Debt Investor Information

Status: Q2 2022 / FY 2021
As of 4 August 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

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)
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 Mid-/Late-Stage Pipeline Opportunities:**

- Short Stature Corn
- Soybean Herbicide Trait Stack with Five-Tolerances

**Key Current Launch Products:**

- X tendflex
- V TPRO4
- INTACTA XTEND
- SmartStax PRO

### Pharmaceuticals Innovation Pipeline

**Annual R&D Investment:** €2.7bn

**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

**Key Current Launch Products:**

- NUBEQA
- Kerendia
- Verquvo

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

Pharma/Consumer Health

Ageing Population

Population of people age 60+ more than doubling¹

Growing Population

+2.2bn people¹

+50%

Secure sufficient supply of quality food

Pressure on Ecosystems

Pressure on Ecosystems

-17%

-20%

Use natural resources more efficiently and responsibly

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

² Nelson et. al, (2014); FAO 2016 “Climate change and food security”

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2 FAO 2017, (FAO Global Perspective Studies)
3 Nelson et. al, (2014); FAO 2016 “Climate change and food security”
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** smallholder farmers in LMICs\(^2\)
- Provide **100m** women in LMICs with access to modern contraception
- Expand access to self-care for **100m** 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)\(^4\)

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1. 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.
2. LMICs: low and middle income countries - All countries included in the [World Bank list](https://data.worldbank.org/indicator/NY.GDP.PCAP.CD) 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

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
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

2021 EBITDA before Special Items 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: 35.7
- 2018: 34.1
- 2019: 30.0
- 2020: 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: Q2 2022 / FY 2021
FY 2022: Group Outlook Raised

### OLD 
(as of Mar '22)

- **Net Sales**: ~ €46bn
- **EBITDA margin (before special items)**: ~ 26%
- **Core EPS**: ~ €7.00
- **Free cash flow**: ~ €2.0 - €2.5bn
- **Net financial debt**: ~ €33 - 34bn

### NEW 
(as of Aug '22)

At constant currencies

- **Net Sales**: €47bn – €48bn
- **EBITDA margin (before special items)**: 26 - 27%
- **Core EPS**: ~ €7.30
- **Free cash flow**: ~ €2.5bn
- **Net financial debt**: ~ €33 - 34bn

Estimated currency impact:

- **Net Sales**: ~ + €3bn
- **EBITDA margin (before special items)**: ~ - 0.4%pts
- **Core EPS**: ~ + €0.40
- **Free cash flow**: not material
- **Net financial debt**: ~ + €1.3bn

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1 Currency assumptions based on month-end June 2022 spot rates (1 EUR=) 1.04 USD, 5.42 BRL, 6.97 CNY, 141.63 JPY, 56.38 RUB. Impact calculated as difference to constant currencies.

2 Incl. net settlement payments of approx. -€2.5bn

ES divestment effects not included; at constant currencies (based on 2021 average Actual rates)
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

<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>Fitch5</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 Increase of ratio mainly driven by litigation payments
5 Solicited since 2018

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

**Currency Exposure incl. Derivatives**
as of June 30, 2022

- **Net Financial Debt**: €36.6bn
- **Currency Breakdown**:
  - **USD**: 44.4%
  - **EUR**: 31.5%
  - **JPY**: 23.9%

**Bond Maturity Profile (€bn)**
as of June 30, 2022

- **USD RegS/144a**
- **EUR Senior Bonds**
- **Hybrid (First Call Dates)**

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1 Converted at quarter-end FX rates EURUSD 1.04; Not included: € 1.3 bn Hybrid bonds with first call date in October 2022 (already refinanced in March and early repaid in April/May); $ 250 m senior bonds (paid back in April 2022); JPY 10 bn bond (paid back in May 2022); € 750 m floating rate notes (paid back in June 2022)

2 Based on quarter-end FX rates
### Overview of Bayer’s Funding Structure

#### Net Financial Debt\(^1\)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Bonds and notes / promissory notes</td>
<td>€36,745</td>
<td>€37,593</td>
<td>€38,088</td>
</tr>
<tr>
<td>of which hybrid bonds(^2)</td>
<td>€4,532</td>
<td>€4,537</td>
<td>€4,526</td>
</tr>
<tr>
<td>Liabilities to banks(^3)</td>
<td>€3,669</td>
<td>€773</td>
<td>€3,928</td>
</tr>
<tr>
<td>Lease Liabilities</td>
<td>€1,143</td>
<td>€1,165</td>
<td>€1,194</td>
</tr>
<tr>
<td>Liabilities from derivatives(^4)</td>
<td>€136</td>
<td>€69</td>
<td>€106</td>
</tr>
<tr>
<td>Other financial liabilities</td>
<td>€77</td>
<td>€1,272</td>
<td>€1,318</td>
</tr>
<tr>
<td>Receivables from derivatives(^4)</td>
<td>(€141)</td>
<td>(€114)</td>
<td>(€207)</td>
</tr>
<tr>
<td>Financial debt</td>
<td>€41,629</td>
<td>€40,758</td>
<td>€44,427</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>(€4,191)</td>
<td>(€4,564)</td>
<td>(€3,412)</td>
</tr>
<tr>
<td>Current financial assets(^5)</td>
<td>(€7,393)</td>
<td>(€3,057)</td>
<td>(€4,440)</td>
</tr>
<tr>
<td>Net financial debt</td>
<td>€30,045</td>
<td>€33,137</td>
<td>€36,575</td>
</tr>
</tbody>
</table>

#### Nominal Volume of Major Instruments (bn)

<table>
<thead>
<tr>
<th>Instrument</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior EUR Bonds</td>
<td>€14.8</td>
</tr>
<tr>
<td>Senior USD Bonds</td>
<td>$19.9</td>
</tr>
<tr>
<td>Hybrid EUR Bonds</td>
<td>€4.6</td>
</tr>
<tr>
<td>Loan Facility</td>
<td>€3.0</td>
</tr>
<tr>
<td>Commercial Paper</td>
<td>€1.2</td>
</tr>
</tbody>
</table>

Further undrawn Source of Liquidity:
- Syndicated Loan Facility €4.5

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

// Bayer Debt Investor Relations // Status: Q2 2022 / FY 2021
Hybrid Bonds at Bayer

<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>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>
<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>4.5</td>
<td>0.5</td>
<td>375.1 bps spread + 5Y Swap¹</td>
<td>+25 bps/Sept 32</td>
<td>+75 bps/Sept 47</td>
</tr>
<tr>
<td>NC8.5</td>
<td>5.375</td>
<td>0.8</td>
<td>445.8 bps spread + 5Y Swap¹</td>
<td>+25 bps/Sept 35</td>
<td>+75 bps/Sept 50</td>
</tr>
</tbody>
</table>

¹ Swap is reset every fifth year starting with the first reset date
² Optional Redemption Date
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 2022

<table>
<thead>
<tr>
<th>Date</th>
<th>Event/ Publication</th>
</tr>
</thead>
<tbody>
<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>
<tr>
<td>Tuesday, November 8, 2022</td>
<td>Q3 2022 Quarterly Statement</td>
</tr>
<tr>
<td>Thursday, May 11, 2023</td>
<td>Q1 2023 Quarterly Statement</td>
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Please note that the event calendar might be subject to changes
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