Debt Investor Information

Status: FY 2021
As of 1 March 2022
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

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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: FY 2021
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

**Annual R&D Investment:** €2.0bn

**Key Current Launch Products:**
- Xtendi, INcada, VTRAXIN, SmartStax PRO

**Key Mid-/Late-Stage Pipeline Opportunities:**
- Short Stature Corn
- Soybean Herbicide Trait Stack with Five Tolerances

**Pharmaceuticals Innovation Pipeline**

**Annual R&D Investment:** €2.7bn

**Key Current Launch Products:**
- NUBeqa
- Kerendia

**Key Mid-/Late-Stage Pipeline Opportunities:**
- Finerenone
  - Non-diabetic CKD
  - Heart Failure
- Factor XI(a) portfolio
  - Thrombo-embolic diseases
- Elinzanetant (KaNDy NT-814)
  - Vasomotor symptoms during menopause

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

1 In collaboration with Sumitomo Chemical Co., Ltd.
Global Megatrends in Health & Nutrition
Attractive Macro Drivers of Our Strategy and Underpin the Need for Innovation

Ageing Population
- Population of people age 60+ more than doubling\(^1\)
- >20% of total population\(^1\)

Growing Population
- +2.2bn people\(^1\)
- +50% more food and feed required to meet growing demand\(^2\)

Pressure on Ecosystems
- -17% Harvest losses from climate change\(^3\)
- -20% Significant loss in arable land per capita\(^4\)

Preserve and restore health
Secure sufficient supply of quality food
Use natural resources more efficiently and responsibly

We leverage science to address these societal needs – with the ultimate goal to improve people’s lives

\(^1\) UNDESA 2017 (United Nations Department of Economic and Social Affairs, Population Division (2017). World Population Prospects: The 2017 Revision)
\(^2\) FAO 2017, (FAO Global Perspective Studies)
\(^3\) Nelson et. al, (2014); FAO 2016 “Climate change and food security”
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 **100m¹ smallholder farmers** in LMICs²
- Provide **100m¹ women** in LMICs with access to modern contraception
- Expand **access to self-care for 100m¹ people** in underserved³ 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 & 2⁴
  - 12.3%¹ reduction target for Scope 3⁴
  - Net Zero emission target until 2050 in line with long term goal of Paris Agreement (Scope 1, 2 & 3)⁴

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**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 Baseline (2019). Numbers reflect people; preliminary figures; pending external audit: ~42m smallholder farmers; ~38m women; ~41m people; 3.7m tCO₂e for Scope 1 & 2; 10m tCO₂e for Scope 3.

² LMICs: low and middle income countries - All countries included in the World Bank list as per 1 July 2019

³ Underserved defined in economical/medical terms

⁴ Scope 1: emissions from own operations; Scope 2: emissions from purchased energy; Scope 3: emissions along the value chain

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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. ES¹ professional)

**Litigation Pay-outs & Special Items**

Our Free Cash Flow is impacted by litigation pay-outs and cash-effective one-time costs for transformation

¹ Environmental Science
Bayer Key Financials

2021 Sales in €bn

- Consumer Health: 5.3
- Crop Science: 20.2
- Pharma: 18.3
- Other: 0.2

Group €44.1

Capital Expenditures 2021 in €bn

- Pharma: 3.0
- Crop Science: 5.4

Research & Development Expenses 2021 in €bn

- Pharma: 5.8
- Crop Science: 4.7
- Consumer Health: 1.2

Free Cash Flow in €bn

- 2017: 5.2
- 2018: 4.7
- 2019: 4.2
- 2020: 1.3
- 2021: 1.4

Net Financial Debt in €bn

- 2017: 3.6
- 2018: 35.7
- 2019: 34.1
- 2020: 30.0
- 2021: 33.1

Notes:
- 2021 figures and net financial debt figures as initially reported; Net financial debt increase in 2021 mainly due to litigation payments
- Free cash flow was initially reported in 2018; 2017 free cash flow figure were taken from 2019 annual report; Free cash flow includes litigation payments

/// Bayer Debt Investor Relations /// Status: FY 2021
Strong business performance in a challenging environment

<table>
<thead>
<tr>
<th></th>
<th>FY 2020</th>
<th>Outlook 2021 as of Nov 2021 incl. currency impact</th>
<th>FY 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Sales</strong></td>
<td>41.4</td>
<td>~ 43</td>
<td>44.1</td>
</tr>
<tr>
<td>in €bn; ∆% yoy</td>
<td></td>
<td></td>
<td>+7% / +9% cpa</td>
</tr>
<tr>
<td><strong>EBITDA margin</strong></td>
<td>27.7%</td>
<td>~ 25.5%</td>
<td>25.4%</td>
</tr>
<tr>
<td>before special items</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Core EPS</strong></td>
<td>6.39</td>
<td>6.10 – 6.30</td>
<td>6.51</td>
</tr>
<tr>
<td>in €</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Free cash flow</strong></td>
<td>1.3</td>
<td>~ -0.5 – -1.5</td>
<td>1.4</td>
</tr>
<tr>
<td>in €bn</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net financial debt</strong></td>
<td>30.0</td>
<td>~ 35</td>
<td>33.1</td>
</tr>
<tr>
<td>in €bn</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1 Including net settlement payments FY 2020: -€3.9bn, FY 2021: -€4.3bn, Outlook 2021 -€5.5bn

// Bayer Debt Investor Relations // Status: FY 2021
## Attractive outlook for 2022

<table>
<thead>
<tr>
<th>Category</th>
<th>Outlook excl. currency impact¹</th>
<th>Expected currency impact²</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Sales</strong></td>
<td>~ €46bn</td>
<td>~ +€1bn</td>
</tr>
<tr>
<td><strong>EBITDA margin</strong></td>
<td>~26%</td>
<td>Not material</td>
</tr>
<tr>
<td>(before special items)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Core EPS</strong></td>
<td>~ €7.00</td>
<td>~ +€0.10</td>
</tr>
<tr>
<td><strong>Free cash flow</strong></td>
<td>~ €2.0-€2.5bn³</td>
<td>Not material</td>
</tr>
<tr>
<td><strong>Net financial debt</strong></td>
<td>~ €33 - 34bn</td>
<td>Not material</td>
</tr>
</tbody>
</table>

### Key Assumptions

- Represents sales growth of ~5% cpa
- Includes net settlement payouts of -€2.5bn
- Substantial topline and earnings contribution in HY 1, with normalized HY 2
- Environmental Science divestment not included
- Inflationary cost pressure to persist; offset by pricing and efficiency measures

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¹ Reflects our 2022 plan at the average actual currencies for 2021
² Currency assumptions based on month-end December 2021 spot rates (1 EUR=) 1.13 USD, 6.31 BRL, 7.20 CNY, 130 JPY. Impact is calculated as difference to constant currencies.
³ Incl. divisional net settlement payments of -€2.5bn
Bayer Pursues a 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

Prudent debt management with excellent access to diverse sources of liquidity

Financing Instruments
- Syndicated credit facilities
- Global Commercial Paper program
- Senior bonds in different currencies
- Hybrid bonds
- Equity-linked instruments
and Remains Committed to a Rating in the Single A Target Category

Development of Ratings and Leverage

(Net Financial Debt + Pensions – 50% of Hybrid Volume) / reported EBITDA before special items

Agency | Long Term Rating over time
---|---
S&P | A BBB+ A- BBB
Moody's | A3 Baa1 Baa2
Fitch | BBB+ A- A- BBB+

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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 Increase of ratio mainly driven by litigation payments
5 Solicited since 2018

Agency | LT-Rating | Outlook | ST-Rating
---|---|---|---
S&P | BBB | Stable | A2
Moody’s | Baa2 | Negative | P2
Fitch | BBB+ | Stable | F2

Proven track record of disciplined deleveraging
Bayer’s Maturity Profile is Well Balanced

Bond Maturity Profile (€bn) as of December 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>2022</td>
<td></td>
<td></td>
<td>1.0</td>
<td></td>
</tr>
<tr>
<td>2023</td>
<td></td>
<td></td>
<td>1.0</td>
<td></td>
</tr>
<tr>
<td>2024</td>
<td></td>
<td></td>
<td>1.0</td>
<td></td>
</tr>
<tr>
<td>2025</td>
<td></td>
<td></td>
<td>1.0</td>
<td></td>
</tr>
<tr>
<td>2026</td>
<td></td>
<td></td>
<td>1.0</td>
<td></td>
</tr>
<tr>
<td>2027</td>
<td></td>
<td></td>
<td>1.0</td>
<td></td>
</tr>
<tr>
<td>2028</td>
<td></td>
<td></td>
<td>1.0</td>
<td></td>
</tr>
<tr>
<td>2029</td>
<td></td>
<td></td>
<td>1.0</td>
<td></td>
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<tr>
<td>2030</td>
<td></td>
<td></td>
<td>1.0</td>
<td></td>
</tr>
<tr>
<td>2031</td>
<td></td>
<td></td>
<td>1.0</td>
<td></td>
</tr>
<tr>
<td>2032</td>
<td></td>
<td></td>
<td>1.0</td>
<td></td>
</tr>
<tr>
<td>&gt;=2033</td>
<td></td>
<td></td>
<td>1.0</td>
<td></td>
</tr>
</tbody>
</table>

Currency Exposure incl. Derivatives as of December 31, 2021

- **USD**: 3.3bn
- **JPY**: 3.3bn
- **EUR**: 3.3bn

1 Converted at quarter-end FX rates EURUSD 1.13 and EURJPY 130
2 Based on quarter-end FX rates

// Bayer Debt Investor Relations // Status: FY 2021
### Overview of Bayer’s Funding Structure

#### Net Financial Debt

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Bonds and notes / promissory notes</td>
<td>€ million</td>
<td>€ million</td>
<td>€ million</td>
</tr>
<tr>
<td>of which hybrid bonds</td>
<td>33,569</td>
<td>36,745</td>
<td>37,593</td>
</tr>
<tr>
<td>Liabilities to banks</td>
<td>4,062</td>
<td>3,669</td>
<td>773</td>
</tr>
<tr>
<td>Lease Liabilities</td>
<td>1,251</td>
<td>1,143</td>
<td>1,165</td>
</tr>
<tr>
<td>Liabilities from derivatives</td>
<td>123</td>
<td>136</td>
<td>69</td>
</tr>
<tr>
<td>Other financial liabilities</td>
<td>89</td>
<td>77</td>
<td>1,272</td>
</tr>
<tr>
<td>Receivables from derivatives</td>
<td>(76)</td>
<td>(141)</td>
<td>(114)</td>
</tr>
<tr>
<td>Financial debt</td>
<td>39,018</td>
<td>41,629</td>
<td>40,758</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>(3,185)</td>
<td>(4,191)</td>
<td>(4,564)</td>
</tr>
<tr>
<td>Current financial assets</td>
<td>(1,765)</td>
<td>(7,393)</td>
<td>(3,057)</td>
</tr>
<tr>
<td>Net financial debt</td>
<td>34,068</td>
<td>30,045</td>
<td>33,137</td>
</tr>
</tbody>
</table>

2020 figures restated

1 For definition see Annual Report 2021, 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

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

<table>
<thead>
<tr>
<th>Instrument</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior EUR Bonds</td>
<td>€15.5</td>
</tr>
<tr>
<td>Senior USD Bonds</td>
<td>$20.2</td>
</tr>
<tr>
<td>JPY Private Placements</td>
<td>¥10.0</td>
</tr>
<tr>
<td>Hybrid EUR Bonds</td>
<td>€4.6</td>
</tr>
<tr>
<td>Syndicated Loan Facility</td>
<td>€4.5</td>
</tr>
<tr>
<td>Commercial Paper Program</td>
<td>$8.0</td>
</tr>
</tbody>
</table>

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

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

Bayer AG

Hybrid Bonds
EUR Bonds

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

// Bayer Debt Investor Relations // Status: FY 2021
Hybrid Bonds at Bayer

Hybrid Bond | Coupon (in%) | Outstanding Volume (in bn €) | Initial Credit Spread | 1st Step-Up | 2nd Step-Up
--- | --- | --- | --- | --- | ---
NC7.5 | 2.375 | 1.3 | 200.7 bps spread + 5Y Swap¹ | +25 bps/Oct 27 | +75 bps/Oct 42
NC10 | 3.75 | 1.5 | 230 bps spread + 5Y Swap¹ | +25 bps/Jul 24 | +75 bps/Jul 44
NC5.5 | 2.375 | 1 | 264.7 bps spread + 5Y Swap¹ | +25 bps/May 30 | +75 bps/May 45
NC8 | 3.125 | 0.75 | 310.8 bps spread + 5Y Swap¹ | +25 bps/Nov 32 | +75 bps/Nov 47

¹ Swap is reset every fifth year starting with the first reset date

// Bayer Debt Investor Relations // Status: FY 2021
Other Sources of Liquidity

### 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.

| Borrower         | Bayer AG, Germany  
|                  | Bayer Corporation, USA |
| Total Amount     | €4.5bn, thereof €1.5bn/$1.5bn Swingline |
| Signing          | December 2018, amended with an ESG feature in July 2021 |
| Initial Tenor    | 5Y + two 1Y extension options (second extension option also used) |
| Syndicate Size   | 23 Banks |
| Purpose          | General Corporate Purposes |

### 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.

| Issuer           | Bayer AG, Germany  
|                  | Bayer Corporation, USA |
| Guarantor        | Bayer AG |
| Total Amount     | $8bn or equivalent |
| Dealer           |  
|                  | ECP: Barclays, Bayerische Landesbank, Citigroup, Goldman Sachs, ING  
| Issue and Paying Agent |  
|                  | ECP: The Bank of New York Mellon  
|                  | USCP: The Bank of New York Mellon |
# Upcoming Events 2021

<table>
<thead>
<tr>
<th>Date</th>
<th>Event/ Publication</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuesday, March 1, 2022</td>
<td>2021 Annual Report</td>
</tr>
<tr>
<td>Friday, April 29, 2022</td>
<td>Annual Stockholders' Meeting 2022</td>
</tr>
<tr>
<td>Tuesday, May 10, 2022</td>
<td>Q1 2022 Quarterly Statement</td>
</tr>
<tr>
<td>Thursday, August 4, 2022</td>
<td>Q2 2022 Quarterly Statement</td>
</tr>
</tbody>
</table>

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

// Bayer Debt Investor Relations // Status: FY 2021
Contacts at Bayer

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