Debt Investor Information

Status: FY 2022/HY1 2023
As of 8 August 2023
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

**CropScience**
- 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)

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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:** €2.6bn

**Key Mid-/Late-Stage Pipeline Opportunities**
- Smart Corn System featuring Short Stature Corn
- Soybean Herbicide Trait Stack with Five-Tolerances
- New Herbicide Molecule

**PHARMACEUTICALS INNOVATION PIPELINE**
- **Annual R&D Investment:** €3.4bn

**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

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Note: Subject to regulatory approvals and pending registrations. Represents a subset of the pipeline.
1Bayer R&D expenses exclude special items 2In collaboration with Sumitomo

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Global Megatrends in Health & Nutrition
Attractive Macro Drivers of Our Strategy and Underpin the Need for Innovation

PHARMACEUTICALS • CONSUMER HEALTH • CROP SCIENCE

PHARMACEUTICALS
• CONSUMER HEALTH
• CROP SCIENCE

AGING POPULATION
People 60+ more than doubling
>20% of total population

GROWING POPULATION
+2.2bn
People

PRESSURE ON ECOSYSTEMS
-20%

People 60+
-20%

+50%
Harvest losses from climate change

More food and feed required to meet growing demand

Use natural resources more efficiently and responsibly

Preserve and restore health

Secure sufficient supply of quality food

Societal Needs
Our Mission

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

2 FAO 2017, (FAO Global Perspective Studies)
3 Nelson et. al, (2014); FAO 2016 “Climate change and food security”

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Sustainability is Integral to Our Values, Strategy and Operations

We intend to create bold impact and generate sustainable business opportunities

Megatrends

Societal Needs

Impact

Sustainable Growth

Our Vision: Health for All, Hunger for None

1. Eradicate poverty
2. Zero hunger
3. Good health and well-being
4. Gender equality
5. Clean water and sanitation
6. Climate action
7. Life on land

Long-term business growth through sustainable innovation

- Preserve and restore health
- Secure sufficient supply of quality food
- Use natural resources more efficiently and responsibly
- Help more people thrive
- Decrease ecological footprint

- Aging population
- Growing population
- Pressure on ecosystems

Preserve and restore health
Secure sufficient supply of quality food
Use natural resources more efficiently and responsibly
Help more people thrive
Decrease ecological footprint
Ambitious Measurable Targets for Sustainable Development

Our 2030 Targets are In Line with UN SDGs and the Science Based Targets Initiative

**Decrease ECOLOGICAL footprint**

- Climate neutrality at own sites + reduced emissions in our supply chain
  - 42% reduction target\(^1\) for Scope 1 & 2
  - 500m € CapEx for emission reduction
  - 50m-200m € OpEx for offsetting projects
  - 12.3% reduction target\(^2\) for Scope 3

- Net Zero emission target until 2050 in line with Paris Agreement (Scope 1, 2 & 3)

- CS: -30% greenhouse gas emissions in key agricultural crops in main regions; -30% environmental impact of our crop protection products

- CH: Transition all Consumer Health products to 100% recyclable or reusable packaging

**Help more PEOPLE thrive**

- Support **100m smallholder farmers** in LMICs\(^3\)

- Fulfill the need of **100m women** in LMICs\(^3\) for modern contraception

- Support **100m people** in underserved\(^4\) communities with self care

- Achieve gender parity at each individual managerial level

- PH: Increase availability and affordability of our innovative pharma products in LMICs\(^3\)

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1 By 2029 from a 2019 base year is in line with limiting global warming to 1.5 C°

2 By 2029 from a 2019 base year is in line with limiting global warming to below 2 C°

3 LMIC: low and middle income countries - all countries included in the World Bank list as per 1 July 2019

4 Underserved: economically or medically

### Important Improvements in ESG Ratings Achieved

<table>
<thead>
<tr>
<th>Agency</th>
<th>Score (type)</th>
<th>Score 2022</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MSCI</strong></td>
<td>ESG Score Controversy level</td>
<td>A (GMO)</td>
<td>Improvement of Rating from BB to A (GMO) removed</td>
</tr>
<tr>
<td><strong>SUSTAINALYTICS</strong></td>
<td>Risk Score Controversy level</td>
<td>27.4 (medium) 5</td>
<td>Controversy level and rating impacted by ongoing Glyphosate litigations</td>
</tr>
<tr>
<td><strong>ISS ESG</strong></td>
<td>ESG Score Norm-based</td>
<td>C+ (1st decile) (Neonics)</td>
<td>Currently under review (Neonics) removed in 2021</td>
</tr>
<tr>
<td><strong>RepRisk</strong></td>
<td>Index</td>
<td>53 (high risk) as of Dec '22</td>
<td>Ambition to reach medium risk target corridor</td>
</tr>
<tr>
<td><strong>CDP</strong></td>
<td>Climate Water Forest</td>
<td>A A- B</td>
<td>Scores maintained on high level</td>
</tr>
<tr>
<td><strong>Access to Medicine Index</strong></td>
<td>Ranking</td>
<td>#9 out of 20</td>
<td>Entered Top 10 in November 2022 Significant improvement from previous score #13</td>
</tr>
<tr>
<td><strong>Access to Seeds Index</strong></td>
<td>Ranking</td>
<td>#1 of 32 Africa¹ #3 of 31 South &amp; South-East Asia</td>
<td>Leading Positions in relevant regions</td>
</tr>
</tbody>
</table>

¹Regions “Western & Central Africa” and “Eastern & South Africa”

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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
Focus on Cash Generation 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
### Bayer Key Financials

#### 2022 Sales in €bn

- **Group €50.7**
  - Pharma 19.3
  - Crop Science 25.2
  - Consumer Health 6.1
  - Other 0.2

#### Capital Expenditures 2022 in €bn
- CAPEX: 3.6

#### Research & Development Expenses 2022 in €bn
- R&D: 6.6

#### 2022 EBITDA before Special Items in €bn
- Pharma: 5.9
- Crop Science: 6.9
- Consumer Health: 1.4

#### Free Cash Flow in €bn

- 2018: 4.7
- 2019: 4.2
- 2020: 1.3
- 2021: 1.4
- 2022: 3.1

#### Net Financial Debt in €bn

- 2018: 35.7
- 2019: 34.1
- 2020: 30.0
- 2021: 33.1
- 2022: 31.8

### Notes:
- 2022 figures and net financial debt figures as initially reported
- 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 2022/HY1 2023
## FY 2023: Group Outlook

### FY OUTLOOK (as of May 2023) at constant currencies

<table>
<thead>
<tr>
<th>Category</th>
<th>Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>51bn – 52bn</td>
</tr>
<tr>
<td>EBITDA (before special items)</td>
<td>12.5bn – 13bn</td>
</tr>
<tr>
<td>Core EPS</td>
<td>7.20 – 7.40</td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>~ 3bn</td>
</tr>
<tr>
<td>Net Financial Debt</td>
<td>32bn – 33bn</td>
</tr>
</tbody>
</table>

### FY OUTLOOK (NEW) at constant currencies

<table>
<thead>
<tr>
<th>Category</th>
<th>Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>48.5bn – 49.5bn</td>
</tr>
<tr>
<td>EBITDA (before special items)</td>
<td>11.3bn – 11.8bn</td>
</tr>
<tr>
<td>Core EPS</td>
<td>6.20 – 6.40</td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>~ 0bn</td>
</tr>
<tr>
<td>Net Financial Debt</td>
<td>~ 36bn</td>
</tr>
</tbody>
</table>

### Key Assumptions

- Representing sales growth of **-2% to -3% cpa**
- Including **portfolio effects** of -€500m in sales
- Latest FX estimate at ~ **€1.7bn headwind** for sales; FX effect on earnings not material
- Including expected settlement payouts of **€2-3bn**

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1 Reflects our 2023 plan at the average actual currencies for 2022.
2 Currency assumptions based on month-end June 2023 spot rates (1 EUR=) 1.09 USD, 5.30 BRL, 7.90 CNY. Impact is calculated as difference to constant currencies.
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](image_url)

<table>
<thead>
<tr>
<th>Agency</th>
<th>Long Term Rating over time</th>
</tr>
</thead>
<tbody>
<tr>
<td>S&amp;P</td>
<td>A BBB+ A- BBB</td>
</tr>
<tr>
<td>Moody’s</td>
<td>A3 Baa1 Baa2</td>
</tr>
<tr>
<td>Fitch²</td>
<td>BBB+ A- A BBB+</td>
</tr>
</tbody>
</table>

1 Figures as reported in the respective year’s annual report without restatements
2 Solicited since 2018

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

Bond Maturity Profile (€bn) as of June 30, 2023

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

Currency Exposure incl. Derivatives as of June 30, 2023

- €39.6bn Net Financial Debt
- USD
- EUR
- JPY
- Other

1 Converted at quarter-end FX rate EURUSD 1.09
2 Based on quarter-end FX rates

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### 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>€37,593</td>
<td>€36,602</td>
<td>€39,297</td>
</tr>
<tr>
<td>of which hybrid bonds</td>
<td>€4,537</td>
<td>€4,528</td>
<td>€4,531</td>
</tr>
<tr>
<td>Liabilities to banks</td>
<td>€773</td>
<td>€3,484</td>
<td>€3,701</td>
</tr>
<tr>
<td>Lease Liabilities</td>
<td>€1,165</td>
<td>€1,234</td>
<td>€1,202</td>
</tr>
<tr>
<td>Liabilities from derivatives</td>
<td>€69</td>
<td>€190</td>
<td>€128</td>
</tr>
<tr>
<td>Other financial liabilities</td>
<td>€1,272</td>
<td>€142</td>
<td>€2,189</td>
</tr>
<tr>
<td>Receivables from derivatives</td>
<td>(€114)</td>
<td>(€61)</td>
<td>(€152)</td>
</tr>
<tr>
<td>Financial debt</td>
<td>€40,758</td>
<td>€41,591</td>
<td>€46,365</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>(€4,564)</td>
<td>(€5,171)</td>
<td>(€4,481)</td>
</tr>
<tr>
<td>Current financial assets</td>
<td>(€3,057)</td>
<td>(€4,611)</td>
<td>(€2,264)</td>
</tr>
<tr>
<td>Net financial debt</td>
<td>€33,137</td>
<td>€31,809</td>
<td>€39,620</td>
</tr>
</tbody>
</table>

1. For definition see Annual Report 2022, 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)

<table>
<thead>
<tr>
<th>Instrument</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior EUR Bonds</td>
<td>€16.8</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>€2.0</td>
</tr>
<tr>
<td>Syndicated Loan Facility</td>
<td>€4.5</td>
</tr>
</tbody>
</table>

Further undrawn Source of Liquidity:

- Syndicated Loan Facility: €4.5
## Short-Term Funding: 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. 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.

<table>
<thead>
<tr>
<th></th>
<th>Bayer AG, Germany</th>
<th>Bayer Corporation, USA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issuer</td>
<td>Bayer AG</td>
<td></td>
</tr>
<tr>
<td>Guarantor</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Term</td>
<td>Between 1 and 364 days</td>
<td></td>
</tr>
<tr>
<td>Program Amount</td>
<td>€5bn or equivalent</td>
<td></td>
</tr>
<tr>
<td>Markets</td>
<td>U.S. market (USCP) and Euro market (ECP)</td>
<td></td>
</tr>
<tr>
<td>Issue and Paying Agent</td>
<td>ECP: Deutsche Bank</td>
<td>USCP: Deutsche bank</td>
</tr>
</tbody>
</table>

## Long-Term Funding: Debt Issuance Program

Under the Debt Issuance Program (DIP) Bayer may from time-to-time issue senior unsecured notes. The notes may be distributed by way of public or private placement and in each case on a syndicated or non-syndicated basis.

<table>
<thead>
<tr>
<th></th>
<th>Bayer AG, Germany</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issuer</td>
<td>Bayer AG</td>
</tr>
<tr>
<td>Program Amount</td>
<td>€20bn</td>
</tr>
<tr>
<td>Term</td>
<td>12 months or more</td>
</tr>
<tr>
<td>Dealer</td>
<td>Deutsche Bank and further banks as dealer of the day</td>
</tr>
<tr>
<td>Arranger</td>
<td>Deutsche Bank</td>
</tr>
<tr>
<td>Paying Agent</td>
<td>Deutsche Bank</td>
</tr>
<tr>
<td>Listing</td>
<td>Regulated Market of Luxembourg Stock Exchange</td>
</tr>
<tr>
<td>Purpose</td>
<td>General Corporate Funding Purposes</td>
</tr>
</tbody>
</table>
Back-up Revolving Credit Facility

### 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 |
Main Issuing Entities at Bayer Group

Bayer AG
- Germany

Hybrid Bonds

EUR Bonds

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 Capital Corp. B.V.
- Netherlands
- EUR Bonds

Instruments issued or guaranteed by Bayer AG

Indirect Hold through other entities
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

// Bayer Debt Investor Relations // Status: FY 2022/HY1 2023
## Upcoming Events 2023

<table>
<thead>
<tr>
<th>Date</th>
<th>Event/ Publication</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuesday, August 08, 2023</td>
<td>Q2 2023 Quarterly Statement</td>
</tr>
<tr>
<td>Wednesday, November 08, 2023</td>
<td>Q3 2023 Quarterly Statement</td>
</tr>
</tbody>
</table>

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