<td>33.4</td>
<td>32.6</td>
<td>34.9</td>
</tr>
</tbody>
</table>

Sales by region
In %, in 2020

- North America: 22%
- Latin America: 5%
- Asia / Pacific: 33%
- EMEA: 40%

Therapeutic areas
In %, based on sales 2020

- Cardiovascular: 37%
- Hematology: 16%
- Ophthalmology: 14%
- Oncology: 9%
- Radiology: 9%
- Women’s Health: 16%
- Other: 5%

Leading positions in key therapeutic areas

- Cardiovascular
- Hematology
- Retinal Diseases
- Women’s Health
- Radiology

Top products
In €m, based on sales 2020

- Xarelto: 4,515
- Eylea: 2,468
- Mirexar: 1,081
- Livalo: 851
- Yasmir: 670
We are operating in a rapidly changing but attractive market environment driven by megatrends and the Bio Revolution.

**Pharma Market**

- **Market Size 2020**
  - Americas: 52%
  - EMEA: 24%
  - APAC: 9%
  - China: 9%
  - Japan: 7%
  - ~$1,000bn

- **Market CAGR 2020-24e**
  - 4 - 5%

**Market Dynamics**

**Opportunities**
- Aging and growing population megatrends
- Rising life expectancy and increased access to healthcare systems
- Accelerated digital transformation across the value chain
- Technological disruption by breakthrough science
- Shift from treatment to prevention and potential cure

**Challenges**
- Pressure on pricing
- Declining R&D productivity
- Increased pressure for value and real-world evidence

---

1. Source: IQVIA MIDAS MAT Q3-20
2. Source: IQVIA Market Prognosis as of September 2020
The Transformation of Pharma is Underway

- Management team focused on improving existing structures and processes
- Realize full potential of products and pipeline to mitigate LoE impact and return to growth
- Re-allocate resources and shape financial profile to post LoE future
- Capitalize and build on investments in breakthrough innovation, espec. C&GT
- Challenge strategic direction of R&D - enhance focus on external innovation
Our Transformation is Guided by Five Strategic Focus Areas

Strategic Focus Areas

- **Portfolio and Pipeline**
- **Digital Health**
- **Cell & Gene Therapy**
- **Oncology**
- **China & US**

**Key Priorities**

- Maximize the value of the current portfolio and manage the loss of exclusivity for Xarelto & Eylea
- Deliver three new potential blockbusters from late-stage pipeline
- Build digital health solutions and capitalize on Cell & Gene therapy platform
- Build an at scale player in oncology in our areas of focus
- Evolve regional strategies in China and the US to sustain future growth
We Laid The Foundation for Long-term Growth at Pharma

Main Building Blocks of Post LoE Growth

Late-stage Pipeline in CV & WH

- Verquvo (vericiguat) tablets
  - PSP ~ €0.5bn

- Kerendia (finerenone)
  - PSP ≥ €1.0bn

- Elinzanetant (KaNDy NT-814)
  - PSP ≥ €1.0bn

Oncology

- NUBEQA (darolutamide)
  - PSP ≥ €1bn

- VITRAKVI (larotrectinib)
  - PSP > €0.75bn

Cell & Gene Therapy Platform

- C&GT platform expected to deliver significant sales contributions from ~2025 onwards

External Innovation and BD&L

- >25 BD&L-transactions signed in 2020
- Enhanced focus on external innovation to replenish pipeline
Kerendia may Become a Foundational Cardio-renal Disease Modifier with a Strong Scientific and Clinical Base

Today
CKD dedicated treatment with CV benefits

Mid- to long-term
Cardio-renal disease modifier

- Chronic Kidney Disease in Type-2-Diabetes
  - 160 mio patients
  - Shortens life expectancy by 16 years
  - #1 cause for dialysis / transplants

- Keredia provides kidney and heart protection for patients along the disease continuum in CKD and T2D

- New drug class on top of existing treatment paradigm

- Launched in the US

- Life-cycle management expanding into heart failure (HFm/pEF) and non-diabetic CKD

Dates indicate primary trial completion according to clinicaltrials.gov

Chronic Kidney Disease in Type-2-Diabetes
Heart Failure (HFm/pEF)
Non-diabetic Chronic Kidney Disease
Global Roll-out of Launch-Products Underway

Darolutamide (AR-Antagonist)¹
- 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 with chemo in 2021e (ARASENS)
- New phase III trial in mHSPC without chemo (ARANO)
- Peak sales potential ≥€1bn

Larotrectinib (TRK-inhibitor)
- First and only selective TRK inhibitor
- Tumor agnostic label - unprecedented clinical benefit in 17 tumor types
- High overall response rate across adults (71%) and pediatric (92%) patients
- CNS efficacy demonstrated
- Peak sales potential >€750m

Vericiguat (sGC-stimulator)²
- Launched in the US for the treatment of chronic heart failure (HFrEF)
- Absolute risk reduction of 4.2 per 100 patient years for the primary endpoint demonstrated in pivotal VICTORIA trial
- Submitted for marketing authorization in multiple countries worldwide.
- Peak sales potential ~€500m (as reported by Bayer)

¹ In collaboration with Orion Corporation
² In collaboration with Merck & Co. Inc., Kenilworth, NJ, USA
We are Targeting to Significantly Expand our Presence in Select Areas of Oncology where One Blockbuster can Build a Franchise

Key elements to achieve our growth aspiration

- Realize blockbuster potential of NUBEQA
- Expand prostate franchise with NUBEQA and Xofigo
- Continue to execute launch of VITRAKVI
- Expand into IO-combo opportunities with Stivarga
- Accelerate early pipeline projects
- Seek external growth opportunities through BD&L
- Continue to invest in next generation disruptive technologies
## Highlighting Late-/Mid-stage Pipeline Opportunities and Scientifically Appealing Early R&D Assets

### Late-/Mid-Stage Opportunities

| **Finerenone** | • Non-diabetic CKD  
|                | • Heart Failure |
| **Factor XI(a) portfolio** | • Thrombo-embolic diseases |
| **Elinzanetant (KaNDy NT-814)** | • Vasomotor symptoms during menopause |
| **P2X3 Receptor Antagonist** | • Multi-indication opportunity |

### Scientifically Appealing Early Assets

| **Precision Molecular Oncology** | • EGFRex20 inhibitor  
|                                | • ATR inhibitor |
| **Targeted Alpha Therapies**   | • Thorium conjugates |
| **CAR T-Cell Immuno-oncology** | • Collaboration with Atara Biotherapeutics |
| **Gene Therapy**               | • AskBio AAV gene augmentation platform |
| **Cell Therapy**               | • BlueRock iPSC technology platform |

1 selected examples
External Innovation to Accelerate Replenishment of Pipeline and Broaden Modalities
Selected High-Level Overview

**Momentum Significantly Increased**

>25 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 (eg. Vincera Pharma)

**Strategic Focus**

- Venturing into **new modalities** (Cell & Gene Therapy)
- Broadening the **Oncology** pipeline (eg. Systems Oncology, Atara)
- Commercial partnerships in **China** (eg. Hua Medicine)
- Deals in the **Digital** Space (eg. R&D: Schroedinger, Exscientia, Recursion; Commercial: OneDrop)
- Continued augmentation of core therapeutic areas: (**WHC**: KaNDy Therapeutics)
- Strengthening the **Cardiovascular** pipeline (Curadev, 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
- Ph 1 for lead program in Parkinson’s disease

Allogeneic Cell Therapy
- Next-generation, mesothelin-directed CAR T-cell therapies
- Focus on potential allogeneic, “off the shelf” tumor therapies

Gene Editing as cross-functional enabling technology

Collaboration with Atara Biotherapeutics
Sustainability is Fully Embedded in our Strategy

• “Health for All - Hunger for None” are core to our raison d’être at Pharma

• Measurable targets linked to incentive scheme

• Adopting an equitable pricing approach that incorporates country-level affordability.

• Focus on LMIC as priority in terms of pricing flexibility and patient affordability program implementation.

We aim to broaden access to our pharmaceutical products to 100m people in low- and middle-income countries

Providing 100m women in LMIC with access to modern contraception

Implementing patient affordability programs around the world

Numbers reflect women using modern contraception (millions) ¹ LMIC: low and middle income countries
² Capacity building refers to the development of knowledge, skills, commitment, structures, systems and leadership to enable and strengthen self-reliance and resilience of the local health systems and of the key players towards family planning and sexual reproductive health. We aim to do leverage partnerships to create impact at scale.
Mid-term Targets for Pharma Reflect Limited Impact from the LoE for Xarelto

### Sales / Sales Growth

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2021e*</th>
<th>2022/2023e³</th>
<th>2024e³</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pharma-ceuticals</td>
<td>€17.2bn</td>
<td>~ 6%</td>
<td>3% to 5%</td>
<td>Low- to mid-single-digit decline</td>
</tr>
</tbody>
</table>

### EBITDA margin (before special items)

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2021e</th>
<th>2022/2023e</th>
<th>2024e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pharma-ceuticals</td>
<td>34.9%</td>
<td>~32%</td>
<td>32% to 34%</td>
<td>Above 30%</td>
</tr>
</tbody>
</table>

### Divisional Drivers

- Top-line trough due to Xarelto LoE expected in 2024 - returning to growth thereafter *as presented at the CMD in March 2021*
- New launches (eg. Nubeqa, Verquvo, Finerenone) to drive growth
- Continued focus on tight expense control
- Investing in new launches

---

* As in November 2021

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, 7.98 CNY, 126 JPY, 24.4 MXN, 91.5 RUB)

3 Sales growth projections per March 11, 12, 2021 Capital Markets Day

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Bayer AG // Investment Case // November 2021
Science for a Better Life

Winning in Consumer Health

Investment Case
November 2021 / Bayer AG
Winning in Consumer Health

1. Market & Position
2. Strategy
3. Sustainability
4. Financial Targets
Consumer Health: A Leading Global OTC Player

FINANCIALS

Sales development
In €m / % yoy cpa

EBITDA margin development
In %, before special items

Sales by region: €5.1bn
In %, in 2020

PRODUCTS

Sales by categories: €5.1bn
In %, in 2020

Market positions by category¹

Key products

¹ Nicholas Hall & Company DB6 October 2020
A Multifaceted Plan to Drive Further Growth

**AMBITION**
Grow ahead of the market and increase margins

**WHERE TO PLAY**
Winning & Balanced Portfolio

**HOW TO WIN**
- Growth focused Innovation (esp. in powerbrands)
- Modern Marketing & Sales (e.g. precision marketing)
- Optimized Cost & Cash (with focus on an agile organization)

**OUR ACCELERATORS**
- Digital Transformation
- Sustainability
Driving Disproportionate Growth in Attractive Segments and Markets

Strong positions in 7 out of Top 10 OTC markets

Top 5 position

Accelerate growth in fast-growing and profitable markets

USA

CHINA

India

South-East Asia
Accelerating Growth from Innovation
Iconic Global and Local Brands Built over Decades

Note: xx = Year of brand launch

// Bayer AG /// Investment Case /// November 2021
Modernizing Our Brand Building and Sales Capabilities

Brands with Purpose

From Mass to Precision Marketing

<table>
<thead>
<tr>
<th></th>
<th>% Precision marketing¹</th>
<th>2018</th>
<th>2020</th>
<th>2024 - Ambition</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>25%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>% Net Sales²</th>
<th>2018</th>
<th>2020</th>
<th>2024 - Ambition</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

¹ Percentage of digital media which is data-driven precision marketing
² Percentage of net sales which is through e-commerce channels

2 Strategy: Modernized Marketing & Sales
Taking Bold Steps on Sustainability

2030 Goal

Expand access to everyday health for 100 million underserved consumers

Societal

Health Literacy
Partnerships & brand purpose activations for underserved
Vitamin Angels, Kirk Humanitarian

Accessible Products
Affordable formats, innovations, and go-to-market (GTM) models
Accessible SKUs & relevant GTMs

Environmental

Carbon Neutral Production
CO2 reduction: Energy efficiency and renewable energy projects
Removal of ozone depleting liquids from HVAC plants

Sustainable Products
Sustainable packaging
Baselining of environmental impact of packaging & finding alternatives
**Consumer Health: Sustainable Profitable Growth**

### Sales / Sales Growth

<table>
<thead>
<tr>
<th>Year</th>
<th>2020</th>
<th>2021e*</th>
<th>2022-24e³</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>€5.1bn</td>
<td>~ 6%</td>
<td>3 to 5%</td>
</tr>
</tbody>
</table>

*As updated in November 2021

cpa: currency and portfolio adjusted

1 Reflects our 2021 plan at the average actual currencies for 2020
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3 Sales growth projections per March 11, 12, 2021 Capital Markets Day

### EBITDA Margin (before special items)

<table>
<thead>
<tr>
<th>Year</th>
<th>2020</th>
<th>2021e</th>
<th>2024e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Margin</td>
<td>22.0%</td>
<td>22 - 23%</td>
<td>Mid-20’s</td>
</tr>
</tbody>
</table>

---

**Divisional Drivers**

- Net Sales to grow above market
- cEBITDA improvement through growth acceleration and continued efficiency gains
- Focus on continued Cash Flow improvement
Investment Thesis

Key Takeaways

1. We are a global leader in Health & Nutrition that addresses societal megatrends
2. We are well-positioned to shape disruption in the bio-revolution
3. We expect to translate innovation into profitable mid-term growth
4. We expect to improve our profitability by accelerating our transformation
5. We have disciplined capital allocation priorities: delever, pay dividends and invest
6. We have integrated sustainability in our business strategy and incentive systems
Science for a Better Life
A Global Leader in Health & Nutrition

Investment Case
November 2021 / Bayer AG