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Inside information as per Section 17 MAR

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Bayer resolves capital increase with subscription rights against cash contributions in the amount of 6.0 billion euros to finance the acquisition of Monsanto

Leverkusen, June 3, 2018, 06:44 p.m. CEST

Today, with the consent of the Supervisory Board, the Board of Management of Bayer AG has resolved to execute a capital increase out of authorized capital against cash contributions and with subscription rights for existing Bayer stockholders. To this end, Bayer is to issue 74,604,156 new registered (no-par value) shares with an entitlement to dividends as of January 1, 2018.

The new shares are to be offered to Bayer stockholders at a price of 81.00 euros per new share by way of indirect subscription rights. Stockholders can acquire 2 new shares for every 23 Bayer shares they hold. As a result, Bayer expects to generate gross proceeds of 6.0 billion euros from the capital increase. The company intends to use the net proceeds from this transaction to repay amounts drawn under the syndicated loan facilities agreement for the acquisition of Monsanto.

The capital increase is a part of the equity component, announced in September 2016, to finance the acquisition of Monsanto.

Subject to the approval of the prospectus by Germany's Financial Supervisory Authority (BaFin) and to the publication of the approved prospectus, the subscription period for the capital increase with subscription rights is expected to start on June 6, 2018, and is scheduled to end on June 19, 2018 (both dates inclusive). At the end of the subscription period, any unsubscribed shares are to be offered for sale to eligible institutional investors in a private placement for a price at least equal to the subscription price.

Subject to the approval and publication of the prospectus, the subscription rights (ISIN DE000BAY1BR7 / WKN BAY 1BR) for the new shares will be traded on the regulated market (Xetra and Xetra Frankfurt Specialist) of the Frankfurt Stock Exchange in the period from June 6, 2018, up to and including June 15, 2018 (around 12:00 midday CEST).

The offering will be made on the basis of an underwriting agreement between Bayer and a consortium of 20 banks that was signed on Sunday and provides for a firm commitment to acquire all new shares at the subscription price.

It is anticipated that the execution of the capital increase will be entered into the Commercial Register of the Local Court of Cologne by June 20, 2018, and that trading and the inclusion of the new shares in the existing quotation on the German stock exchanges will take place on or around June 22, 2018.

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Cautionary Statements Regarding Forward-Looking Information

Certain statements contained in this communication may constitute "forward-looking statements". Actual results could differ materially from those projected or forecast in the forward-looking statements. The factors that could cause actual results to differ materially include the following: the risk that the parties may be unable to achieve expected synergies and operating efficiencies in the merger within the expected time-frames (or at all) and to successfully integrate Monsanto Company's ("Monsanto") operations into those of Bayer Aktiengesellschaft ("Bayer"); such integration may be more difficult time-consuming or costly than expected; revenues following the transaction may be lower than expected; operating costs, customer loss and business disruption (including difficulties in maintaining relationships with employees, customers, clients or suppliers) may be greater or more significant than expected following the transaction; the retention of certain key employees at Monsanto; the parties' ability to meet expectations regarding the accounting and tax treatments of the merger; the impact of refinancing of the loans taken out for the transaction; the impact of indebtedness incurred by Bayer in connection with the transaction and the potential impact on the rating of indebtedness of Bayer; the effects of the business combination of Bayer and Monsanto, including the combined company's future financial condition, operating results, strategy and plans; other factors detailed in Monsanto's Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission (the "SEC") for the fiscal year ended August 31, 2017 and Monsanto's other filings with the SEC, which are available at <http://www.sec.gov> and on Monsanto's website at www.monsanto.com, in Bayer's public reports which are available on the Bayer website at

www.bayer.com as well as in the securities prospectus by Bayer, which is to be published. Bayer assumes no obligation to update the information in this communication, except as otherwise required by law. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof.

Stabilization/Commission Delegated Regulation (EU) 2016/1052

In connection with the placement of shares of Bayer, Credit Suisse Securities (Europe) Limited, acting for the account of the underwriters, will act as the stabilization manager and may, as stabilization manager, make over-allotments and take stabilization measures in accordance with legal requirements (Art. 5 para. 4 and para. 5 of the Market Abuse Regulation (EU) No. 596/2014 in conjunction with Articles 5 through 8 of the Commission Delegated Regulation (EU) 2016/1052) to support the market price of Bayer's shares and thereby counteract any selling pressure. The stabilization manager is under no obligation to take any stabilization measures. Therefore, stabilization may not necessarily occur and may cease at any time. Such measures may be taken on the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse) from the date of the publication of the subscription offer and must be terminated no later than 30 calendar days following expiration of the subscription period, expected to be July 19, 2018 (the "Stabilization Period"). Stabilization transactions aim at supporting the market price of Bayer's shares during the Stabilization Period. These measures may result in the market price of Bayer's shares being higher than would otherwise have been the case. Moreover, the market price may temporarily be at an unsustainable level.

Additional Information

This release does not constitute an offer of securities for sale or a solicitation of an offer to purchase securities. Neither this announcement nor anything contained herein shall form the basis of, or be relied upon in connection with, any offer or commitment whatsoever in any jurisdiction. The offer will be made solely by means of, and on the basis of, a securities prospectus which is to be published. An investment decision regarding the publicly offered securities of Bayer should only be made on the basis of the securities prospectus. The securities prospectus will be published promptly upon approval by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht) and will be available free of charge from Bayer, Kaiser-Wilhelm-Allee 1, 51373 Leverkusen, Germany, or on Bayer's website (www.bayer.com).

The securities of Bayer may not be offered or sold in the United States absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended (the "Securities Act"). The securities of Bayer have not been, and will not be, registered under the Securities Act.

Notice to Distributors

Solely for the purposes of the product governance requirements contained within (i) EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"), (ii) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II, and (iii) local implementing measures (together, the "MiFID II Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the subscription rights to the new shares and the new shares have been subject to a product approval process. As a result, it has been determined that such subscription rights and such new shares are (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "Target Market Assessment"). Notwithstanding the Target Market Assessment, distributors (for the purposes of the MiFID II Product Governance Requirements) should note that: the value of the subscription rights and the price of the new shares may decline and investors could lose all or part of their investment. The new shares offer no guaranteed income and no capital protection; and an investment in the subscription rights and the new shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offering. For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the subscription rights or the new shares. Each distributor is responsible for undertaking its own target market assessment in respect of the subscription rights and the new shares and determining appropriate distribution channels.