

////////// Health for all, Hunger for none



# ***Corporate Governance Roadshow***

January 2025



# Cautionary Statements Regarding Forward-Looking Information

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

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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 [bayer.com](http://bayer.com)

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



# Agenda



**Business & Strategy**



**Supervisory Board**



**Board of Management Compensation**



**AGM Format**



**Sustainability**



# Key Topics

Led by our CEO Bill Anderson, Bayer began a multi-year restructuring of our business in 2024  
 We have made progress on key strategic focus areas but understand there is a lot of work to do  
 We have set clear priorities on the path towards delivering for our shareholders, and welcome your feedback

## Business and Strategy

### // Growth & Innovation:

// **Pharma:** Progressed on renewing topline and rebuilding pipeline to address short-term LoE and drive long-term performance

// **Crop Science:** Tackling anticipated 2025 market and regulatory headwinds with new launches and improved cash conversion

// **Litigation:** Addressing litigation risk through a multi-faceted approach: managing outstanding cases, seeking a favorable ruling in the U.S. Supreme Court, leveraging public messaging, working with the U.S. government to improve regulation, and evaluating options to contain our exposure

// **Cash & Deleveraging:** Amended our dividend policy for three years, to focus on improving FCF and reducing debt; considering requesting capital authorisation at the upcoming AGM in order to resolve litigation while maintaining balance sheet resilience and safeguarding credit metrics

// **Dynamic Shared Ownership:** Now fully rolled out at Bayer, accelerating our progress on key priorities across all three businesses

## Supervisory Board

// The Supervisory Board's mix of tenures, backgrounds, experiences, and collective skillset allows it to effectively oversee our strategy and the Board of Management. Its composition is aligned with our go-forward strategy and the priorities we have identified

## BoM Compensation

// Compensation System approved by shareholders in 2024 is responsive to feedback and aligns the incentives for our BoM to our strategy

## AGM Format

// A virtual AGM is as an effective format for Bayer due to greater levels of shareholder access and participation. We may seek to renew the authorisation in line with German regulations at the 2025 AGM

## Sustainability

// We are making progress on our sustainability targets as we further our mission: Health for all, Hunger for none

// Our Climate Transition and Transformation Plan, published in June 2024, details targets and roadmap as we progress towards achieving net zero



# Advancing Our Key Strategic Priorities

We are underway on a three-year plan to address the four key priorities identified by our new CEO at our 2024 Capital Markets Day



## Key Priorities

Growth & Innovation

Litigation

Cash & Deleveraging

Dynamic Shared Ownership



# Driving Growth and Innovation Across Divisions

We are building momentum in Pharma and remaining resilient in Crop Science despite market pressures



## Pharmaceuticals

### Renewing Topline

// Managing headwinds from Xarelto LoE and maximizing the value of base business

// Realizing potential of Nubeqa, Kerendia and Eylea 8mg

// Preparing next wave of growth with Acoramidis and Elinzanetant

### Growing Pipeline Value

// New R&D model geared towards focus, quality and productivity in areas where we can be first- or best-in-class

// Five successful Phase III completions in 2024, advanced or completed nearly 20 clinical programs across stages since June 2023

**DSO will allow us to achieve these goals by enhancing efficiency**



## Crop Science

### 2025 Headwinds

**Market Dynamics:** Muted agriculture market growth expected

**Regulatory Pressure:** Risk to approved U.S. Dicamba label for 2025 season and loss of Movento registration in EMEA

### Addressing Macroeconomic and Regulatory Factors By:

- > Accelerating corn growth
- > Preparing next wave of soy trait launches
- > Optimizing crop protection franchise
- > Launching 10 blockbusters in next 10 years
- > Improving cash conversion and P&L optimization



# Managing Litigation Risk

We are actively addressing litigation risk on Roundup and PCB through a multi-faceted approach to protect our liquidity, resolve claims at scale, and contain our exposure

## Workstreams

### Litigation

- // Bringing case to the U.S. Supreme Court to seek a ruling to largely end Roundup litigation
- // Strongly defending our position and only settling on reasonable terms

### Legislation

- // Engaging with policymakers in state and federal governments to achieve clarity

### Communication

- // Increasing awareness and catalyzing our employees and the public through letters, messaging, and the Modern Ag Alliance

### Structure

- // Evaluating potential options to contain Bayer's exposure

## Process and Oversight

- // Workstreams were identified to support Bayer's coordinated effort to bring an end to ongoing litigation
- // Workstreams have check-in points to evaluate progress and modify strategies based on circumstances
- // Regular reporting into Bayer's Board of Management and Supervisory Board
- // Legal Risk Committee, which comprises the Chairman of the Supervisory Board and seven other Supervisory Board members, formed in 2024 to oversee litigation risk strategy



# Improving Cash Flow and Deleveraging

In 2024, Bayer resolved to pay out the legally required minimum dividend for three years  
Distribution for 2024 was approved by shareholders at the AGM; Bayer will continue to request annual approval  
During the three-year period, we plan to reduce costs, aggressively pay down debt, and improve the health of our balance sheet

## Growing Free Cash Flow

Key growth drivers include:

// Incremental flow through from our cost savings plan to underlying EBITDA

// Continued focus on cash preservation through responsible working capital management

// Reducing capital expenditure

## Deleveraging Our Balance Sheet

Continued debt repayment is a top priority as we aim to improve the overall health of our balance sheet over the long term

We have made progress on debt reduction in 2024 and it remains a top priority in 2025

As our leverage returns to more normalized levels, we will re-examine our capital allocation priorities

***Bayer is considering requesting shareholder approval for an equity capital authorisation at the 2025 AGM, to be used only to resolve major litigation while maintaining balance sheet resilience and safeguarding credit metrics***





# Dynamic Shared Ownership

Our new operating model yields cost efficiencies, greater customer centricity and increased innovation speed while maintaining optionality; we are achieving this through reduction of bureaucracy and the transfer of decision-making to those doing the work

*Vast Majority of Customer and Product Teams Activated as of Q3 2024*

Dec 2023

< 50

April 2024

~ 500

July 2024

~ 900

**October 2024**

**> 1,000**

## Key Benefits

### Enhanced Innovation

Significant benefits to efficiency, R&D, and decision-making have been realized; Bayer's workforce is more committed and fulfilled

### Cost Reduction

Early financial implications include ~€2bn in sustainable organizational savings by end of 2026

### Employee Support

Reduction in workforce by ~5,500 FTEs (majority managerial) so far, with further substantial reductions expected

*All initiatives implemented in coordination with and supported by Bayer's Central Works Council*



# Refreshed Supervisory Board

Supervisory Board composition aligned with Bayer's go-forward strategy

	<b>Prof. Dr. Norbert Winkeljohann</b> <b>Chairman</b> // Extensive global experience in management, auditing and consulting // Former Chairman of the Board of Management of PricewaterhouseCoopers GmbH and Europe SE	
	<b>Dr. Paul Achleitner</b> // Investor	<b>Horst Baier</b> // Former Chief Financial Officer, TUI AG
	<b>Colleen A. Goggins</b> // Former Worldwide Chairwoman, Johnson & Johnson Consumer Group	<b>Kimberly Mathisen</b> // CEO, HUB Ocean
	<b>Dr. Nancy Simonian</b> // Former CEO, Syros Pharmaceuticals	<b>Jeffrey Ubben</b> // Founder, Portfolio Manager and Managing Partner at Inclusive Capital Partners
	<b>Lori Schechter</b> // Former Chief Legal Officer and General Counsel, McKesson	<b>Alberto Weisser</b> // Senior Consultant, Temasek International

### Tenure

0 - 3 yrs	4 members
3 - 6 yrs	4 members
> 6 yrs	2 members

Average tenure of 5.2 years  
3 new members added in 2024

### Age Range

**52-70**

### Gender Structure

**50% Female**

  Joined at 2024 Annual Meeting     Current term expires at 2025 Annual Meeting

## Employee Representatives Ensure Consideration of Employee Interests

 <b>Heike Hausfeld</b> Vice Chairwoman	 <b>André van Broich</b>	 <b>Nadine Dietz</b>	 <b>Yasmin Fahimi</b>	 <b>Francesco Grioli</b>	 <b>Frank Löllgen</b>	 <b>Marianne Maehl</b>	 <b>Andrea Sacher</b>	 <b>Claudia Schade</b>	 <b>Michael Westmeier</b>
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# Seeking Opportunities to Add Skills to the Supervisory Board

As part of our ongoing evaluation process and to align with our business restructuring, the Supervisory Board has identified two key focus areas to consider in future refreshment



## Leadership

*Bayer continually looks for members with prior public company leadership experience, who can act as leaders on the Supervisory Board, to advance our strategy, and oversee the Board of Management*



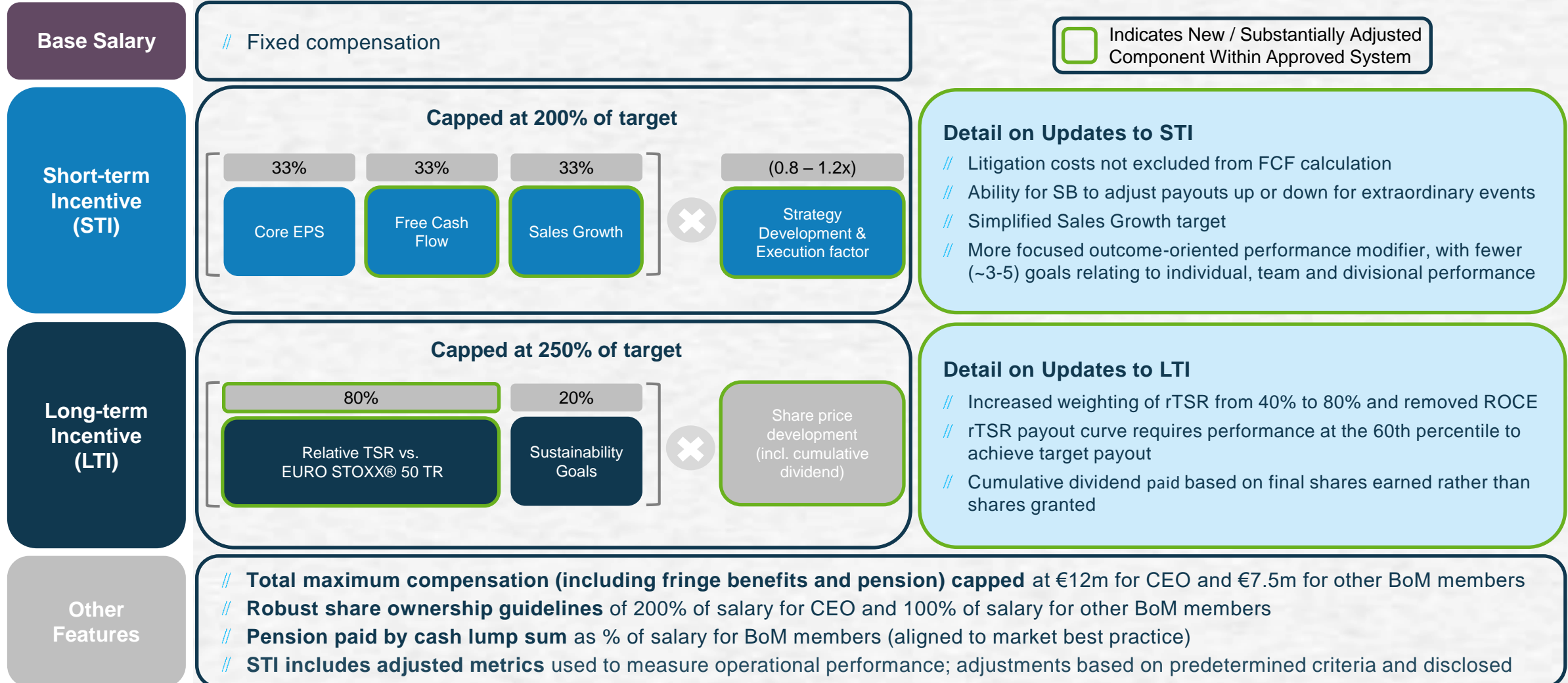
## Crop Science Expertise

*Crop science and agricultural industry experience is core to oversight of our operational execution and our vision of “Producing more while restoring more”*



# Board of Management Compensation System

Shareholders approved our updated BoM Compensation System with 93% support at our 2024 Annual Meeting





# Feedback on Annual Meeting Format

In 2025, Bayer is considering seeking a refresh of the 2-year authorisation approved by shareholders in 2023 to potentially use virtual meetings

## *Benefits of holding our Annual Stockholders' Meeting virtually have included:*

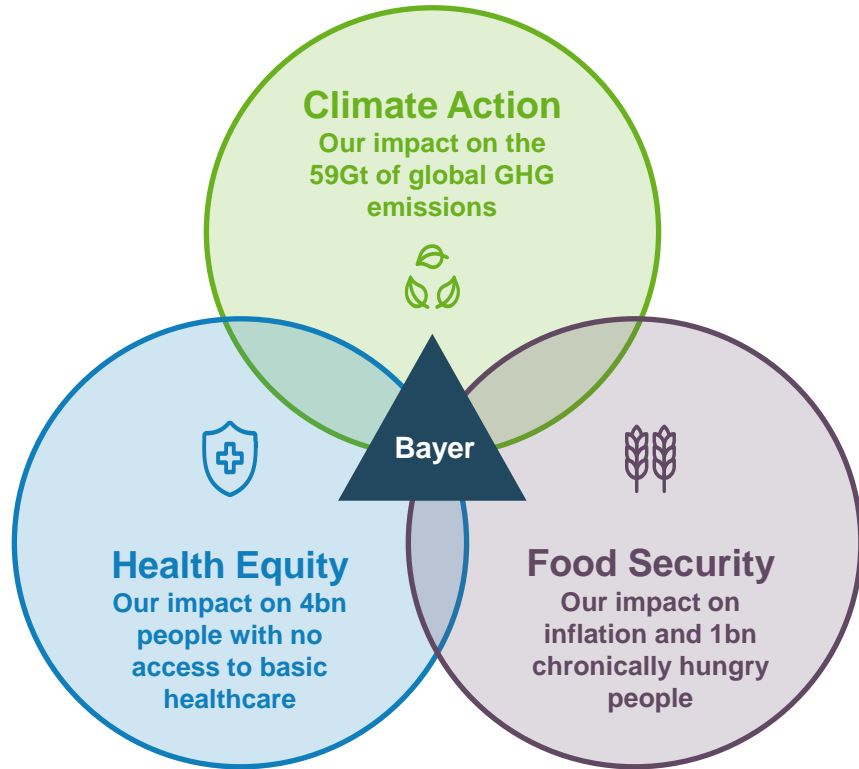
- // Greater access and equity through expanded shareholder attendance, active participation, and ability to submit questions virtually
- // Allows for all essential features of an in-person meeting
- // Decreased travel expenses, lowered CO2 emissions, and lowered event costs

*This proposal would reflect an authorisation only and follow the regulations approved by the German Federal Government in 2022 Bayer will evaluate the Annual Meeting format each year*



# Progress on Sustainability Targets

Tracking towards our concrete 2030 sustainability targets with our mission: Health for all, Hunger for none



**Our Business Impact on UN SDGs**

- 1 NO POVERTY
- 2 ZERO HUNGER
- 3 GOOD HEALTH AND WELL-BEING
- 5 GENDER EQUALITY
- 6 CLEAN WATER AND SANITATION
- 13 CLIMATE ACTION
- 15 LIFE ON LAND

2030 Targets at a Glance <sup>(1)</sup>	Year-End 2023 <sup>(1)</sup>
// Support 100 million smallholder farmers in LMICs	53 million
// Support 100 million people in underserved communities with self-care <sup>(2)</sup>	51 million <sup>(3)</sup>
// Fulfill the need of 100 million women in LMICs for modern contraception	46 million
// Reduce environmental impact of global crop protection products by 30%	12%
// Improve water use per kg of rice by 25%	Not yet available <sup>(4)</sup>
// Increase the overall proportion of women in top management to 50%	32%

## Bayer Recognized as a Leader



Awarded "Prime Status"



Scored above subindustry average with positive outlook



Among top companies in scope, with 6 "aligned" & 5 "partially aligned" indicators



Strong results compared to Crop Science peers, 1 "aligned" & 5 "partially aligned" indicators



Ranked in Top 10 in index of pharmaceutical companies worldwide

(1) Further details, including specific scopes and baselines, are detailed in Bayer's [2023 Sustainability Report](#). Additional updates will be provided in the 2024 Sustainability report to be released in March.

(2) Underserved economically or medically.

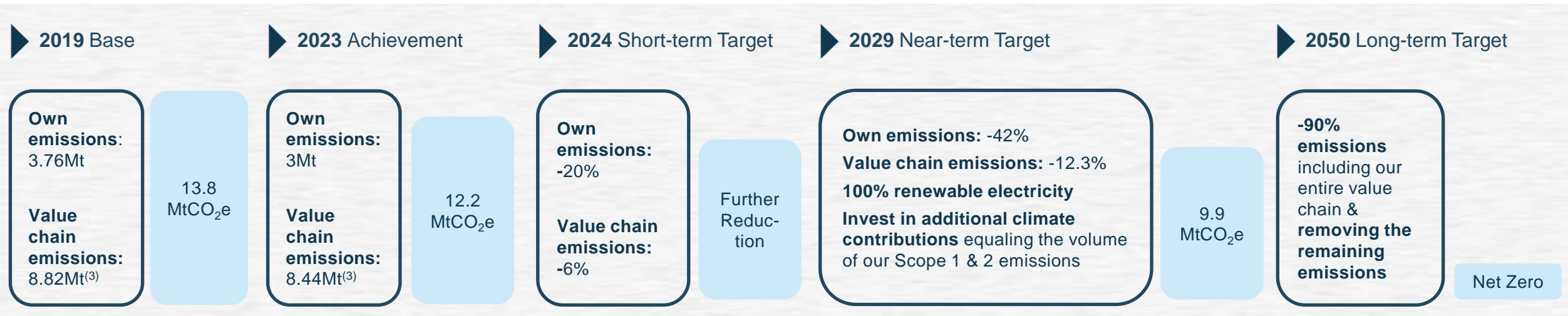
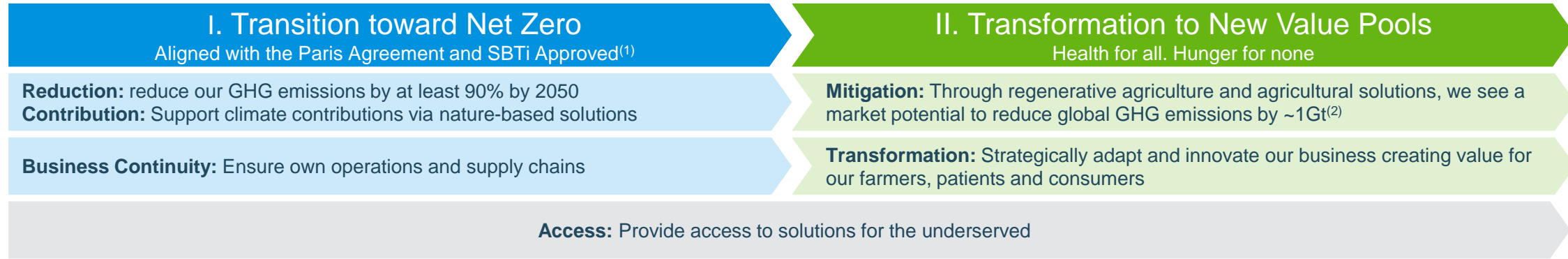
(3) Total 75 million including our strategic investments in India.

(4) Base year calculated using data from 2021, validation process still ongoing as of Sustainability Report publication.



# Climate Transition and Transformation Plan

Our plan, published in June 2024, details our roadmap to achieving net zero by 2050



(1) SBTi approved our near-term target until 2029. Net Zero Target alignment requested by SBTi.  
 (2) From 59Gt global GHG emissions (reference year 2019; source: IPCC AR6 WGIII Full Report 2022).  
 (3) In accordance with our SBTi target and relevant categories (88% in scope).