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News Release

Annual Stockholders' Meeting April 28, 2023

Address by

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Chairman of the Board of Management

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Ladies and gentlemen, dear stockholders,

I, too, bid you a warm welcome to our Annual Stockholders' Meeting. I'm pleased you could join us.

No doubt I speak for us all when I say the times we are living in are extremely challenging for each and every one of us. We are all living through the watershed era that German Chancellor Olaf Scholz spoke of in his "Zeitenwende" speech.

Although the horrors of the pandemic are fading, the terrible war in Ukraine still continues. We are increasingly seeing geopolitical tensions, high inflation rates, increased energy costs and pressure on supply chains. On top of all that, we have the recent upheavals in the banking sector. These developments demand our undivided attention.

In times such as these, we at Bayer are aware of our special responsibility: Because health is our most valuable asset. Because people need to be fed in a sustainable way. And because we urgently require tangible solutions to combat climate change.

I am therefore very proud of what our 100,000 employees achieve every day. That applies in particular to our staff in Ukraine. What they are doing there is incredible. Under the toughest conditions, they are making sure that people continue to be supplied with our essential products.

I would like to take this opportunity to thank them – and naturally the whole of the Bayer team worldwide – for their commitment.

We as a company are also doing everything we can to help the people of Ukraine. We have so far donated a total of over 10 million euros for important supplies such as antibiotics and cancer drugs. Our employees donated over a million euros as part of a Red Cross aid campaign – a sum that Bayer then doubled. And a further donation from us has financed the purchase of a large mine-clearing machine.

Moreover, we will continue making significant investments in Ukraine. Just recently, we announced that, from 2023 onward, we will invest a total of 60 million euros in our Ukrainian corn seed production facility in Pochuiky.

All in all, we can say that, even in these difficult times, we have maintained our position as a successful life science company. We now need to build on these strong foundations and set the course for future growth. With over eight billion people living on our planet, the need is huge. The global population will continue to grow – and people need better and more sustainable healthcare and food systems.

This is the last time I will be speaking to you, and I would like to give you an overview of Bayer's current position and how we are placed for the future by focusing on the following key questions:

- 1) How is our business doing?
- 2) How is the current "watershed era" affecting us?
- 3) How are we dealing with the legal risks in the United States?
- 4) How are we creating value for our stakeholders?
- 5) How are we helping to solve global problems?
- 6) How are we combating climate change?
- 7) Is Bayer in the right hands with Bill Anderson?

Let's start with the first question: **How is our business doing?**

I am delighted to report that, despite everything that has been happening, 2022 was a highly successful year for Bayer. We met or exceeded all our financial targets and continued to deliver, even in challenging times – a tremendous achievement by our entire workforce.

The figures speak for themselves. Our currency- and portfolio-adjusted sales increased by around 9 percent to 50.7 billion euros. Clean EBITDA was up 21 percent at 13.5 billion euros, and core earnings per share rose by 22 percent to 7.94 euros. We thus ended the year in a much better position than originally expected, and in fact achieved significant KPIs for our medium-term targets two years ahead of schedule.

All divisions contributed to last year's operational success, with Crop Science performing exceptionally well. In our agriculture business, currency- and portfolio-adjusted sales rose by around 16 percent to 25.2 billion euros. Our herbicides business posted the strongest growth. Clean EBITDA at Crop Science climbed by a particularly impressive 46 percent to 6.9 billion euros.

At Pharmaceuticals, currency- and portfolio-adjusted sales increased by just over one percent to 19.3 billion euros in 2022. Although our mature product portfolio is facing strong headwinds, the market launches of the new drugs Nubeqa™ and Kerendia™ are proceeding very successfully. Clean EBITDA at Pharmaceuticals came in at 5.9 billion euros, up around two percent year on year.

Growth at Consumer Health exceeded expectations last year. Currency- and portfolio-adjusted sales rose by more than eight percent to 6.1 billion euros, with growth across all categories and regions. Clean EBITDA at Consumer Health amounted to 1.4 billion euros – almost 15 percent higher than the prior-year level.

Given these excellent figures, we want you, our stockholders, to share commensurately in last year's commercial success. The Board of Management and the Supervisory Board are therefore proposing at today's Annual Stockholders' Meeting a dividend of 2.40 euros per share, which is 20 percent higher than the previous year.

As you may recall, we published our outlook for the current year in February: We are expecting sales of 51 to 52 billion euros based on prior-year exchange rates. This would correspond to a currency- and portfolio-adjusted increase of two to three percent.

In the current year, we are expecting currency-adjusted EBITDA before special items to be in the range of 12.5 to 13 billion euros. Currency-adjusted core earnings per share should come in at between 7.20 and 7.40 euros.

You would no doubt also very much like to know what kind of start we have made this year. Given that we will be presenting the figures for the first quarter on May 11, I am unable to give you any details today. As already mentioned in February, we are expecting business to be relatively sluggish in the first half-year compared with the very strong previous year.

Let's move on to the second question now:

How is the current “watershed era” affecting us?

The pandemic and the war in Ukraine have caused a great deal of upheaval and we, too, are having to deal with that, of course. I am referring in particular to the energy crisis, high inflation and supply bottlenecks. However, we have been affected far less than many other companies.

Part of the reason for this is that we as a company have focused on life sciences over recent years. Consequently, energy issues no longer have such a big impact on us as they used to. For example, our energy costs amounted to no more than around 3 percent of the total cost of goods sold last year.

Furthermore, energy obtained from renewable sources already covers a significant proportion of our energy needs. That, too, is helping us mitigate the effects of rising energy prices.

All the same, like everyone else, we needed to react to potential supply risks. We have realigned our processes to reduce our reliance on natural gas. At some sites, we have cut the amount of electricity generated from gas and instead purchased electricity from external renewable energy sources. At the same time, we have reduced our energy consumption wherever possible.

Energy prices are not the only prices that are rising, though. We, too, have been significantly affected by the general inflationary pressure. Over the past two years, for instance, we have seen the costs of some raw materials increase dramatically. In many cases, we have been able to pass on these costs to our customers through higher prices.

Our broad-based approach to procurement helps in the face of strained supply chains. To avoid supply bottlenecks, we are expanding our network of suppliers and building up additional inventories in some areas.

On balance, we can say that we have so far navigated this very challenging period well, thanks to a combination of far-sighted risk management and active countermeasures. This marks an initial success in the context of the watershed – one that we have achieved as a team and to which our staff worldwide have contributed.

The next question I would like to answer is this one:

How are we dealing with the legal risks in the United States?

Let me start by briefly talking about the glyphosate litigations. There have been a total of nine trials so far and we have won the last six.

In addition, we are resolutely pursuing our five-point plan to manage this litigation complex as a whole. Among other things, on the U.S. residential Lawn & Garden market, we recently started transitioning from products that contain glyphosate to new formulations with different active ingredients.

I would like to reiterate that this move is *not* due to any kind of safety concerns. As the major regulatory authorities around the world have confirmed time and time again, glyphosate is safe and not carcinogenic. Our sole aim is to minimize the legal risks.

We are also making progress with the U.S. litigations concerning PCB – a chemical that Monsanto stopped producing over 45 years ago. The responsible court last year approved our settlement with around 2,500 municipal government entities relating to PCB water contamination, thereby resolving the majority of pending litigations with municipal entities regarding alleged water contamination.

Further settlement agreements pertaining to PCB have also been reached with a number of U.S. states. Where first-instance verdicts concerning health problems at a school have gone against us, we have lodged appeals or will be doing so.

In our view, we have compelling legal arguments to be at least partially indemnified for the costs of previous and future litigations and settlements. This opinion is based on the fact that Monsanto concluded far-reaching liability indemnification agreements with major customers in the 1970s. We took the relevant companies to court last year. Talks aimed at exploring possible settlement agreements are also in progress.

Ladies and gentlemen,

Product liability cases are, regrettably, part and parcel of everyday business life in the United States. We are systematically working our way through these litigations, and we have also taken appropriate accounting measures.

That means we can focus our full attention on what Bayer is really all about – science, research and innovation, or in other words, *Science for a better life*.

That brings us to the next question:

How are we creating value for our stakeholders?

Before I go into detail on this, I'd like to make one thing very clear – I am not satisfied with the current share price. Although Bayer's stock performed comparatively well last year in a difficult stock market environment, we feel our market capitalization still lies well below the actual value of our company.

We will continue to work hard to close this gap. We will do this by using the latest findings in life sciences to keep coming up with new products that help people – better medicines, better seeds and better crop protection. In this way, we will create long-term, sustainable value: For farmers, patients and consumers, and for our employees and stockholders – for all our stakeholders.

In this context, we are benefiting from another watershed – in science and technology, especially when it comes to natural sciences and information technology. New solutions to the problems of our time are emerging at the intersection of biology, chemistry and cutting-edge data science, with huge potential to create value. Organizations that make the most of these trends will benefit from fantastic long-term opportunities. And that is what we are doing.

We maintain a global network of research locations with over 16,000 Bayer employees. Once again last year, we spent a record amount on research and development. After adjusting for special items, this amounted to 6.2 billion euros, compared with 5.3 billion euros in 2021.

Allow me to give you a few specific examples of areas we are working on. At Pharmaceuticals, we have further expanded our development portfolio in the areas of cell and gene therapies. It currently comprises seven projects at various stages of clinical development, including projects relating to Pompe disease and Parkinson's – a disease of the nervous system for which there is currently no cure.

We have also made good progress with developing our late-stage pharmaceutical pipeline and launching new medicines. We currently put the combined peak sales potential of the promising growth drivers in our Pharmaceuticals portfolio at over 12 billion euros.

Besides our Factor XIa inhibitor asundexian, which is in the final stages of clinical development and could potentially prevent thrombosis and ischemic stroke, these also include our development candidate elinzanetant in women's healthcare, our cancer drug Nubeqa™, and Kerendia™ for the treatment of heart and kidney disease.

We are also continuing to advance the opportunities presented by digitalization at Pharmaceuticals. With the acquisition of Blackford Analysis, we will promote the application of artificial intelligence in everyday clinical practice for the benefit of patients while also expanding our radiology portfolio.

Our Crop Science division is also driving innovation. One example is our latest corn product VT4PRO™, which was licensed in the United States last year and contains multiple modes of action to protect against pests. I will shortly be talking about further examples such as our short-stature corn and our work on alternatives to nitrogen fertilizers.

Consumer Health has also made significant strides. One example is Astepro™ Allergy, which starts working within 30 minutes. We launched this product on the U.S. market last year as the first ever over-the-counter, steroid-free antihistamine nasal spray to treat allergies.

These examples demonstrate very clearly and specifically how we are leveraging our innovative products to create value for our stakeholders. At the same time, however, we are also making a valuable contribution to society as a whole. That brings us to the next question:

How are we helping to solve global problems?

A look at the United Nations Sustainable Development Goals underlines our company's systemic relevance. These goals define a total of 17 areas where humanity needs to make decisive progress by 2030. Bayer can make an important contribution to almost all of these Sustainable Development Goals.

That naturally includes the areas of health and nutrition, but also goals such as clean water and gender equality. Another relevant area is climate action, which I will be addressing separately later on.

Sustainability targets form an integral part of our corporate strategy. In our eyes, economic success and sustainability are two sides of the same coin and have equal priority.

We have set ourselves ambitious sustainability targets which we are working to achieve. In terms of our social commitment, in low- and middle-income countries, we have undertaken to improve the access of 100 million smallholder farmers to agricultural products and services, and also to make modern family planning available for 100 million women. In addition, we are aiming to expand access to self-care for 100 million people in underserved communities. I am delighted that we are making further progress in all these areas.

For instance, we are continuously improving access to our medicines in low- and middle-income countries. The success of our efforts is also demonstrated by the fact that we made it into the top ten companies in the renowned "Access to Medicine" index for the first time last year.

Another example is the expansion of our "Nutrient Gap Initiative" in February. This initiative aims to close the gap in access to vitamins and minerals for people in underserved communities.

Having initially focused on nutritional supplements, we are now developing the initiative further to also close the nutrient gap by providing food – especially fruit, vegetables and cereals.

Our commitment to the more than 550 million smallholder farmers around the world also plays a key role in this context. After all, they form the backbone of food systems, particularly in many parts of the world where malnutrition is widespread. We are creating partnerships and providing high-quality products, specialist expertise and financing solutions to support these smallholders and improve their market access.

Water is another important issue. Indeed, the world is facing a serious water crisis – with direct implications for ecosystems, food security and human health.

We therefore presented a new water strategy at the United Nations Water Conference in New York in March that makes water an integral part of our business and investment decisions. We are also looking to influence our suppliers and, in this way, bring about industry-wide changes to address the global water crisis. Incidentally, in speaking on behalf of Bayer, I was the only representative of a company to have the privilege of addressing the UN General Assembly.

One specific example of our activities in this area is rice – a staple food for over three and a half billion people. Rice fields are responsible for up to 43 percent of the world's irrigation water withdrawals. We are committed to improving water use per kilogram of crop by 25 percent by 2030, by transforming rice-cropping systems for smallholder customers in the relevant regions where we operate.

Our commitment to sustainability is also gaining ever greater recognition. For example, the MSCI rating agency last year acknowledged Bayer's environmental, social and governance efforts by upgrading our ESG rating from BB to A.

That brings me to the next question:

How are we combating climate change?

Climate change is one of the greatest challenges of our age. Everyone needs to play their part if we are to reduce greenhouse gas emissions and limit global warming. And that naturally includes industry. Our company has done its homework and taken up a clear position.

We have initiated a comprehensive, Group-wide decarbonization program and are aiming to be climate-neutral by 2030. We are well on our way to achieving this goal. Last year, we once again succeeded in reducing our total greenhouse gas emissions.

Allow me to provide a specific example of how we are investing in climate-friendly production. Here in Leverkusen, we are building a new, cutting-edge facility to manufacture pharmaceuticals that will be used, among other things, to treat cancer and cardiovascular diseases. Last year's topping out ceremony was attended by German Chancellor Olaf Scholz. The facility incorporates a state-of-the-art geothermal system that reduces CO₂ emissions by 70 percent compared with conventional plants. Many people talk about protecting the climate – here at Bayer, we are actively shaping climate protection!

And that doesn't stop at our factory gates. As a leading agricultural company, we also have a particular responsibility for decarbonizing the agricultural value chain. That offers far greater potential. After all, agriculture is responsible for 25 percent of global greenhouse gas emissions. We therefore intend to enable farmers to achieve a 30 percent reduction in their greenhouse gas emissions per kilogram of yield by 2030.

This is where the Bayer Carbon Initiative comes in. We are a leading provider of solutions and platforms that help farmers remove CO₂ from the atmosphere and store it in the ground, a process known as carbon sequestration. Our initiative also opens up new sources of income for farmers by paying for carbon farming activities and providing access to global carbon markets.

At the same time, we are working on technological solutions that can help decarbonize agriculture. For example, nitrogen fertilizers are currently responsible for more than 3 percent of greenhouse gases. We are therefore working on alternatives in collaboration with partners such as the biotech company Ginkgo Bioworks. Gene-edited microbes, for instance, could help crops cover their nitrogen needs themselves, without requiring fertilizers.

Acquiring a majority holding in CoverCress is another way in which we are aiming to reduce agriculture's climate footprint. This company has developed a cover crop, also called CoverCress, that helps farmers improve their soil's nutrient quality and carbon

sequestration. The harvested crop is also a raw material for biofuel production that does not compete with food production.

These are just a few examples demonstrating that our commitment means we lead the way when it comes to climate protection. And the progress we have made is widely recognized by experts. For example, the renowned CDP organization last year rated us as one of the leading companies in the area of climate protection for the fifth time in a row. Climate Action 100+ rates the world's biggest greenhouse gas emitters on the basis of a number of different criteria. Of 166 companies tracked by this investor-led initiative in 2022, only one met more of the assessment criteria than Bayer.

In this connection, however, I would also like to address a further aspect that plays a role in the fight against climate change. Besides reducing emissions, we also need to work on mitigating the effects of climate change.

We lead the way in this field, too. For instance, we are investing more than virtually any other company in developing plants that cope better with extreme climatic conditions and require fewer resources.

One example is short-stature corn, which already demonstrated its credentials in the fields last year. The market launch in North America is now imminent. This technology makes the corn sturdier and less likely to fall over or break. Crop failures due to extreme weather conditions such as strong winds or heavy rain can thus be significantly reduced.

So now to my final question:

Is Bayer in the right hands with Bill Anderson?

The unequivocal answer is yes! In my opinion, Bill is the perfect choice for this role. Boasting an impressive track record as a top innovation-oriented manager and a business developer, he is also a strong leader. From my conversations with him, I know how enthusiastically he is approaching this challenge and how meticulously he is acquainting himself with all areas of the company. I enjoy our discussions about the issues we are working on.

Naturally, you will be wondering what strategic steps Bill will be taking. As I'm sure you will understand, I cannot preempt his analysis. I will simply say this much. I am confident that, together with the management team, he will identify the right steps to guide Bayer on its way to a new, successful chapter.

Bill, we are delighted to have you on board. You are the right person for the job and you have a great team. Together, you and your team will take the company forward – in the interests of our stockholders who are assembled here virtually today, and in the interests of all our stakeholders.

Ladies and gentlemen, dear stockholders,

After seven years in charge of Bayer, my term of office will come to an end in around four weeks' time. I have been at this wonderful company for a total of 35 years. Bayer has always been more than just an employer to me. Bayer is very close to my heart and has given me the opportunity to work with a great many interesting people all over the world: The researchers from whom I have been fortunate enough to learn so much. And the customers I have been able to visit to see the added value our products bring.

Over the years, we have made a great deal of progress and celebrated a great many successes together. There have, of course, also been some disappointments and some things that didn't turn out as we hoped. For me, at any rate, it has always been a pleasure and also an honor to be part of the Bayer team and to work together on a vision that could hardly be greater or more inspiring: *Health for all, hunger for none*.

We have successfully completed the integration of Monsanto and are now a leading company in the growing agricultural sector. At the same time, we have continued to focus on our core business by selling Animal Health and Environmental Science Professional, for example.

We have significantly increased our research and development investments and continuously enhanced our technological capabilities, in part through numerous bolt-on acquisitions, cooperation agreements and holdings.

Since 2016, we have invested a total of over 35 billion euros in research and development. On top of that, our Leaps by Bayer impact investment arm has invested more than 1.7 billion U.S. dollars in over 55 companies since 2015.

We have strengthened our Pharmaceuticals business in particular with acquisitions totaling several billion euros – including the creation of a cell and gene therapy platform. These investments are giving us access to groundbreaking, disruptive technologies and enabling us to work with some exceptional scientists.

We have also taken our commitment to sustainability to a whole new level by making it a key pillar of our strategy. We are making good progress with our ambitious sustainability targets – relating to climate protection and the environment as well as social aspects. Bayer is a company with systemic relevance in these areas.

We cannot be satisfied with the way our share price has developed. However, I still firmly believe that Bayer currently has very strong and robust foundations. Strategically, Bayer is a very well-positioned life science company: with business activities that lead the way and are growing worldwide, immense power to innovate, and innovative products and technologies. With highly motivated and creative minds who have lots of good ideas. And with an excellent leadership team.

Bayer thus has excellent prospects for the future, and I am very certain that this outstanding company still has its best years ahead of it.

And with that, I'd like to say thank you for your attention.

Forward-Looking Statements

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