



Background Information on Authorized Capital Proposal of Bayer AG (AGM 2025)

Dear all,

Today, we published the invitation for our annual stockholder meeting, scheduled for April 25th.

During this meeting, we will request authorization for capital amounting to 35% of the current share capital.

Due to numerous inquiries regarding "authorized capital under German law", we would like to provide the following background information:

Capital measures, including "authorized capital", in companies in Germany require approval by the AGM. The vast majority of DAX companies has access to this tool. Bayer requests such an authorization, not to follow a specific plan to issue equity, but to gain flexibility while progressing with its efforts to significantly contain litigation in the U.S.

Current situation:

- There are no specific plans at present to utilize the requested authorized capital.
- The purpose of this is to serve as a proactive financial risk management measure to allow us the flexibility to respond swiftly. In other words: There need to be certainty about substantial containment of litigation first, only then there might be a potential raise of equity.
- We finance ourselves first and foremost with debt (senior bonds, hybrid bonds). However, in case of major financing needs in the context of substantial containment of the litigation an access to authorized capital would enable Bayer to avoid increasing its leverage ratio and in turn a deterioration of its rating.
- We are one of the few German DAX companies that has no equity capital authorization.

For reference, here is the original wording in today's message from Norbert Winkeljohann to the shareholders:

"Authorized Capital Proposal:

As we work to contain litigation, we are in a position where we may need capital quickly. As such, we have proposed a resolution for shareholder approval at the Annual Stockholders' Meeting requesting an equity capital authorization of 35% of current share capital, with current shareholders being granted subscription rights. The purpose of this is to



March 7, 2025

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serve as a proactive financial risk management measure to allow us the flexibility to respond swiftly. We have heard clear feedback from our shareholders that capital authorizations must not be used for M&A. Thus, we commit that the proceeds of any issuance would be used solely to maintain balance sheet resilience while resolving litigation, and not to finance external growth such as M&A transactions.

Shareholders also were clear that Bayer must be mindful of the dilutive impact of issuing capital. We therefore stress that while this proposal authorizes the issuance of capital, we do not currently have any specific plans to utilize this authorization. Having the authorization would however allow us to avoid needing to access debt on unfavorable terms (increasing our cost of capital). Issuances would be carefully evaluated to ensure they are only done in a manner that would benefit our shareholders.

As this is an essential step to address two of our key priorities - litigation and deleveraging - we appreciate your support on this resolution at the Annual Stockholders' Meeting.”

If you have any follow-up questions, please feel free to contact us directly.

Best Regards

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