



Bayer Investor and Media Update

Class Settlement Agreement

TRANSCRIPT

Tuesday, 17th February 2026

Bill Anderson*CEO, Bayer AG*

Today marks an important milestone for the company. Two years ago, we committed to significantly containing litigation. Today, we're putting forward a major step in that direction. The Monsanto company has reached agreement with a nationwide class of plaintiffs to settle the current and potential future cases in the U.S. glyphosate litigation. Under the settlement, which awaits court approval, Monsanto will make capped annual payments that decline over time, spread out over a period of up to 21 years.

Why are we doing this? I will give you three main reasons.

First, this is a choice for speed and containment over a protracted legal battle. Instead of spending decades in legal disputes, we're choosing to focus the company on its true mission. Litigation uncertainty has plagued the company for years, and this settlement gives the company a road to closure. The proposed settlement comes at a price, but we have a plan to finance it, and it's distributed over many years. And we're making good on one of the central promises we made two years ago. This is a move to liberate the company from the litigation burden so our people can dedicate resources to cell and gene therapies, drought-resistant seed hybrids, and better ways of taking care of everyday health. I'm confident that will yield a bigger impact for Health for all, Hunger for none, and a better return for investors.

Second, the timing was right. For three years, we've upped our containment efforts. Eventually, we reached a point when plaintiff lawyers were willing to come to the table. After many months of difficult negotiations, Monsanto reached a deal. And that agreement is now subject to approval from a court in Missouri, where the vast majority of cases are pending.

Third, we're settling this because it complements the Supreme Court review of our case, in a way that could provide the tightest possible form of containment. In fact, the two are independently necessary and mutually reinforcing. Let me elaborate. Today's agreement addresses the bulk of eligible current and future cases. It wouldn't even be possible without the Supreme Court's decision to accept our case. Beyond that, the stakes of the Supreme Court's decision are large. A decision in our favor would address cases not covered by the settlement, including significant adverse pending judgements.

Plus, a favorable decision from the Supreme Court would both disincentivize and cover potential opt-outs from the settlement. What's just as critical is the question of federal preemption. And that's where the Supreme Court's ruling is absolutely essential. Their decision on this issue has massive consequences for manufacturers of crop protection products, both products on the market today and those in development, as well as for US farmers, who urgently need clarity on how crop protection products are regulated in the United States.

Any lack of regulatory clarity on this matter could jeopardize the availability of these vital products, with potentially severe consequences for American farmers and the American food system. It's time for the courts, as well as lawmakers at the federal and state levels, to act. Take this example: we're preparing to launch the first new herbicide in a generation, Icafolin. And we're likely going to launch it in Brazil before we launch it in the U.S. American farmers and consumers deserve better. The issue is urgent. It's bigger than glyphosate. It demands clarity on future innovation that this settlement will not provide — but the U.S. Supreme Court can. That's why we've taken a multi-pronged approach and we will continue our diverse containment efforts beyond today's announcement.

Now, this isn't the first attempt at a class settlement. We need to acknowledge that. And we've learned from that experience in designing this agreement. My colleague Bill Doderer will go through that with you.

Separate from the class, the company has reached agreements to settle certain cases in PCB litigation, as well as additional glyphosate cases, on confidential terms. In total, these resolutions, including litigation costs, will lead to an increase of the provision and liabilities.

I'll hand over to Wolfgang to break that down for you and give you some further detail on the financials.

Wolfgang Nickl

Chief Financial Officer, Bayer AG

Thank you, Bill. You'll hear three things from me. The first is a breakdown of our revised provision. The second one is direction on what this means for our cash flow projections. And the third is our plan to finance these resolutions.

First, on the provision and liabilities for litigation, which we've increased from 7.8 billion euros to 11.8 billion euros. This is made up of two main components. First, on glyphosate, it includes the class, separate strategically necessary glyphosate settlements, defense and other litigation-related costs. Beyond that, there are the PCB cases, including Sky Valley Education Center verdicts and two settlements we've made with additional two states in the U.S., as well as additional defense costs.

My second point is on the litigation-related cash implications, which we expect to total approximately 5 billion euros in 2026. Under the proposed class settlement agreement, the largest of the annual payments would be funded this year. Additionally, we have to pay out settlements for both glyphosate, outside of the class, and PCBs in 2026. Therefore, we're expecting a negative free cash flow in 2026. We will provide more detail with the communication of our full year results, which we are moving to March 4th.

As Bill mentioned earlier, one of the core drivers of our containment strategy is giving the company and its stakeholders more clarity and the ability to forecast. Here's our current view regarding litigation-related payments in the mid-term. After taking the cash impacts in 2026, we anticipate annual payments of all litigation-related payments closer to roughly 1 billion euros for the subsequent five years, at which point they drop significantly for the remainder of the up to 21-year-period. I share all of this for modeling purposes. Let me remind you though, all of this is contingent on many factors, including final approval of the class settlement.

Finally, on the financing, we have worked out a plan. That plan secures our liquidity, including refinancing needs. The immediate financing is secured with a bank loan facility of 8 billion U.S. dollars, which we signed today. Ultimately, the financing is planned to utilize senior bonds and instruments receiving equity-credit by rating agencies. We are not planning to use the previously authorized capital increase. We are happy to take questions on the provisioning, cash-flow, and financing later on in the Q&A, but for now back to you, Bill.

Bill Anderson

CEO, Bayer AG

In terms of next steps, the class settlement will now move through the approval process. In parallel, we will present our case to the Supreme Court, with a hearing scheduled for April 27th. Further, the company will continue to advocate for and defend regulation that is science-based and provides clarity for American farmers. Today's announcement is not our sole path to containment, but a major step in our multi-pronged strategy. We will closely follow the next steps. We will remain prepared for all possible outcomes, and everything remains on the table.

Before handing it over, I'll close with an important point. To be clear: Today's announcement does not take away from the truth, a truth that scientists and regulators around the planet continue to uphold: that glyphosate is a safe and essential tool for farmers in the U.S. and around the world. This settlement comes at a cost, even beyond its direct monetary price. It's cost employees their jobs. It's diverted funding away from new medicines and new seeds and towards litigation, an industry that costs the average U.S. household more than four thousand dollars every year. So, while this settlement is necessary for the company today, we maintain our significant objections to the broken tort system that makes it necessary.

Now I'll ask Bill Dodero to provide more information on the proposed settlement.

Bill Dodero

Global Head of Litigation, Bayer AG

I will provide you with more details on the class settlement, but first I want to expand on a few key points that Bill made.

The goal in reaching this class settlement and pursuing our Supreme Court case is to reach the greatest possible closure for the Roundup™ litigation. By that we mean addressing all of the present and potential claims of Non-Hodgkin-lymphoma or NHL allegedly due to Roundup™ exposure, and either foreclosing them or resolving them as quickly as possible. That is the best and surest path to enable Bayer to get back to its mission. To do this, both the class settlement and Supreme Court case are necessary, and they mutually reinforce one another.

Let me explain how:

First, The Supreme Court case, entitled *Durnell*, is critical to resolving substantial outstanding damage awards with pending appeals, which are not covered by the class settlement. It would also cover opt-outs from the settlement – that is, claimants who are eligible to participate in the class but choose not to. Overall, it would foreclose present and future claims grounded on state label-based warning theories – which is the central allegation in all the Roundup™ cases to date. And, as Bill mentioned, it would provide much needed, definitive guidance from the United States Supreme Court, which recently agreed to decide whether the Federal Insecticide, Fungicide and Rodenticide Act or FIFRA preempts a label-based failure to warn claim where EPA has not required the warning. Clarity here is critical to support innovation, and for us to continue to provide vital tools to U.S farmers and food security to Americans.

Significantly, the potential impact of *Durnell* is not limited to glyphosate/Roundup™, NHL claims or even the agricultural industry. The outcome can have broader impact because other federal statutes that govern medical devices, poultry products, meat and motor vehicles, among others, contain the same or very similar federal preemption language. And courts deciding cases often give weight to how statutory language has been interpreted, even if it is contained in different laws.

The class settlement, in turn, is designed to resolve Roundup™ claims alleging NHL injuries regardless of the legal theory on which they are based. It provides a resolution for any litigation remaining after the Supreme Court's decision, regardless of claim, preventing further delay to closure. The settlement also enables us to bring containment to this litigation through a structured process, with defined payments.

Now I will turn to the details of the class settlement:

The settlement was negotiated with and is supported by several leading nationally recognized plaintiff law firms including the Holland Law Firm, Ketchmark & McCreight, Motley Rice, Seeger Weiss, Waters Kraus Paul & Siegel, and Williams Hart & Boundas. We believe the class terms and strong support demonstrate that the settlement is fair to plaintiffs and will be key to the approval of the Missouri court. The settlement requires final court approval and is subject to any appeals.

The settlement class covers both current and potential future plaintiffs nationwide who were exposed to Roundup™ before February 17, 2026 and either: Have a medical diagnosis of NHL now. Or receive a medical diagnosis of NHL within 16 years after the settlement is effective.

It is a long-term claims program, reflecting the long latency of NHL, that will run for up to 21 years.

There will be a robust notice process to alert members of the class of the settlement, and they will have the opportunity to object or opt out if they wish. Monsanto will have the right to terminate the settlement without payment of claims if the number of opt outs is excessive.

Monsanto will make annual payments to support the class and claims program – and these will be capped and decline over time, which provides certainty for the company. Payments to eligible class members will be tiered and prioritized based on type of exposure, age at diagnosis, and the type of NHL.

Finally, let me address two key questions that I suspect are on many of your minds: First, what happens next: Today, plaintiffs' counsel representing the class filed a motion for preliminary approval of the settlement with the Circuit Court of the City of St. Louis, Missouri. Next, the court will decide whether to preliminarily approve the settlement. Once this happens, class members will get notice of the settlement and be informed about their right to object or opt out if they wish. The court will then hold a fairness hearing and decide whether to give the settlement final approval, which may be subject to appeals.

Second, for those who may recall the Roundup™ class settlement proposed in 2020, I want to stress a few key differences between the settlement today and that earlier program: The new proposed settlement is a long-term compensation program, with funding up to 21 years, and is structured to address the needs of both present and future claimants through a common claims program. The prior proposed class settlement was a short-term program limited to four years with less funding, and future litigation beyond four years was subject to the findings of an expert science panel. There is no science panel in the current class settlement. It is a traditional long-term compensation program like that used in other mass-tort settlements.

In sum, the class settlement and Supreme Court case are the best path forward to contain the Roundup™ litigation so we can return to the work that is core to our mission. Thank you for making the time to join us today. Back to you, Bill.

Bill Anderson*CEO, Bayer AG*

Thanks, Bill. To close, what we're sharing today aims to enable the company to focus on its mission: Health for all, Hunger for none. Eighty-eight thousand people at Bayer are motivated by that mission every day. They're behind our growing Pharmaceuticals pipeline. We recently announced a breakthrough in stroke prevention, which we aim to bring to patients as fast as possible. They're behind our plans to launch an unrivaled number of blockbusters in agriculture over the next decade. And they're behind our ambition to bring brands like Aspirin™, Claritin™, Bepanthen™, and Elevit™ to more households around the world – particularly in places that lack access today. We see a compelling future for this company and today is an important step in clearing the path. We look forward to sharing our 2025 results and 2026 outlook in our upcoming earnings call.

Q&A

Richard Vosser, JP Morgan: Firstly, in terms of the proportion of cases that go into the settlement: Any view on the proportion of the 67,000 that go into the class action and relative to the opt-outs, you mentioned if the opt outs are too great, then the class action doesn't go ahead. Any view of the amount that are signed up at the moment?

And then secondly, a question on the Supreme Court ruling: If the Supreme Court ruling ultimately goes in your favor, could we envisage the cash flows into the class action settlement reducing? You mentioned that they reduce over time significantly out five years. Does that have any bearing on the reduction of those cash flows out?

Bill Anderson: The first question around what proportion of the cases do we think would go in? We think the vast majority will choose to enter in, either into the class or the other settlements. Obviously we'll take care of other cases. We would anticipate that the vast majority would go in. In fact, that's really a requirement for us because this doesn't work unless there is closure.

Regarding the question about what would the impact of Supreme Court ruling in our favor be on class payments? I don't want to speculate very much on it, but what I would say is that the Supreme Court is very important not only for establishing the law on this cross-cutting issue of failure to warn claims, which is important for glyphosate, it's important for future products. But it's also an important incentive for people to participate in the class. And so, I think in that sense, it should help to limit the future costs beyond what we've projected.

Thibault Bouterin, Morgan Stanley: My first question is just on the composition of the €9.8 billion provision. Can you confirm? So this is a one-off payments for, glyphosate plus discounted cash flow of the class action. And then on top of that, the separate payments, potential payments for awards *[inaudible]* ... you lost? And so if you just clarify the components.

And then second question is, so I understand you're raising that to finance this, but can you confirm at this stage that you mean that you don't expect to have to raise capital or is this option still on the cards.

Wolfgang Nickl: And thanks for asking the question on the provisions. That gives me an opportunity to repeat some of it and add additional color. For clarity, the total provisions were €7.8 billion at the end of the September quarter. That got raised to about 11.8 billion that you will see in the annual report on the fourth of March. Of the increase of about 4 billion, about three quarters are glyphosate related and about 1 billion, or 25%, one quarter is PCB related. The overall provision, now roughly if you want to see how the 11.8 is made up, is about 9.6 billion on glyphosate, about 1.9 billion

on PCB. And then there was a balance for other smaller matters. And yes, on provisions, you usually deal with net present value is technically you're correct.

On the financing, first of all, we're very pleased to have the bridge in place. We have a very firm plan how we do the take out financing on this, and no, we are not planning to utilize the equity frame that we got at last year's AGM at all.

Thibault Bouterin, Morgan Stanley: Just to clarify on the provision for glyphosate. So this is just the class action plus the payments, separate payment you're making. Do you have also an estimate of the awards, you lost, for example Anderson, and things like this?

Wolfgang Nickl: It includes everything that we have done with the class. It includes the other strategic settlements on glyphosate. It includes litigation and other operational costs. It includes the Sky Valley settlements. And it includes the states that we have also settled in since we have last reported. So everything that we know.

Bill Anderson: And also including prior verdicts if that's what you're asking about.

Bert Fröndhoff, Handelsblatt: Just to be clear: Is the new settlement binding for all plaintiff law firms in the United States? I ask this because the lawyers representing today's plaintiffs, and my understanding, are different from those with Bayer entered into the first major settlement a few years ago. So the question is, is this settlement binding for all plaintiff law firms?

Bill Anderson: Yes. Simple answer is yes. The settlement is available to all law firms that have plaintiffs, other than the ones who have made separate settlement arrangements, if that makes sense. The class is open to any plaintiffs and any claims. And that's the next part that Bill Doderer mentioned in detail in terms of the process of providing them notice, of giving them an opportunity to opt in or opt out. But it's open to everyone.

Dietrich Knauth, Reuters: You mentioned that the settlement includes I think two U.S. states. Can you tell me which states and what whether those were glyphosate claims or PCB claims?

And then, can you tell me the law firms that you've listed out? How many of the 67,000 do they represent? I'm just trying to get at like, is there going to be a lot of negotiation among the lawyers who are not yet signed on with the deal?

Bill Anderson: So just to clarify, the U.S. states we were talking about, that's for the PCB settlements.

And the question about how many of the 67, it's a large number of them. But the way the system works is you have some lead attorneys, lead firms that sort of organize and negotiate the class. And then it's open for all the firms. And we would anticipate that the vast majority, almost all the plaintiffs will opt in, that's how these work. If it doesn't work that way, then we don't have a deal in the end so that's the plan and that's what we would anticipate happening over the coming months.

Dietrich Knauth, Reuters: Just a follow up: So you couldn't say like 30,000 of the 67,000 are on board at the moment or you don't have that kind of clarity yet?

Bill Anderson: It's not that important because it needs to be a very high proportion. So it doesn't really matter whether it's 50 or 70% today. What's important is that basically everyone signs on. And that's why the class has been designed in a way that we believe it's the right opportunity. It's something that again, the leading firms looked at and said, hey, we think this is the right arrangement for their clients. We think it's the right arrangement for the company. And then that's how it should move forward.

Laurent Favre, BNP: Bill, in your first Capital Markets Day, you told us that you couldn't do everything at once, and you had to first focus on culture and costs with DSO and then resolution on litigation. I guess you're well advanced onto both now. You've got very different businesses. Still significantly undervalued stock. And you are regaining strategic flexibility. So I'm wondering, how do you intend to approach, portfolio strategy going forward and in particular with respect to the conglomerate structure?

Bill Anderson: You can imagine we've been very busy on other matters and haven't spent a lot of time on that question in recent weeks. But I would say maybe two things about that.

First off, I think I've been very clear right along that we are committed to having the best home for each of these three businesses. Each of these businesses is delivering really important things for their customers. And that's a top priority. We consider ourselves a mission first organization. And part of that mission has to be, we're the best consumer health company in the world for our customers. We're the best pharma company in the world for those patients. And we're the best crop science company for farmers. And so that's a pretty high bar. And so for me, we have to be able to demonstrate that to both our customers and investors. That Bayer is the best home for these businesses. And that's why we've implemented this radical transformation. We've taken out basically two thirds of management and radically delayered. We're moving faster than ever. I think if you talk to people at Bayer today, they will say this is a new Bayer and we're moving fast to deliver on that mission. And that's how we'll decide about structure is basically, is the current structure the best way to deliver or is there a better way?

And second, I'll just say we will do a thorough assessment of that in due time. But at the moment we're staying very focused on our five key priorities, which includes the litigation resolution, getting our debt down, which we've got more work to do on that. It

includes rebuilding our pharma pipeline. It includes improvements in our profitability in Crop Science. And it includes us making Bayer the leanest, fastest life science company in the world. So we're really focused on that, Laurent. But I can assure you we will be addressing the structure question in the future.

Alek Ebbeling, UBS: First you say, a SCOTUS decision in your favor would address cases not covered by the settlement. So what cases are not covered by the settlement? What proportion is this of current and potential future cases?

Second, also on SCOTUS: If SCOTUS rules against you, would you expect the settlement to hold or would the rate of opt outs terminate the settlement? On that, what would be the percent of opt outs that would trigger termination? And what's your level of confidence that the settlement would hold?

Bill Anderson: In terms of cases not covered. So first off, there's some outstanding verdicts that are not covered. And that's some major verdicts. And so that's really important. Other cases that are not covered would be, like people would opt out-- would not be covered by the settlement, but a Supreme Court decision would certainly affect them. And then beyond that it has, as I mentioned, major impact on things like our ability to launch new products in the U.S. having that kind of regulatory clarity. In your questions around if SCOTUS rules against us, I don't think we're really going to speculate on that. There's different scenarios. We obviously will be prepared for any of those. So that's why we've always emphasized a multi-pronged approach that includes settlements, that includes the courts, that includes potential structural solutions. All of that remains on the table. But today we're focused on driving forward with this class settlement, making our best possible arguments to the Supreme Court on the merits of our case there.

And then you asked about opt outs and we're not going to disclose what level of opt outs is the important level. But I think I've made very clear it's very close to 100%. I mean that's how this works. It needs to be something that works for everyone.

Sonja Wind, Bloomberg: I'm wondering how many of the future cases do you estimate you can resolve through the Missouri class?

And secondly, how much will you be offering so specifically in the dollar number for the current victims and future victims? Any sense you can give about their proportions of that would be really interesting.

Bill Anderson: The short answer is that we would expect the vast majority of futures as well as current cases would fall inside the class. It was designed that way, that it would be something that would be chosen and would make sense to them. So we would anticipate that.

What was the second question? (Wolfgang Nickl: How much it will be offering.) How much? Yeah. We're not disclosing that information today, but this will all be made known in the days ahead.

Anja Ettel, WELT: I was just wondering what happens if the judge rules against the future claims being covered by that deal? Will there be any deal then at all? Or would it then be that?

And another question: Why didn't you use the capital increase from the general business meeting in order to cover the costs of this deal?

Bill Anderson: I don't really like to speculate on different scenarios, but I will say the class proposal, it's a package. You can't separate the current from the futures. It all kind of holds together and it really only makes sense together. I think we very much view it as a package.

In terms of the capital increase and the financing, I think as Wolfgang explained, we've been able to finance this using different tools than the capital increase. And we think it's advantageous for shareholders to approach it this way. And so that's the plan.

Charles Pitman-King, Barclays: Maybe just a quick question, following up on the opt out process. Just wondering what the potential timeline is for this opt out period? Is there a deadline by which you'd like to make a decision and is it likely to be before the end of June?

Bill Anderson: The judge will have some discretion about that and all of that will be decided when the judge issues his preliminary decision. I think you could look forward to knowing more about that in the next few weeks.

Sebastian Bray, Berenberg: Congratulations on what must have been quite a journey to get to the settlement. I have a question related to the tax deductibility of the payouts. As Bayer makes a payment, let's say of 5 billion in 2026 and then 1 billion in 2027, does the group effective tax rate drop? From memory, the last time Bayer tried this in 2021, the guidance was around 15 percent.

And if I may squeeze quickly in another one, are the people who accept the settlement from the law firms barred from bringing any other cases related to separate conditions outside NHL for glyphosate?

Wolfgang Nickl: I can take the first one on the tax deductibility. First of all, the settlements are tax deductible in the United States with a few a little restrictions in the States. And then it really depends on how much profit you have in a given year to

allocated against, when you have the effect and when you have the cash effect in particular. But you can carry the losses forward so you'll get the benefit eventually for the full rate in the U.S., approximately 25%, and we'll see what that does with the effective tax rate over time. Right now, we'll feel comfortable with the 24 to 26% that we're operating within.

Bill Doderer: The settlement is NHL claims and releases for NHL claims only, not beyond NHL claims.

Rajesh Kumar, HSBC: Just thinking through the timelines, you probably are going to end up 2026 at with 5 billion outflow for this one, close to 3.2, 3.4 times net debt to a better on current consensus numbers. I'm not asking for guidance. Obviously you are hoping that the settlement happens before the SCOTUS, right? When we look at the second half of the year and your financial gearing is at a place and you have a clear path runway you want to reinvest in the business for R&D bringing new products, what probably should be the right shape of the balance sheet going into 2027? Strategically speaking, especially if you want to invest for future.

Bill Anderson: Just because I think you're asking more about the strategic capital allocation and our ability to make the investments we need to make. I think we feel quite comfortable that we are in a good place on that. We have strong R&D investment levels in our three divisions. We are able to make the smaller deals that we tend to prefer in pharma, where we're talking about phase zero or phase one deals, where, incidentally, we tend to get a positive NPV on those deals. Whereas I think a lot of firms are chasing the big late stage kind of unique opportunities that everyone else is also chasing. We feel pretty good about where we'll land.

Wolfgang Nickl: We stick to our mid-term target to get into "A" category. For now, we obviously are focused to keep a solid investment grade maintained and you hear a bit more where we ended last year. And I think it's also important in the mix of tools we take out for financing that I've particular mentioned that we use some with equity credits by the rating agencies. And you have also noticed that the free cash flow impact is front end loaded with 5 billion. But then it's really manageable from there on with a billion for the next five years and then significantly less thereafter. So that will help us to achieve that strategy over time.