Bayer AG

Bayer Investor and Media Conference Call

27th May 2021 | 8:30 AM CEST

Transcript

Speakers:

Werner Baumann

Oliver Maier

Bill Dodero

Wolfgang Nickel

Liam Condon

Operator

The first question comes from the line of Richard Vosser with JP Morgan. Please go ahead.

Richard Vosser

Hi. Thanks for taking my questions. Two please, firstly on the potential removal of glyphosate. Maybe you could give us an idea of those consumer containing Roundup products, how much of sales is that and what the implications of that would be on your sales.

And the second question, just on the people who have used glyphosate in the past and potentially developed NHL in the future, would those be covered by some sort of trust or fund, ie the two billion provision you've got, to cover those claims? How would that framework take place? Thanks very much.

Werner Baumann

Thanks Richard. The first question on glyphosate sales is going to be taken by Liam and I'll address your second question.

Liam Condon

Thanks, Richard, for the question. So, sales of glyphosate into lawn and garden segments are around about €300 million. I think it's very important to find out here that we as Bayer remain completely committed to the lawn and garden market and we remain completely committed to the Roundup brand.

So, what we're discussing with our partners is alternative paths forward, for example potential alternative active ingredients, and we believe that we can manage this is a very professional manner, so we don't expect any material financial impact from any kind of change here.

Werner Baumann

Thank you, Liam. So, on your second question, Richard, let me frame it with just looking at what we accomplished over the last year.

We have been quite successful in settling about 96,000 cases, so the vast majority of the inventory which proves that the mechanisms that we have in place, the work with the mediator, our interaction with the plaintiffs' counsel proves to work within also the frame of financial responsibility.

Now, the future cases are nothing but future inventory as those will build up going forward as people disease and eventually bring claims against the Company. And as I mentioned earlier, we are well prepared and we have used the time I think very well in exploring all options at hand and what would make most sense, not only for the Company but also for the plaintiffs.

So, what we have done is we have run a pilot already, so as part of the MDL proceedings with Ken Feinberg, along a further compensation that is just about the same in terms of how it's going to work as the settlements that we have put in place. And we are going to pursue that path forward.

There may be alternative and additional modalities that we might look forward, but first and foremost you should think about the future claims being addressed just about the same way as we've done in the past with the mechanism that will put a claims administration programme in place. I think that's the best way to frame it.

Richard Vosser — Excellent. Thanks.

Operator — The next question comes from the line of Michael Leuchten with UBS. Please go ahead.

Michael Leuchten — Thanks very much. Three quick ones if I could. The one aim of your initial strategy was to get to a degree of finality and I was wondering, these alternatives that you're talking about, does it still get you to that or is this now a process that ends up being more drawn out and unfortunately we have to accept that finality is taking a back seat for some time?

The second question is do you have any visibility on trajectory of pays of the inventory as it builds, as you just alluded to? Do you see many more cases being filed after the settlement of the 125,000 cases last year, and as a result of that you can take a view that if you can slow this trajectory down to NPV of future exposures acceptable, and hence your decision to go down that alternative path?

And then a third quick one for Liam, I don't know whether you can but is there any way of assessing the collateral damage it might cause if you do change house and garden products around? I assume there isn't any read-across into the commercial use, but I just wondered if you had assessed the risk that this might have some spill-over effect. Thank you.

Werner Baumann — Michael, thanks for your question. Let me give it a first shot on your first two questions. Bill Dodero, our Head of Global Litigation will then chime in, and then Liam will address your question on potential collateral damage on the household, residential business.

So, as I mentioned in my introductory remarks we have an alternative course of action and just to put it very plainly, we are in charge and in control now. Having said that, we continue to pursue a comparable solution. There are different ways to skin a cat quite frankly and there are different mechanisms that will ultimately be designed to

achieve the same goal. So, we continue to have the goal to getting to the maximum level of finality with the measures and the process that we are putting in place.

In terms of visibility, as you would expect the number of new cases that have come in have reduced significantly or dramatically or massively, however you want to call it, in terms of the incremental cases that are being filed. And that's also understandable as we've been negotiating with class counsel on the inventory. We have regularly reported on the cases that are filed, so you also see it in the quarterlies. That gives you a good perspective on the dynamics. And with that, let me hand it over to Bill before it goes to Liam.

Bill Dodero

Yes, hi Michael. I think what I would add is that your first question of does this strategy aim for and achieve comparable finality, and I would just add as well that the pace of any incremental future inventory as well is shaped and impacted dramatically by a few things.

First, you heard about the continued assessment by regulators and scientific bodies adding to the 40 year history of favourable assessment that the product is not carcinogenic or poses human health risk. That's been updated and shared by ETA as recent as last week. That will have an impact on any potential future incremental inventory build.

Secondly, there are additional tools that are part of this plan including, by way of example, the pursuit of the Supreme Court impact on any potential future cases, which would be dramatic and I think we've said that a few times. Secondly, the continued settlement efforts, whether with court appointed mediators, assistants from future courts and our own direct efforts, also impacting any potential incremental build.

The continued science panel that we talked about in panelling and a future potential court sanctioned elsewhere panel that would help to bring science into the discussion and validate in the court room, what I mentioned is the longstanding 40 year history of assessment by regulators, which is only missing in the court rooms but very present everywhere else in the world. Those factors will greatly be at our disposal to achieve that comparable level of finality and also dramatically affect the pace of any potential future inventory incremental build.

Liam Condon

Thanks, Michael, for the other question on collateral damage. I'll just re-emphasise again that it's very important it's understood that Roundup will remain a strong and

trusted brand in the lawn and garden segment. So, what we're discussing is potential alternative active ingredients.

We're only discussing this purely to mitigate potential litigation risks because around 90% of a potential of claims so far have come from this segment. So, there's no safety concern whatsoever that led to this. This is purely a risk mitigation measure for us.

Demand has remained robust throughout litigation. I think this is very important to note, and we have no plans whatsoever from a professional and from an agricultural market point of view to change the availability of glyphosate. It's very important that glyphosate will remain available for professional and for agricultural use. So, in those segments we do not foresee any collateral damage. Demand is completely unrelated to litigation here.

Michael Leuchten — Thank you.

Operator — The next question comes from the line of James Quigley with Morgan Stanley. Please go ahead.

James Quigley — Hello, thank you for taking my questions. In terms of the agricultural market, obviously Judge Chhabria seemed keen to add some kind of warning label or release some kind of factual information around the IARC study. Is that on the table or is that a complete red line for you guys?

And in terms of the additional 30,000 or so holdouts, do you have visibility over that inventory now? Is it a similar build in terms of 90% or so home and garden use? And for the settlements that have been made so far, what has been the average payout for those assessments?

Werner Baumann — Let me repeat to make sure we get your questions. The first question was on IARC and the label, so that one is Bill that would answer it. Secondly, you asked for the hold-outs and it was in terms of whether we had visibility to the holdouts and the average payments. That one I can briefly address. So, Bill, do you want to go first?

Bill Dodero — Certainly. So first, the proposed label addition which is a very strong demonstration of our commitment to the transparency as well as the strength of the science, would be a reference link that we would seek from EPA permission to place on the label, and then behind it a website giving transparency and visibility to all information on the topic, which of course would include the robust body of information the EPA has continued to assess and validate the safety of the product from a human health perspective and also the IARC opinion.

Werner Baumann

Thanks, Bill. On the holdouts, yes, we do have visibility on the holdouts because we are, I wouldn't say daily, but almost daily in contact with all of them in order to negotiate settlements that are referenced in my introductory remarks.

In terms of the average payments, that's actually a very difficult question to answer well quite frankly because the quality of the inventories differs vastly, really vastly, and hence each of the holdouts have to be assessed in terms of the quality of the inventory and the validity of the claims that are being made. So, I think the best way to answer your question is that the holdouts that we are negotiating with and the 9.6 billion or 8.8 to 9.6 billion that we put aside for the inventory settlements continues to be fully in line with the programmes that we are negotiating, also the grids that we established in terms of the quality of the different claims.

So, we continue to pursue a very rigorous and disciplined and also, I have to say, a very fair approach when it comes to the quality and the validity of the claims that are being brought.

James Quigley

Thank you.

Operator

The next question comes from the line of Sachin Jain with Bank of America. Please go ahead.

Sachin Jain

Hi, Sachin Jain here, Bank of America. I just have three quick follow-ons if I may. Firstly, could you give some colour on the Supreme Court's importance to your overall plan? How much of a binary event should we view that? I think, Werner, you mentioned if it goes against you, you would assess at that point in time, so just any colour there.

Secondly, you've very clearly mentioned the risk mitigation plan provides an action comparable to a class plan. I understand it might not be possible at this stage, but when would you be comfortable putting an upper end to the sum that you think is possible for finality versus the two billion set aside today?

And then the last question is obviously you're pursuing a different plan announced today given the failure of the MDL through Chhabria. What are the disadvantages you see in this plan that means it wasn't pursued in the first instance almost three years ago? Thank you.

Werner Baumann

Thanks, Sachin, for your three questions. The first question on the Supreme Court is going to be addressed by Bill. The second question on risk mitigation and financials is going to be addressed by Wolfgang, and I'm going to take the third one on MDL and the prospective of three years ago and where we are now.

Bill Dodero

So, on the Supreme Court, certainly it's an important part of the plan and element of it and it would have a very pervasive and cross-cutting impact. Let me back up a step. Certainly when you look at the fact that a manufacturer has followed the science and all applicable regulations but has nevertheless been held liable to the tune of millions of dollars, it's a very obvious step that we would ask the Supreme Court to review the Ninth Circuit's flawed ruling and Hardeman.

I mentioned in my answer a moment ago other aspects of the plan including our continued advancement of the science and it continues to only develop in favour of the Company's assessment of the safety, and in fact the worldwide assessment of the safety. So, all of those elements, certainly the Supreme Court is an obvious and important step along with the others I've articulated and that's why we will continue in our petition for review seeking that from the Supreme Court later this summer.

Wolfgang Nickel

Sachin, I hope you are well. This is Wolfgang. As you mentioned, a comparable solution, at this point we have not seen a need to make any change to the two billion for the futures and to the about 9.6 billion for the currents as a matter of fact. The long-term liability obviously depends on a whole number of factors, including what the Supreme Court is going to do that you also mentioned and Bill just answered. So, you can assume that we will just continue to monitor this and do a quarterly assessment on the potential liability.

What I want to also highlight is that, Werner said in the script and I think it's also important for investors and others, the cash outlays in 2021 for sure but likely also in 2022 will be somewhat lower than what we initially said and that has to do with the fact that the future class was somewhat front-end loaded. I think that's an important detail as well.

So, we are completely committed to get this resolved. It's comparable in many facets, and we'll keep you updated as we go through the quarters.

Werner Baumann

Thanks, Bill and Wolfgang. So, Sachin, on your third question, our objective all along has been to find a solution that is both financially responsible and that also provides sufficient or maximum finality to the extent that we can get to it. In that spirit we have very early on engaged in the MDL litigation under Judge Chhabria and we also agreed very early to the mediation with Ken Feinberg.

So, if I now look back over the last let's say two and half, three years, my perspective is the following. The things that

we could do with the mediator in settling the inventory has been proceeding very well. The vast majority of the 96,000 cases that I mentioned have already been settled. Of course we are in constant interaction and dialogue with the holdouts, as long as we maintain a certain frame that I mentioned as well.

We have also worked very hard, our legal team has worked very hard and actually negotiated very hard with the plaintiffs' counsel who represents the future class to come up with a solution that would be fair and equitable and provide the task for finality for victims of NHL over the next years to come.

Very much to our surprise, I have to say, in late June the support of Judge Chhabria was not obtained. He raised four critical points that yet again all of which we took up and negotiated a new and significantly changed agreement that was a draft agreement with plaintiffs' counsel. So this is not something that we designed and submitted, but it was negotiated with the ones who have a keen interest to defend the interests of future plaintiffs. And that was submitted and it was designed to provide an efficient, fair and I think very attractive access to funding for future NHL claimants.

Now, the issue is the last ruling of Judge Chhabria is that, beyond many other things, there is actually no path at all that would address the future class. And with that we are coming to an end in that path and as I mentioned earlier, rest assured that we didn't leave any stone unturned in creating the options space that would then cater to all kinds of outcomes. That is why we could react very quickly after the news broke last night, and then also be in touch with you to tell you what it is that we are now going to do to achieve a comparable outcome.

So, that's essentially where we are. The other one would have been more efficient, no doubt about it. We were willing to pay a significant premium for that efficiency. That is no longer on the cards now. Now we go back. Wolfgang already mentioned that the payout scheme is going to be very different and we are not committing two billion upfront in exchange for getting that efficient solution. That's why I said it's comparable now what we are going to do with what we present to you today. It has some positives and negatives, a little more complicated, but it also has some advantages. And clearly we are now in charge and in control as to how we design that comparable outcome that's a little bit more predictable at the same time. I hope that addresses your question, Sachin.

Sachin Jain — Thank you very much.

Operator — The next question comes from the line of Jo Walton with Credit Suisse. Please go ahead.

Jo Walton — Thank you. Just a couple. It looked in Judge Chhabria's comments that he invited you to re-file and try again. You are presumably not going that route. Are there any implications for any of the other settlements on the basis that it was going to be a whole settlement, not just for the future side, so just any implications of not involving Judge Chhabria in the future?

Secondly, any idea of the timing that you could get for an EPA decision on a change in the label? I would have assumed that getting the EPA's support for this was something that you've been trying to do for some time. So, do we have any timeframe? The EPA has been supporting your decision or your viewpoint for a long time but still there has been no formal change in the label, so some timing there.

And then on the timing of the Supreme Court, are you confident that you will get a decision in mid-2022 or could this be something that... Do you have a good timetable towards that decision or could we see this still slipping further, because it's obviously important?

And finally, are there any other reviews that we should just think about, maybe European reviews or any other agency reviews on the safety of glyphosate which could come out and very strangely derail you again by having some scientific body apparently put some restrictions on the product? Thank you.

Werner Baumann — Thanks, Jo, for your questions. Let me take the first one and then the second one is going to be taken by Liam. The third one on the Supreme Court is going to be answered by Bill. And then I will come back on regulatory reviews and what is to be expected.

So, the first question is an interesting one. Of course you are right, Judge Chhabria's order, I have it in front of myself here, and some of you in your earlier comments also address that the court order was not necessarily to be expected that early based on the deliberations of Judge Chhabria last week.

Of course during the discussions last week he said you might want to consider to re-file and amend. He also said that he would entertain a hearing, as always on the record, and that is the brief that we took home. Then again, to our surprise, the ruling came out.

To be very clear, we would have of course looked at further discussing with Judge Chhabria as he had suggested. There were a few good points he made and others we clearly had our reservations about with some red lines that we do have in order to make it meaningful for everybody. But I just want to come back to what I said earlier. The biggest issue is that the proposal on the table did not serve any purpose for the future class anymore because he ruled out essentially that there was a path forward for the futures.

That brings it back to us saying, hey, what would be the basis now to re-file, also after his ruling yesterday if we can't address the people that would be looking at bringing their claims against us with, let's say, a federal solution? I think we've said it multiple times now. This is now under our control and how we are going to deal with it because there is no path forward on the federal side, and that is essentially what Judge Chhabria's ruling says.

So, now let me give it to Liam before Bill comes to your Supreme Court question on the timing.

Liam Condon

Thanks, Jo, for the question on EPA timing related to any potential change of the wording on the label. We're engaging immediately with the EPA but of course we cannot predict how long that process will take. That will be completely up to the EPA. As I say, we'll be doing this immediately but we don't want to second-guess what the EPA says or how long they take. So, we'll update you immediately as soon as we have any new information on that.

Jo Walton

I'm just checking, you haven't asked them to do that before then? I was under the impression you would have asked them to do this already. So, you're telling us that this is your first request to make a change to the label?

Liam Condon

Yes, we haven't put any formal request in to change the label. This is a process that we now need to immediately engage in.

Bill Dodero

The Supreme Court. Let me address your question. So, just to set the stage here, what we will be doing is asking the US Supreme Court to review the Ninth Circuit’s flawed ruling in our view in Hardeman versus Monsanto.

I mentioned earlier the very simple argument that it simply can't be right that a manufacturer that's followed the science and all applicable regulations is being held liable. In particular we will point out that the Ninth Circuit in our view erred in holding that Hardeman's state law claims are not pre-empted by federal law given the fact that EPA has

routinely approved the use of glyphosate and Roundup and has forbidden placing a cancer warning on glyphosate-based products.

What we'll do is file that petition for review at the Supreme Court later this summer. The Supreme Court will likely decide whether to grant review by fall or early winter. And if the Supreme Court grants a review on that timeline, a decision would be issued by roughly mid of 2022.

Werner Baumann

Very good. Thanks, Bill and Liam. So, let me come to your fourth question then, Jo. One of the things that is going on and interestingly enough is completely silent is the review at European level that is going on, that we would expect a decision next year, 2022, for the re-registration of glyphosate in Europe. In that one it is a totally transparent process with full participation of everybody who wants to participate.

Of course we cannot pre-empt what the outcome is going to be, but I can only repeat that we are totally confident based on the science and the regulatory trajectory of that product so far, and to the best of our knowledge no new scientific news that would alter the risk-benefit assessment and also the assessment of non-carcinogenicity of the product.

As Bill referenced already, we have had a strong amicus brief from the EPA and also with that filing in front of the Eleventh Circuit reconfirming strongly by the EPA the safety and non-carcinogenicity of the product. So, based on that we are not aware of any kind of alerts that we should give you because of your evidence or what have you or regulatory action on glyphosate at this point in time.

Jo Walton

Thank you.

Operator

The next question comes from the line of Jonas Jansen with FAZ. Please go ahead.

Jonas Jansen

Thank you and good morning. I have two questions. One is do you need to make a product recall with the existing Roundup products for consumers or are you just selling them in parts right now?

The second one is I don't fully understand point four, how you speak with the plaintiffs that are not part of the agreement. If they plan to go to court in two, three, four years, you will have to see them there, am I right?

Werner Baumann

Thanks, Jonas, for your first question on the product and our partnership with our partners. Liam will take that question and I will answer your second one.

Liam Condon

Thanks, Jonas, for the question. So, very clearly there will

be no product recall. What we're discussing with our partners, with our distribution partners is the future of the active ingredient, glyphosate, but that's all. We will continue to ensure that the brand Roundup remains available and whatever transition might happen, this would all be done in a very professional manner which would not disrupt supply to the market.

Werner Baumann

Thanks, Liam. So, on the future plaintiffs our objective is to find a good and efficient process for future claimants to deal with their claims. Of course we have put together an approach that I outlined earlier during this call, and this is now going forward, the question on how to best make sure that we are in contact with these claimants going forward. So, this is something that is going to grow and evolve.

What I can say is that the pilot that has been run under the auspices of Ken Feinberg as part of the MDL proceedings has been very successful. And we have the 96,000 as, quote-unquote, a track record which means that we have effective ways to engage and then come to agreements both with the inventory and I would also say prospectively with future claimants.

Operator

The next question comes from Keyur Parekh with Goldman Sachs. Please go ahead.

Keyur Parekh

Good morning and thank you for taking my questions, two if I may please. One, on the independent scientific advisory panel, I'm wondering if you're able to tell us how this might be different to the one that you had originally proposed in terms of the future settlement. If it is not different, should we also assume this would be four years, etc? I'm just keen to understand how this panel might be different.

And then secondly and, Liam, I might be over-interpreting things here, but you used the word, professional, in describing the way you're going to potentially change or address the Roundup for non-commercial use. I'm wondering if there is a second point you're trying to make in choosing that word, professional.

And just linked to that, as you think about potential new ways of making Roundup, and I think you used the words, new formulations or new ingredients, why wouldn't you do that for the entire Roundup products and only propose it for non-commercial use? Thank you.

Werner Baumann

Thanks for your questions. As you suggested, Liam will take the second question and that addendum. I will address your first question.

So, let me start with the four years because that's going to

be important, that context. We are now in a different game if you want, so we are not bound to, nor will we pursue, the structure that was proposed as part of the future settlements in front of Judge Chhabria. So, there is no four year duration of a programme.

We will now start our own settlement programme. The other things that were in there like medical monitoring and the like, forget about that one. We are now in a different setting that will ultimately yield comparable results, but it's going to be different in the way that it's going to be enacted, which also means that the science panel and different iterations that have been taken around the science panel are shelved in a way.

We are now looking at something that continues to be a core element of the science panel and that is it truly has to be independent, because otherwise people would say, well that is a Bayer panel. This is an independent science panel that we also try to get court-endorsed. There is different thinking about how to best enact it, so that it is truly also acknowledged as independent. But that is the objective of the exercise. So with that, let me hand it over to Liam.

Liam Condon

Thanks, Keyur, for the question. I can assure you that there's no hidden message in here when we refer to, professional. Let me just make the distinction. When we talk about the lawn and garden segment, this is the residential segment, this is the consumer use, and this is where we're talking about looking at, with our partners, potentially alternative active ingredients.

Then we have the main use which is the agricultural use, so farming, and glyphosate is a complete system relevant product for farmers. They couldn't do farming in the US without glyphosate, so it's really crucial that this will be available. And then we have the professional use which is where there's a variety of different non-consumer related uses, for example forestry management, rail track management, so trains couldn't run if weeds were constantly cropping up, so this is a professional type of application.

So, these uses will continue because they need to continue, also for safety of the general population. As Werner mentioned in his speech, also for environmental reasons if you think about how farming is done today and the ability to ensure no-tillage, how farming can be done that we don't release more CO_2 into the atmosphere. So, very clearly professional and ag uses of glyphosate will continue.

You asked as well why we would only consider then potentially alternative active ingredients for lawn and garden

versus these professional and agricultural uses. This is very simply related to yet again the litigation risk that we want to manage where over 90% of the claimants to date have come from this lawn and garden segment, and that coupled with the fact that there are no real alternatives in the professional and agricultural space and we have a clear obligation here.

Werner Baumann — Thanks, Liam. Let me briefly revert back to Bill so he can further elaborate on the science panel. There are a few additional aspects here that Bill will address from his perspective and is also important for you to know.

Bill Dodero — Yes, very happy to, thank you. I think one thing just at the foundation of the science panel so you can hear it as well, I've mentioned and we've all been discussing at great length the inconsistency between what's happening in the courtroom and what's happening in the scientific and regulatory actual world considerations.

I think one important tenet of the science panel that you keep hearing from us routinely is not limited evidence that only an advocate or expert witness retained for purposes of showing up in the courtroom, who doesn't look at the full body of science accumulated over many thousands of scientists over decades over the world‘s consideration of this is obviously not taken into account effectively in a courtroom.

So, whether it takes four years or not, the important point here is that the science panel does this fulsome consideration and that fulsome consideration is comprised and done by independent experts who are there and charged with nothing but assessing all of the evidence, which again continues to develop very favourably every time it's been looked at and re-examined in the past five or six years. It over and over again allows and elucidates what's going on in terms of that difference between the courtroom and the regulatory and scientific world.

It helps reinforce our commitment to transparency, it demonstrates our belief in the scientific rigor and safety of the product, and to the extent that can be judicially sanctioned or also brought into the judicial elements remaining of any potential future matters, it's also an impacting factor in our plan. So, I just wanted to give that further context in answer to your question.

Oliver Maier — Operator, it's Oliver. I'm conscious of time and I think we have time for one more question if that's okay.

Operator — So, the final question comes from Sebastian Bray with

Berenberg. Please go ahead.

Sebastian Bray

Hello. Thank you for taking my questions. I have three please. The first is on the $10 billion, slightly less, provisioned for the settlement of case inventory. Can I just be clear on this? To what extent does this include an amount that you think you will have to pay to holdouts or is there potential for the holdouts to add to this number? And could you remind us of how many there are at the current state of affairs? Maybe I didn't catch this earlier.

My second question is on the desire to re-label the product. What is the point in potentially withdrawing glyphosate from the retail market and at the same time potentially asking the EPA to approve a re-labelling? Given that the argument on pre-emption is essentially Bayer couldn't be expected to comply with state failure to warn legislation and FIFRA at the same time, what implications does it have for the pre-emption argument if Bayer turns around and successfully asks the EPA to re-label?

The third question is on the farmer versus retail consumer dilemma. Will the re-labelling that Bayer is requesting the EPA to do apply only to the retail market or both to retail and to farmers? Thank you.

Werner Baumann

Thanks for your questions. On the provisions, Wolfgang will take that question and shed some further light on holdouts and what is included what is not. Then on glyphosate retail, I think a lot has been said already in terms of us having to discuss with our partners, so there's limited additional colour that we can give. This is what Liam is going to take, also on your last question when it comes to the label, is it going to be restricted to retail or beyond? And then on pre-emption, that will be answered by Bill.

Wolfgang Nickel

Sebastian, thanks for your question. Very quickly on the whole glyphosate complex, we had two provisions, about $9.6 billion for the currents and about two billion for the futures. The 9.6 for the currents did include what we committed for the 96,000 that have been resolved. Obviously the remaining amount that we think is sufficient is for what you call the holdouts. So, that's clear. And on the two billion, I commented earlier that there's no change right now but we'll keep on assessing this.

Just one technical thing that is the provision that we had at one point in time provided of course against the currents, we have already made payouts. Last year I believe it was 3.8 billion and in Q1 2.2, so if you would look at the balance sheet you wouldn't see the full amount anymore because there were some payouts. I hope that answers your question

and over to Liam, I guess.

Liam Condon

Yes. Thanks Sebastian. So, if I got it right, the retail withdrawal as we mentioned is purely litigation risk related measures, nothing whatsoever to do with the safety profile of the product and, as we've said, the product will remain available in professional and agricultural use.

Related to the warning label or any changes in the wording on the label, what we would be discussing with EPA is for all glyphosate related products, regardless of how we categorise those products within our internal classification system, whether it's consumer or professional or agricultural use.

Werner Baumann

Thanks, Liam. With that, over to Bill.

Bill Dodero

I'll just jump in on the pre-emption aspect of that question. So, first let's start from the premise that what we're seeking to do is establish the website with the scientific studies and information relevant to Roundup's safety, and what we would be requesting of the EPA is to approve a corresponding reference language or link on the Roundup labels to that information. That's what we'd be seeking.

We know EPA's continued view on this topic both because of the consistent approval without any such warning, as you called it, and specifically you might recall back in August 2019 we know the EPA's view that they have indicated in a letter to all manufacturers that it would be false and misleading to put a, quote-unquote, warning on the product.

So, just to be clear, from a pre-emption standpoint we aren't in any way diminishing or second-guessing our arguments on what the tort system has imposed a duty to warn and instead what we're seeking is a link to that scientific body of information if the EPA allows also a reference link to that website which we will establish regardless.

Sebastian Bray

That is helpful. Thank you for taking my questions.

Werner Baumann

Thanks to Liam. With that I'll turn it back to Oliver.

Oliver Maier

Thank you, Werner, thank you Wolfgang and thank you, Bill, for the detail provided and to shed some more light. I appreciate that everybody was able to dial in this morning. Thanks for taking the time. I hope that was helpful, us getting back to you as soon as possible, and we'll talk soon. Thanks so much. Take care, everybody.

Cautionary Statements Regarding Forward-Looking Information

This presentation may contain forward-looking statements based on current assumptions and forecasts made by Bayer management.

Various known and unknown risks, uncertainties and other factors could lead to material differences between the actual future results, financial situation, development or performance of the company and the estimates given here. These factors include those discussed in Bayer's public reports which are available on the Bayer website at http://www.bayer.com/.

The company assumes no liability whatsoever to update these forward-looking statements or to conform them to future events or developments.

Guidance at constant currencies, not including portfolio divestitures if not mentioned differently.