



Q3 2021 Aide Memoire

As of October 20, 2021

In an effort, to continually improve our level of transparency and service to our investors, effective with the third quarterly reporting for 2021, we are providing a quarterly Aide Memoire ahead of our quiet period and concurrent with our publication schedule. This communication is intended to provide some of the influencing macroeconomic and business factors and a summary of previously shared information impacting the respective quarter. Please note that this release and all information therein is preliminary and unaudited. Consistent with our prior practices, any necessary updates to our guidance will be provided during our quarterly or ad-hoc disclosures.

Group

// FX Impact

- // Expected negative currency impact of approx. -1bnEUR for full year 2021 net sales; as per Q2/HY1 2021 Investor Call (based on month end June spot rates) which largely materialized in HY1
- // Please find here the link to our updated [FX Simulation Tool](#) for net sales
- // Previous quarter transcripts and Investor Call presentations can be found [HERE](#)

Crop Science

Q3 2020

- // Q3 2020 significant net **sales** decline primarily in North America and largely due to high corn and cotton seed returns as well as lower licensing income
- // Prior year **earnings** before special items (cEBITDA) negatively affected by product returns and lower licensing income as well as net currency headwinds

Q3 2021

- // Earlier in 2021, announced high-single to low-double digit percentage price increases, in local currency, for soybean and corn seed in Brazil for the season that begins in Q3. For context, in 2019 and 2020, the Crop Science business generated on average about 18% of annual sales in the third quarter, of which roughly 44% are being generated in Latin America.
- // Sales of seeds & traits in the U.S. in Q3 are still at 2021 season prices, which were flat to up low single digits as percent, as they were set ahead of the significant run-up in corn and soybean commodity prices
- // Roundup™ herbicide pricing has increased throughout the year and was a key contributor to herbicides sales growth in H1
- // Phasing and higher costs mentioned in the Q2 2021 earnings call are relevant for Q3. In Q2, excluding currency (roughly -100bps of the decline in the Crop Science EBITDA before special items margin), half of the remaining year-on-year EBITDA margin decline came from phasing effects (-350 bps)¹ and the other half was related to higher costs (-350bps).²

Pharmaceuticals

Q3 2020

- // Q3 2020 benefitted from sequential improvement from massive COVID-19 impact in Q2 2020, especially for elective treatments
- // Margin in prior year quarter benefitted from COVID-19 related savings

Q3 2021

- // Further normalization of the COVID-19 situation
- // Volume based procurement (VBP) in China for Xarelto™ expected to materialize in HY2 2021 as mentioned in Q2 Investor Call
- // Continued product launches and roll outs (Nubeqa™, Verquvo™, Kerendia™); Verquvo™ approval in EU and Japan; Kerendia™ launched in the US
- // New phase 3 clinical trials initiated for Finerenone (non-diabetic chronic kidney disease) and Elinzanetant (vasomotor symptoms during menopause)

¹ The phasing effects related to timing of U.S. seed returns and licensing true-ups, that were a significant negative impact in Q3 last year due to the pandemic, but were much less significant and largely incurred in Q2 of 2021, plus noted a shift in a trait license royalty from Q2 to Q3 in 2021.

² Increased costs included raw material costs in crop protection, freight, short-term incentives and return of some of the contingency spend.

Consumer Health

Q3 2020

- // Consumer Health with strong growth momentum, especially in Nutritionals
- // Substantial margin expansion in prior year driven by growth acceleration, efficiency program and portfolio optimization

Q3 2021

- // Increased awareness for preventive health solutions remains
- // Predictions on development of upcoming cough & cold season in Northern Hemisphere still vague; first signs of increased cases reported in North America
- // Continued innovation in all categories, e.g. Bepanthen™ for daily treatment of dry skin and Aleve™, marking our entry into segment for topical pain relief (launch in Q2)

Forward-Looking Statements

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

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