



Debt Investor Information

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Status: FY 2022/HY1 2023

As of 8 August 2023



Cautionary Statements Regarding Forward-Looking Information

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

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

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



Our Business Areas

CropScience



// Innovative chemical & biological crop protection, seeds & traits, digital technologies & services

Pharmaceuticals



// Prescription drugs

Consumer Health



// Over-the-counter medicines, dietary supplements and dermatology products



Our Strategic Priorities

Group Strategic Priorities

1 *Positioning businesses to mega-trends*
Contribution to health and nutrition¹

2 *Developing innovative products*
Leadership in our relevant markets

3 *Sustainability*
Long-term, sustainable growth

4 *Focusing on our key strength*
Innovation & operational performance

Divisional Focus



Crop Science

Create a leading innovation engine that transforms agriculture



Pharmaceuticals

Driving performance and delivering new growth opportunities



Consumer Health

Maintain a leading OTC position and improve profitability

¹ We also seek to make a responsible contribution to the United Nations Sustainable Development Goals "Good Health and Well-Being" (SDG 3) and "Zero Hunger" (SDG 2)



Leadership and Innovation

Set the Course for Our Future Growth



KEY GROWTH DRIVERS



Long-term megatrend tailwinds are propelling growing demand in the Life Sciences



Number one position in Ag inputs and leading positions in key Pharma and Consumer categories



World-class innovation: technological breakthroughs driven by the bio-revolution



Accelerated transformation and further efficiency gains in our operations



Focus on sustainability to create new value



CROP SCIENCE INNOVATION PIPELINE

Annual R&D Investment:

€2.6bn¹

Key Current Launch Products:



Key Mid-/Late-Stage Pipeline Opportunities

- // Smart Corn System featuring Short Stature Corn
- // Soybean Herbicide Trait Stack with Five-Tolerances
- // New Herbicide Molecule

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PHARMACEUTICALS INNOVATION PIPELINE

Annual R&D Investment:

€3.4bn

Key Current Launch Products:



Key Mid-/Late-Stage Pipeline Opportunities

- Finerenone**
 - // Non-diabetic CKD
 - // Heart Failure
- Factor XI(a) portfolio**
 - // Thrombo-embolic diseases
- Elinzanetant (KaNDy NT-814)**
 - // Vasomotor symptoms during menopause

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Note: Subject to regulatory approvals and pending registrations. Represents a subset of the pipeline.

¹Bayer R&D expenses exclude special items ²In collaboration with Sumitomo



Global Megatrends in Health & Nutrition

Attractive Macro Drivers of Our Strategy and Underpin the Need for Innovation

PHARMACEUTICALS • CONSUMER HEALTH • CROP SCIENCE

Megatrends through 2050

Societal Needs

Our Mission

AGING POPULATION



People 60+ more than doubling¹

>20% of total population ¹



Preserve and restore health

GROWING POPULATION



+2.2bn

People ¹



+50%

more food and feed required to meet growing demand ²



Secure sufficient supply of quality food



PRESSURE ON ECOSYSTEMS



-17%

Harvest losses from climate change ³

-20%



2016 2050
Significant loss in arable land per capita ⁴



Use natural resources more efficiently and responsibly

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



Science For A Better Life

¹ UNDESA 2017 (United Nations Department of Economic and Social Affairs, Population Division (2017). World Population Prospects: The 2017 Revision)

² FAO 2017, (FAO Global Perspective Studies)

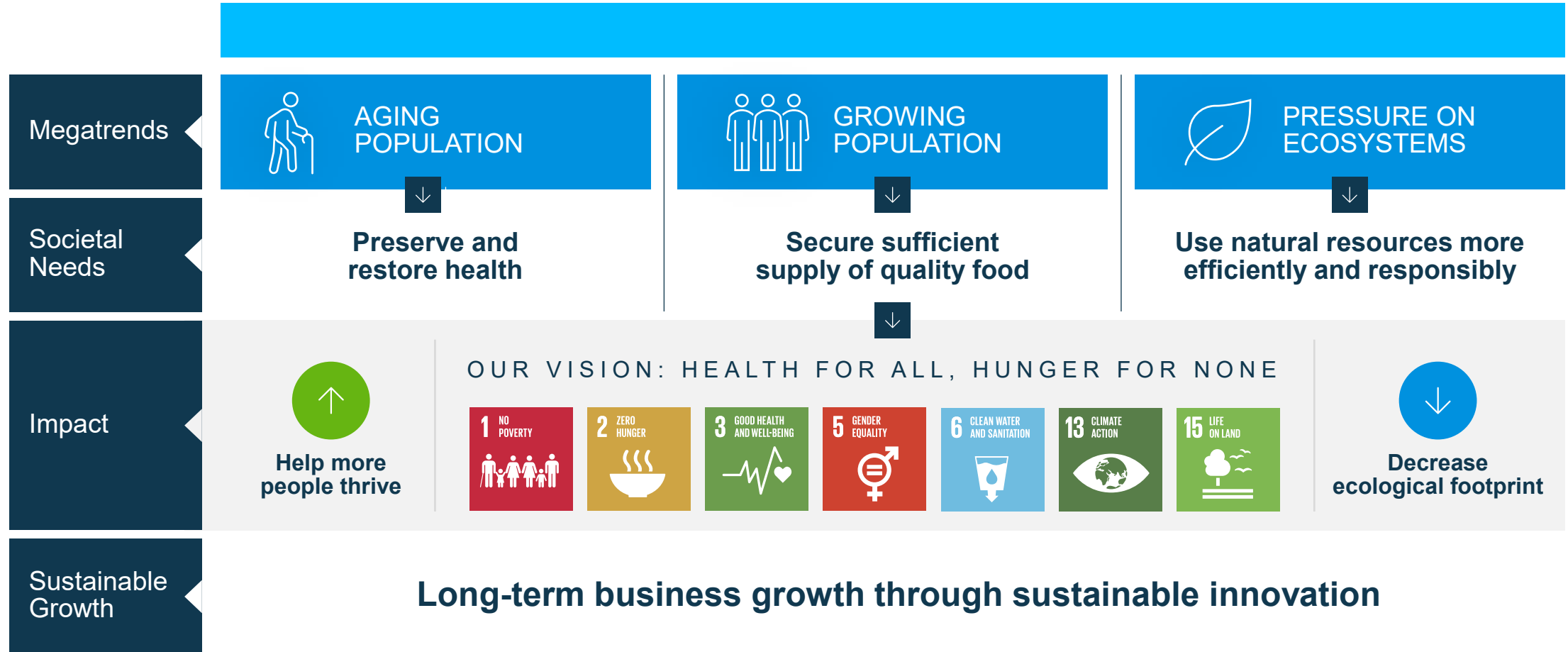
³ Nelson et. al, (2014); FAO 2016 "Climate change and food security"

⁴ FAOSTAT (accessed Oct 30, 2018) for 1961-2016 data on land, FAO 2012 for 2030 and 2050 data on land, and UNDEDA 2017: World Population Prospects for world population data



Sustainability is Integral to Our Values, Strategy and Operations

We intend to create bold impact and generate sustainable business opportunities





Ambitious Measurable Targets for Sustainable Development

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

Decrease *ECOLOGICAL* footprint

Climate neutrality at own sites + SCIENCE BASED TARGETS reduced emissions in our supply chain

- > 42% reduction target¹ for Scope 1 & 2
500m € CapEx for emission reduction
50m-200m € OpEx for offsetting projects
- > 12.3% reduction target² for Scope 3

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

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

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



Help more *PEOPLE* thrive

Support **100m smallholder farmers** in LMICs³

Fulfill the need of **100m women** in LMICs³ for **modern contraception**

Support **100m people** in underserved⁴ communities with **self care**

Achieve **gender parity** at each individual managerial level

PH: Increase availability and affordability of our innovative pharma products in LMICs³

¹ By 2029 from a 2019 base year is in line with limiting global warming to 1.5 C°
² By 2029 from a 2019 base year is in line with limiting global warming to below 2 C°








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

⁴ Underserved: economically or medically

For more info here: <https://www.bayer.com/en/sustainability/targets>



Important Improvements in ESG Ratings Achieved

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

DAX[®] 50 ESG



¹Regions "Western & Central Africa" and "Eastern & South Africa"



We Create Value by Accelerating our Transformation

Driving Innovation and Returns

1 Enable growth

- Clear plan for translating innovation into top-line growth

2 Drive profitability

- Comprehensive transformation program launched

3 Focus on cash

- Strong capacity to generate cash

4 Sustainability

- Inclusive growth by helping more people thrive, and decreasing our ecological footprint

5 Disciplined capital allocation

- Priorities: deleveraging, dividends, external growth investments

Value creation



Focus on Cash Generation Embedded in Incentive Plans

Improvements Expected from Sales Growth, Working Capital & Divestments;
Litigation Pay-outs and One-Time Costs for Transformation Mitigating Factors



Improve free cash flow

Optimize working capital focusing on overdue management, inventory and payables; prioritizing CapEx



Adapt incentive scheme

Free Cash Flow integrated as a key performance metric in our short-term incentive plan for all managerial employees



Capital Employed / Divestments

Optimization of fixed asset portfolio, for example, sale of property

Sale of businesses / brands below division level (e.g. ES professional)



Litigation pay-outs & special items

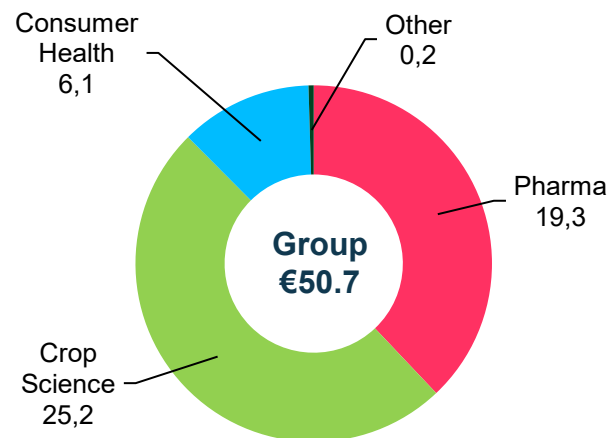
Our Free Cash Flow is impacted by litigation pay-outs and cash-effective one-time costs for transformation



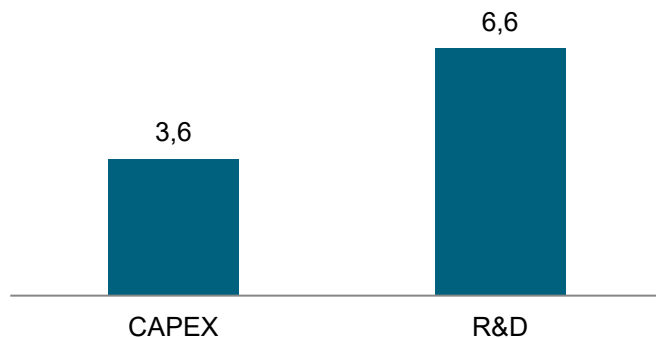


Bayer Key Financials

2022 Sales in €bn

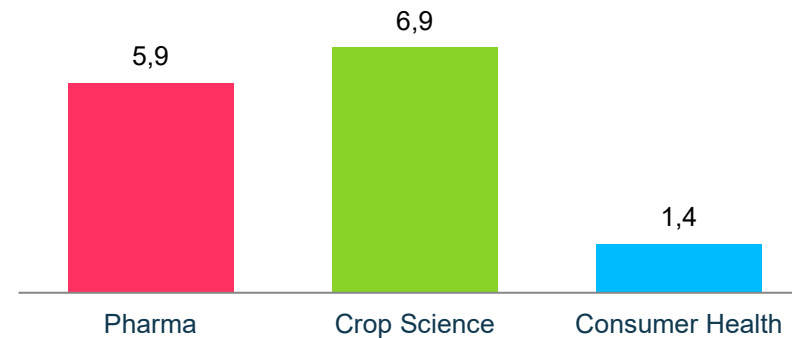


Capital Expenditures 2022 in €bn

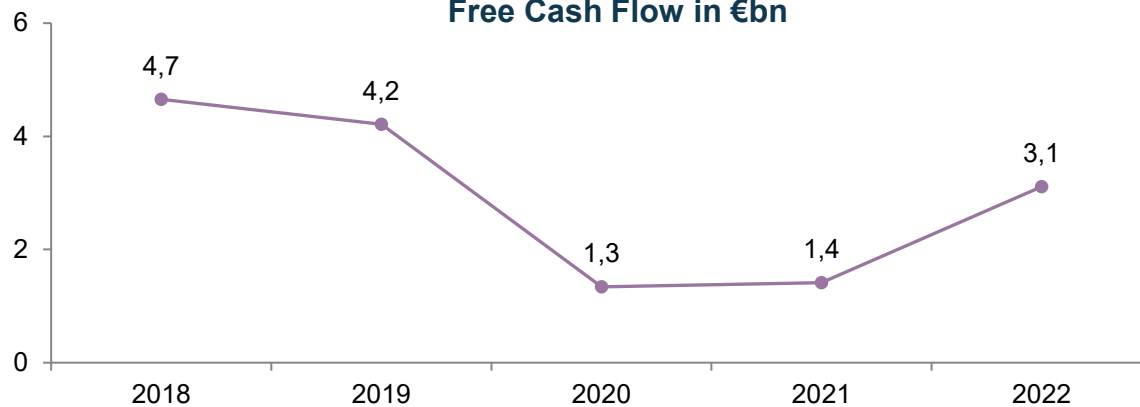


Research & Development Expenses 2022 in €bn

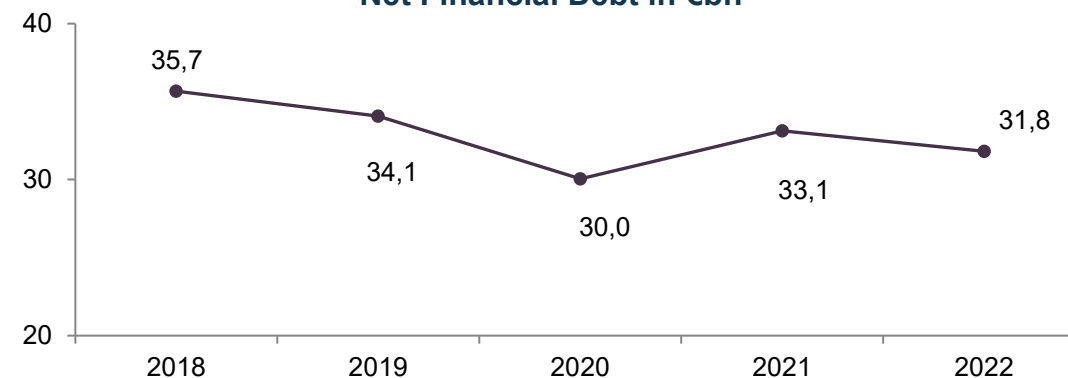
2022 EBITDA before Special Items in €bn



Free Cash Flow in €bn



Net Financial Debt in €bn



Notes:

- 2022 figures and net financial debt figures as initially reported
- Free cash flow was initially reported in 2018; 2017 free cash flow figure were taken from 2019 annual report; Free cash flow includes litigation payments



FY 2023: Group Outlook

in €

	FY OUTLOOK (as of May 2023) at constant currencies ¹	FY OUTLOOK (NEW) at constant currencies ¹
Net Sales	<u>51bn</u> – 52bn	48.5bn – 49.5bn
EBITDA (before special items)	<u>12.5bn</u> – 13bn	11.3bn – 11.8bn
Core EPS	<u>7.20</u> – 7.40	6.20 – 6.40
Free Cash Flow	~ 3bn	~ 0bn
Net Financial Debt	32bn – <u>33bn</u>	~ 36bn

Key Assumptions

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



Bayer Pursues a Conservative Financial Policy...



Financing Instruments

// Syndicated credit facilities

// Global Commercial Paper program

// Senior bonds in different currencies

// Hybrid bonds

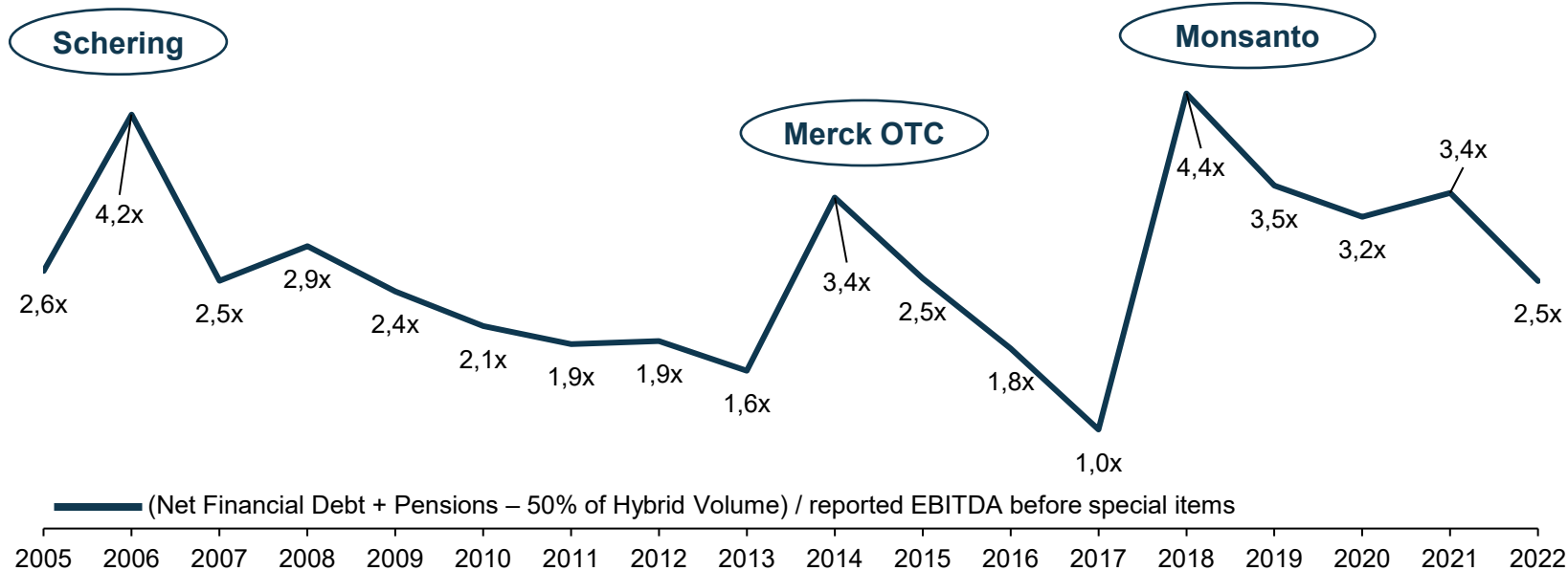
// Equity-linked instruments

Prudent debt management with excellent access to diverse sources of liquidity



... and Remains Committed to a Rating in the Single A Target Category

Development of Ratings and Leverage¹



Proven track record of disciplined deleveraging

Agency	Long Term Rating over time				
S&P	A	BBB+	A-		BBB
Moody's	A3			Baa1	Baa2
Fitch ²	BBB+		A-	A	A- BBB+

Agency	LT-Rating	Outlook	ST-Rating
S&P	BBB	Positive	A-2
Moody's	Baa2	Stable	P-2
Fitch	BBB+	Stable	F-2

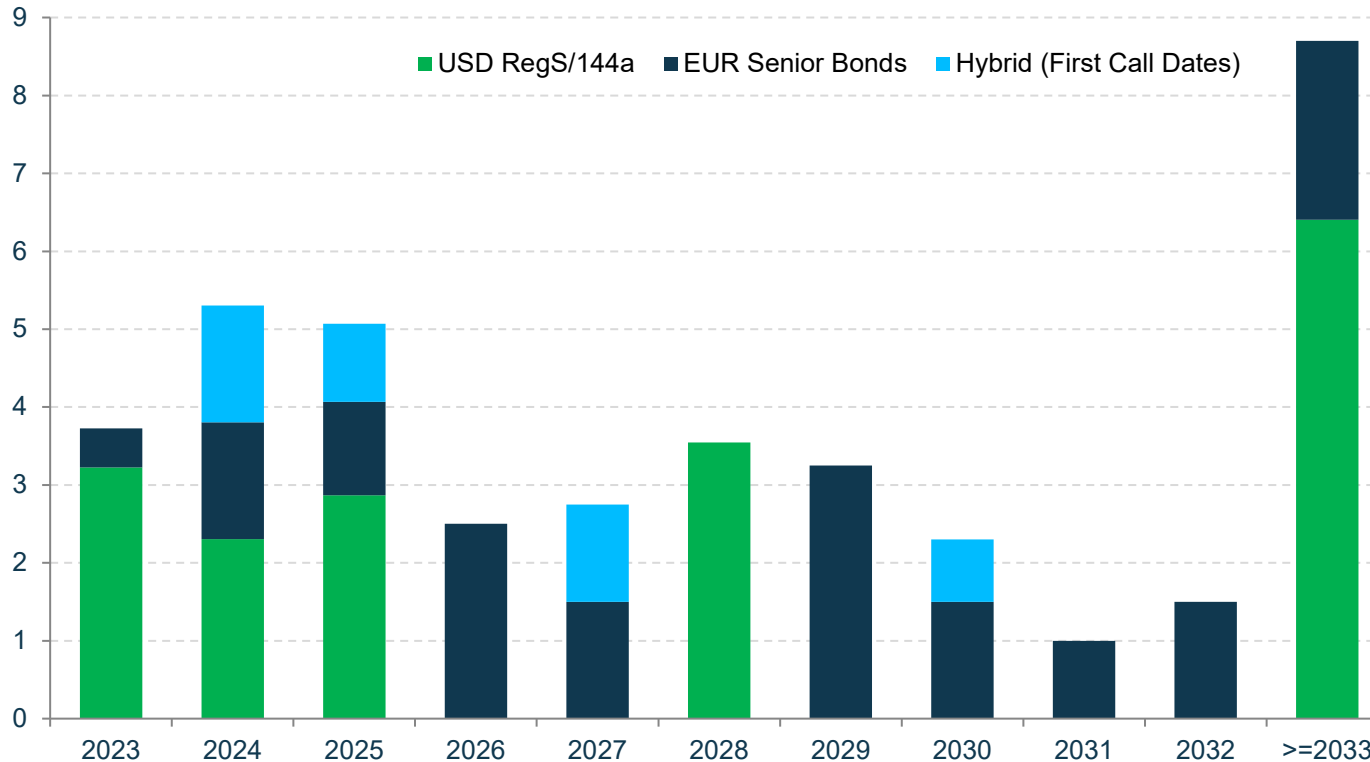
¹ Figures as reported in the respective year's annual report without restatements

² Solicited since 2018

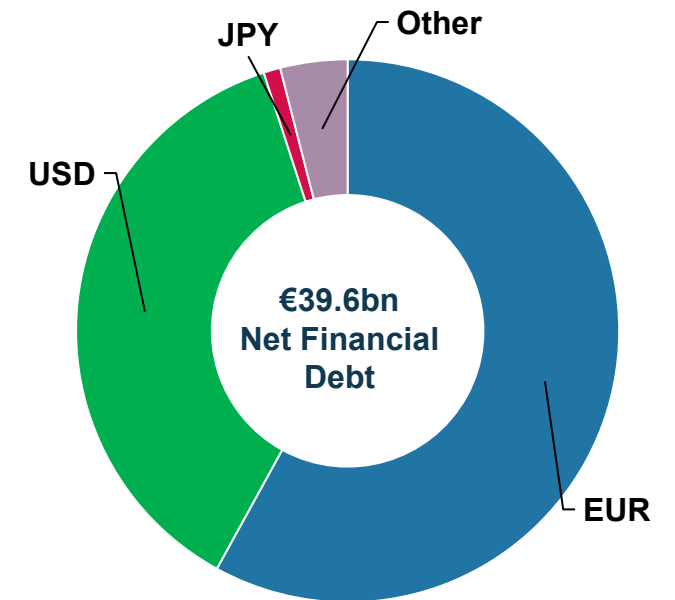


Bayer's Maturity Profile is Well Balanced

Bond Maturity Profile (€bn)
as of June 30, 2023¹



Currency Exposure incl. Derivatives
as of June 30, 2023²



¹ Converted at quarter-end FX rate EURUSD 1.09

² Based on quarter-end FX rates



Overview of Bayer's Funding Structure

Net Financial Debt ¹				Nominal Volume of Major Instruments (bn) as of June 30, 2023	
	Dec. 31, 2021	Dec. 31, 2022	June 30, 2023		
	€ million	€ million	€ million		
Bonds and notes / promissory notes	37,593	36,602	39,297	1	Senior EUR Bonds €16.8
of which hybrid bonds ²	4,537	4,528	4,531		Senior USD Bonds \$19.9
					Hybrid EUR Bonds €4.6
Liabilities to banks ³	773	3,484	3,701	2	Loan Facility €3.0
Lease Liabilities	1,165	1,234	1,202		
Liabilities from derivatives ⁴	69	190	128	3	Commercial Paper €2.0
Other financial liabilities	1,272	142	2,189		
Receivables from derivatives ⁴	(114)	(61)	(152)		
Financial debt	40,758	41,591	46,365		
Cash and cash equivalents	(4,564)	(5,171)	(4,481)		
Current financial assets ⁵	(3,057)	(4,611)	(2,264)		
Net financial debt	33,137	31,809	39,620		Further undrawn Source of Liquidity: Syndicated Loan Facility €4.5

¹ For definition see Annual Report 2022, A 2.3 "Alternative Performance Measures Used by the Bayer Group."

² Classified as debt according to IFRS

³ Including both financial and nonfinancial liabilities

⁴ Including the market values of interest-rate and currency hedges of recorded transactions

⁵ Including short-term receivables with maturities between 3 and 12 months outstanding from banks and other companies, financial investments in debt and equity instruments that were recorded as current on first-time recognition



Short- and Long-Term Funding Programs

Short-Term Funding: Commercial Paper Program

Commercial Paper (CP) is a short-term unsecured debt instrument. CP are normally issued at a discount and redeemed at nominal value. It is structured as a SEC regulation's section 4(a)(2) program so that there are no restrictions related to the use of proceeds.

Issuer	// Bayer AG, Germany // Bayer Corporation, USA
Guarantor	Bayer AG
Term	Between 1 and 364 days
Program Amount	€5bn or equivalent
Markets	U.S. market (USCP) and Euro market (ECP)
Dealer	// <u>ECP</u> : Barclays, Citigroup, Rabobank, Goldman Sachs, BNP, Credit Agricole // <u>USCP</u> : Barclays, Citigroup, J.P. Morgan, Wells Fargo, Bank of New York Mellon, Mitsubishi
Issue and Paying Agent	// <u>ECP</u> : Deutsche Bank // <u>USCP</u> : Deutsche bank

Long-Term Funding: Debt Issuance Program

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

Issuer	// Bayer AG, Germany
Program Amount	€20bn
Term	12 months or more
Dealer	Deutsche Bank and further banks as dealer of the day
Arranger	Deutsche Bank
Paying Agent	Deutsche Bank
Listing	Regulated Market of Luxembourg Stock Exchange
Purpose	General Corporate Funding Purposes



Back-up Revolving Credit Facility

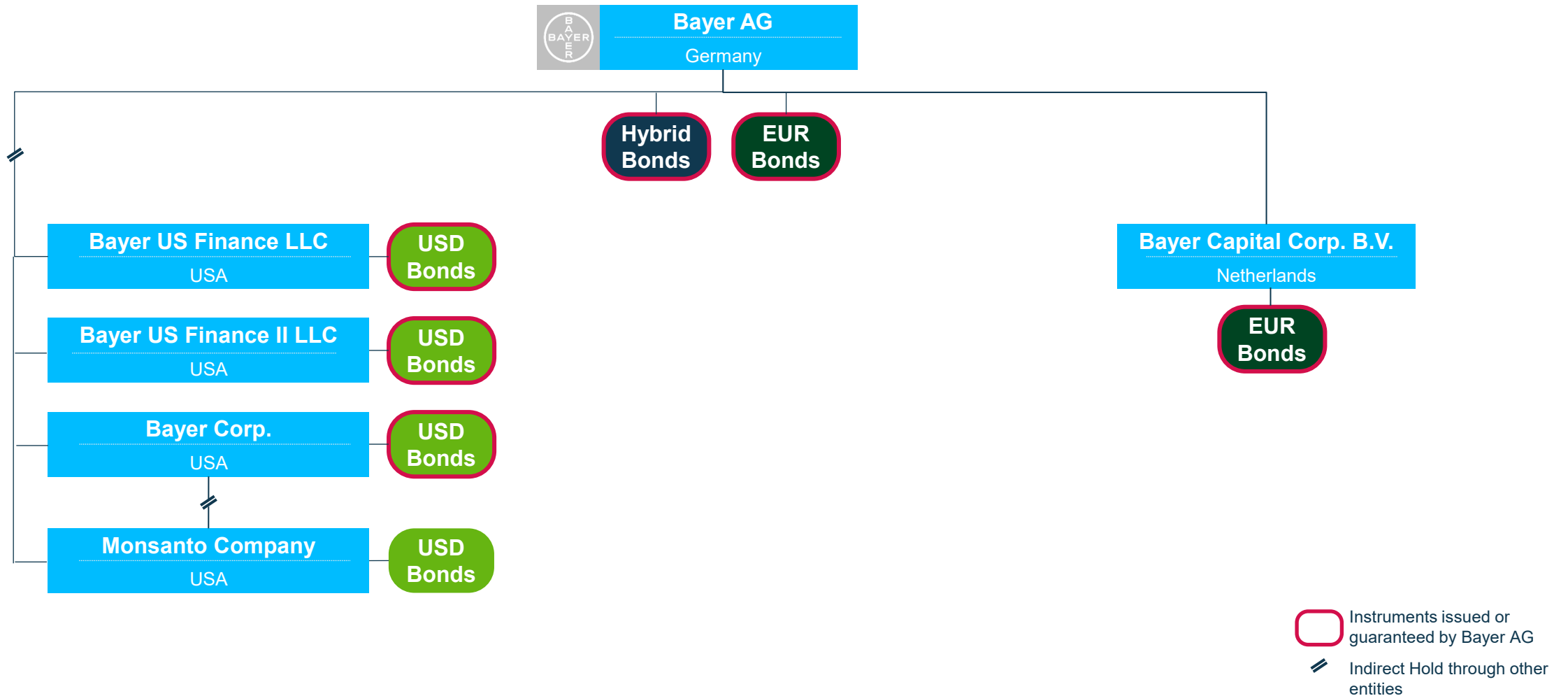
Syndicated Loan Facility

The multicurrency Syndicated Loan Facility can be used for general corporate purposes and is primarily a back-up line. Thus, it is not intended to be drawn in the course of ordinary business. The participating banks form Bayer's global banking group. Last renewed in December 2018, the credit facility was self-arranged.

Borrower	// Bayer AG, Germany // Bayer Corporation, USA
Total Amount	€4.5bn, thereof €1.5bn/\$1.5bn Swingline
Signing	December 2018, amended with an ESG feature in July 2021
Initial Tenor	5Y + two 1Y extension options (second extension option also used)
Syndicate Size	23 Banks
Purpose	General Corporate Purposes

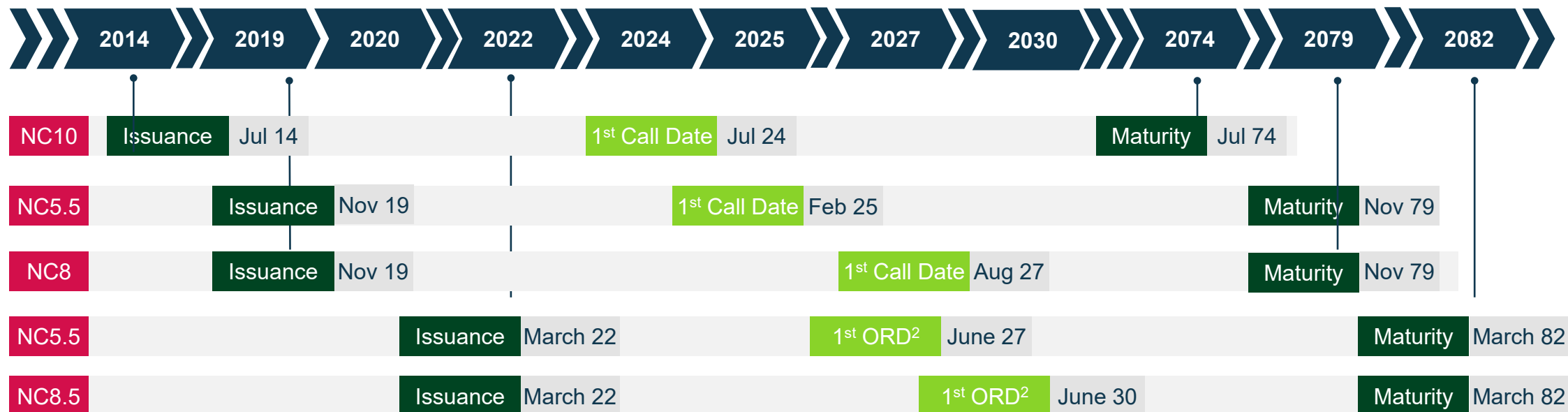


Main Issuing Entities at Bayer Group





Hybrid Bonds at Bayer



Hybrid Bond	Coupon (in%)	Outstanding Volume (in bn €)	Initial Credit Spread	1st Step-Up	2nd Step-Up
NC10	3.75	1.5	230 bps spread + 5Y Swap ¹	+25 bps/Jul 24	+75 bps/Jul 44
NC5.5	2.375	1	264.7 bps spread + 5Y Swap ¹	+25 bps/May 30	+75 bps/May 45
NC8	3.125	0.75	310.8 bps spread + 5Y Swap ¹	+25 bps/Nov 32	+75 bps/Nov 47
NC5.5	4.5	0.5	375.1 bps spread + 5Y Swap ¹	+25 bps/Sept 32	+75 bps/Sept 47
NC8.5	5.375	0.8	445.8 bps spread + 5Y Swap ¹	+25 bps/Sept 35	+75 bps/Sept 50

¹ Swap is reset every fifth year starting with the first reset date

² Optional Redemption Date



Upcoming Events 2023

Date	Event/ Publication
Tuesday, August 08, 2023	Q2 2023 Quarterly Statement
Wednesday, November 08, 2023	Q3 2023 Quarterly Statement

Please note that the event calendar might be subject to changes



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