

# Q3

**Quarterly Statement  
Third Quarter of 2022**



## **Bayer with continued strong performance**

- // Group sales at €11.3 billion (Fx & p adj. + 5.7%)
- // EBITDA before special items rises significantly to €2.5 billion (+ 17.3%)
- // Crop Science achieves strong sales gains; sales also up at Pharmaceuticals and Consumer Health
- // All divisions report significant increase in earnings
- // Core earnings per share at €1.13 (+ 7.6%)
- // Net income at €0.5 billion
- // Free cash flow at €1.7 billion
- // Major progress in Pharmaceuticals pipeline
- // Full-year Group outlook confirmed

## Bayer Group Key Data

€ million	Q3 2021	Q3 2022	Change (%)		9M 2021	9M 2022	Change (%)	
			Reported	Fx & p adj.			Reported	Fx & p adj.
<b>Sales</b>	9,781	11,281	+ 15.3	+ 5.7	32,963	38,739	+ 17.5	+ 10.2
<b>Change in sales<sup>1</sup></b>								
Volume	+ 10.6%	- 2.9%			+ 7.8%	+ 1.3%		
Price	+ 3.7%	+ 8.6%			+ 1.4%	+ 8.9%		
Currency	+ 0.8%	+ 9.6%			- 4.4%	+ 7.2%		
Portfolio	- 0.1%	0.0%			+ 0.2%	+ 0.1%		
<b>Sales by region</b>								
Europe/Middle East/Africa	3,075	3,208	+ 4.3	+ 3.2	10,393	11,361	+ 9.3	+ 9.5
North America	2,587	2,855	+ 10.4	- 4.6	11,551	13,634	+ 18.0	+ 6.5
Asia/Pacific	2,092	2,265	+ 8.3	+ 2.7	6,573	7,168	+ 9.1	+ 4.0
Latin America	2,027	2,953	+ 45.7	+ 25.8	4,446	6,576	+ 47.9	+ 30.6
<b>EBITDA<sup>1</sup></b>	1,400	2,296	+ 64.0		4,678	10,239	+ 118.9	
Special items <sup>1</sup>	(689)	(155)			(4,106)	(812)		
<b>EBITDA before special items<sup>1</sup></b>	2,089	2,451	+ 17.3		8,784	11,051	+ 25.8	
EBITDA margin before special items <sup>1</sup>	21.4%	21.7%			26.6%	28.5%		
<b>EBIT<sup>1</sup></b>	530	1,199	+ 126.2		1,332	5,580	.	
Special items <sup>1</sup>	(694)	(153)			(4,580)	(2,224)		
<b>EBIT before special items<sup>1</sup></b>	1,224	1,352	+ 10.5		5,912	7,804	+ 32.0	
<b>Financial result</b>	(336)	(598)	+ 78.0		(783)	(1,780)	+ 127.3	
<b>Net income (from continuing and discontinued operations)</b>	85	546	.		(161)	3,539	.	
<b>Earnings per share from continuing and discontinued operations (€)</b>	0.09	0.56	.		(0.16)	3.60	.	
<b>Core earnings per share<sup>1</sup> from continuing operations (€)</b>	1.05	1.13	+ 7.6		5.25	6.59	+ 25.5	
<b>Net cash provided by (used in) operating activities (from continuing and discontinued operations)</b>	2,811	2,654	- 5.6		2,043	4,032	+ 97.4	
<b>Free cash flow<sup>1</sup></b>	1,954	1,738	- 11.1		(120)	1,691	.	
<b>Net financial debt (at end of period)</b>	33,985	35,884	+ 5.6		33,985	35,884	+ 5.6	
<b>Cash flow-relevant capital expenditures (from continuing and discontinued operations)</b>	649	726	+ 11.9		1,471	1,625	+ 10.5	
<b>Research and development expenses</b>	1,564	1,576	+ 0.8		4,400	4,958	+ 12.7	
<b>Depreciation, amortization and impairment losses/loss reversals</b>	870	1,097	+ 26.1		3,346	4,659	+ 39.2	
<b>Number of employees (at end of period)<sup>2</sup></b>	99,814	102,296	+ 2.5		99,814	102,296	+ 2.5	
<b>Personnel expenses (including pension expenses)</b>	3,031	2,916	- 3.8		8,782	9,478	+ 7.9	

2021 figures restated; Fx & p adj. = currency- and portfolio-adjusted

<sup>1</sup> For definition see Annual Report 2021, A 2.3 "Alternative Performance Measures Used by the Bayer Group."

<sup>2</sup> Employees calculated as full-time equivalents (FTEs)

## Key Events

### Innovations and product approvals

We made encouraging progress with our innovative products in the third quarter.

Among our projects in advanced clinical development, we announced the launch of the clinical Phase III development program “OCEANIC” investigating the use of our active ingredient asundexian in the prevention of strokes. This is one of the largest Phase III projects we have ever conducted.

September saw good news for our development candidate aflibercept 8 mg. In two pivotal studies in neovascular age-related macular degeneration and diabetic macular edema, the dosing interval was able to be extended to 16 weeks while maintaining a consistent efficacy and safety profile to our ophthalmology drug Eylea™.

Regarding our products in early development, we received clearance in August to begin a Phase I/II clinical trial for our Huntington’s disease gene therapy in France. There are currently no approved disease-modifying treatments in this indication.

There was also encouraging news for our ongoing product launches. In August, our cancer drug Nubeqa™ was approved for an additional indication in patients with metastatic hormone-sensitive prostate cancer (mHSPC) in the United States. We have also submitted applications for this indication extension in the EU, Japan and China.

We also made progress with our established products, such as in the area of women’s healthcare. In August, we received US approval extending the duration of contraceptive use of our long-acting Mirena™ intrauterine system to up to eight years. In October, we also positively concluded the corresponding European Workshare Procedure, with the first national approvals expected in the fourth quarter of 2022. Mirena™ now offers the longest duration of contraceptive use of all hormonal intrauterine systems.

### Portfolio changes

In early October, we completed the sale of our Environmental Science Professional business to international private equity firm Cinven. The base purchase price for the business, which generated sales of around €600 million in 2021, amounted to US\$2.6 billion (€2.6 billion) and is subject to customary purchase price adjustments.

At the start of November, we closed the sale of our men’s health product Nebido™ to Grünenthal for a preliminary purchase price of €495 million that is likewise subject to customary purchase price adjustments.

### ESG rating

We achieved another key improvement in an important ESG rating, with MSCI ESG Research upgrading our rating from BB to A in August.

### Russia’s invasion of Ukraine

There have been no material changes in our assessment of risks from the impact of the Russia-Ukraine war compared with the previous quarter. Please refer to the information provided in our 2022 Half-Year Financial Report.

# Earnings Performance of the Bayer Group<sup>1</sup>

## Third quarter of 2022

### Group sales

Group sales in the third quarter of 2022 increased by 5.7% (Fx & portfolio adj.) to €11,281 million (Q3 2021: €9,781 million; reported: +15.3%). There was a positive currency effect of €940 million (Q3 2021: €67 million). Sales in Germany amounted to €576 million (Q3 2021: €581 million).

Crop Science registered strong sales growth, with double-digit percentage gains in Latin America and Europe/Middle East/Africa in particular. Business at Pharmaceuticals was up slightly. Growth was mainly driven by higher sales for our new products, especially for Nubeqa™, but was held back by declines for Xarelto™ that were largely due to tender procedures in China and the expiration of our patent in Brazil. Consumer Health posted higher sales, with growth in all regions.

### EBITDA before special items

Group EBITDA before special items increased by 17.3% to €2,451 million. This figure included a negative currency effect of €78 million (Q3 2021: €44 million) that was partly attributable to the buildup of hyperinflationary effects in Turkey and Argentina. At Crop Science, EBITDA before special items rose significantly, mainly due to the division's strong performance. Pharmaceuticals reported substantially higher EBITDA before special items, primarily driven by sales gains and income from the sale of noncore businesses. Consumer Health posted an encouraging increase in EBITDA before special items thanks to higher sales and our cost and price management efforts. The Group EBITDA margin before special items was 21.7%.

### EBIT and special items

EBIT of the Bayer Group came in at €1,199 million (Q3 2021: €530 million) after net special charges of €153 million (Q3 2021: €694 million) that mainly related to restructuring measures. It also included special charges within the Pharmaceuticals Division that primarily related to the measurement of a contingent consideration at fair value. EBIT before special items increased by 10.5% to €1,352 million (Q3 2021: €1,224 million).

The following special items were taken into account in calculating EBIT and EBITDA:

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### Special Items by Category<sup>1</sup>

€ million	EBIT Q3 2021	EBIT Q3 2022	EBIT 9M 2021	EBIT 9M 2022	EBITDA Q3 2021	EBITDA Q3 2022	EBITDA 9M 2021	EBITDA 9M 2022
<b>Total special items</b>	<b>(694)</b>	<b>(153)</b>	<b>(4,580)</b>	<b>(2,224)</b>	<b>(689)</b>	<b>(155)</b>	<b>(4,106)</b>	<b>(812)</b>
Restructuring	(606)	(86)	(907)	(347)	(605)	(87)	(897)	(347)
of which in the Reconciliation	(198)	(60)	(408)	(115)	(198)	(61)	(408)	(115)
Acquisition/integration	(20)	5	(24)	2	(20)	5	(24)	2
of which in the Reconciliation	1	-	-	-	1	-	-	-
Divestments	(22)	(30)	46	124	(22)	(30)	46	124
of which in the Reconciliation	-	-	-	(10)	-	-	-	(10)
Litigations/legal risks	(18)	24	(3,211)	(579)	(18)	24	(3,211)	(579)
of which in the Reconciliation	(13)	(8)	46	(707)	(13)	(8)	46	(707)
Impairment losses/loss reversals <sup>2</sup>	(5)	3	(468)	(1,414)	(1)	1	(4)	(2)
Other	(23)	(69)	(16)	(10)	(23)	(68)	(16)	(10)

<sup>1</sup> For definition see Annual Report 2021, A 2.3 "Alternative Performance Measures Used by the Bayer Group."

<sup>2</sup> Where not already included in the other special items categories

<sup>1</sup> For definition of alternative performance measures see Annual Report 2021, A 2.3 "Alternative Performance Measures Used by the Bayer Group."

## Net income

After a financial result of minus €598 million (Q3 2021: minus €336 million), income before income taxes amounted to €601 million (Q3 2021: €194 million). The negative development of the financial result was largely attributable to an increase in expense for the unwinding of discount on provisions, negative changes in the fair value of financial investments, and a rise in currency hedging costs in Argentina. After income tax expense of €49 million (Q3 2021: €104 million) and accounting for noncontrolling interest, net income amounted to €546 million (Q3 2021: €85 million).

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### Financial result<sup>1</sup>

€ million	Q3 2021	Q3 2022	9M 2021	9M 2022
Income (loss) from investments in affiliated companies	(79)	(27)	138	(190)
Net interest expense	(215)	(264)	(736)	(847)
Other financial income/expenses	(42)	(307)	(185)	(743)
of which interest portion of discounted provisions	(7)	(130)	(44)	(340)
of which exchange gain (loss)	(48)	(92)	(219)	(156)
of which miscellaneous financial income/expenses	13	(85)	78	(247)
<b>Total</b>	<b>(336)</b>	<b>(598)</b>	<b>(783)</b>	<b>(1,780)</b>
of which special items (net)	(11)	(54)	42	(252)

<sup>1</sup> Further information on the financial result is given in Note [10] of the Annual Report 2021.

## Core earnings per share

Core earnings per share advanced by 7.6% to €1.13 (Q3 2021: €1.05), mainly due to our good business performance, while the negative development of the financial result before special items as well as negative currency effects had an opposing effect.

Earnings per share (total) came in at €0.56 (Q3 2021: €0.09). The difference between this figure and the one for core earnings per share is mainly due to depreciation and amortization.

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**Core Earnings per Share<sup>1</sup>**

€ million	Q3 2021	Q3 2022	9M 2021	9M 2022
<b>EBIT<sup>1</sup> (as per income statements)</b>	<b>530</b>	<b>1,199</b>	<b>1,332</b>	<b>5,580</b>
Amortization and impairment losses/loss reversals on goodwill and other intangible assets	436	679	2,133	3,460
Impairment losses/loss reversals on property, plant and equipment, and accelerated depreciation included in special items	62	21	108	36
Special items (other than accelerated depreciation, amortization and impairment losses/loss reversals)	689	154	4,106	812
<b>Core EBIT<sup>1</sup></b>	<b>1,717</b>	<b>2,053</b>	<b>7,679</b>	<b>9,888</b>
Financial result (as per income statements)	(336)	(598)	(783)	(1,780)
Special items in the financial result <sup>2</sup>	11	54	(42)	252
Income taxes (as per income statements)	(104)	(49)	(697)	(243)
Special items in income taxes	-	-	-	-
Tax effects related to amortization, impairment losses/loss reversals and special items	(249)	(340)	(983)	(1,622)
Income after income taxes attributable to noncontrolling interest (as per income statements)	(5)	(6)	(13)	(18)
Above-mentioned adjustments attributable to noncontrolling interest	-	-	-	(1)
<b>Core net income from continuing operations</b>	<b>1,034</b>	<b>1,114</b>	<b>5,161</b>	<b>6,476</b>
Shares (million)				
Weighted average number of shares	982.42	982.42	982.42	982.42
€				
<b>Core earnings per share from continuing operations<sup>1</sup></b>	<b>1.05</b>	<b>1.13</b>	<b>5.25</b>	<b>6.59</b>

<sup>1</sup> For definition see Annual Report 2021, A 2.3 "Alternative Performance Measures Used by the Bayer Group."

<sup>2</sup> Includes in particular the changes in the fair value of the interests in Century Therapeutics and Pyxis Oncology, as well as interest cost for the provisions for litigations/legal risks. The prior-year figure mainly comprises changes in the fair value of our interests in Elanco and Covestro.

## Business Development by Division

### Crop Science

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#### Key Data – Crop Science

€ million	Q3 2021	Q3 2022	Change (%) <sup>1</sup>		9M 2021	9M 2022	Change (%) <sup>1</sup>	
			Reported	Fx & p adj.			Reported	Fx & p adj.
<b>Sales</b>	3,850	4,692	+ 21.9	+ 8.4	15,517	19,600	+ 26.3	+ 16.9
<b>Change in sales<sup>1</sup></b>								
Volume	+ 13.9%	- 10.6%			+ 7.5%	- 1.0%		
Price	+ 11.9%	+ 19.0%			+ 4.3%	+ 17.9%		
Currency	+ 1.3%	+ 13.5%			- 6.0%	+ 9.4%		
Portfolio	0.0%	0.0%			0.0%	0.0%		
<b>Sales by region</b>								
Europe/Middle East/Africa	748	823	+ 10.0	+ 11.3	3,632	4,211	+ 15.9	+ 18.0
North America	1,063	910	- 14.4	- 26.7	7,026	8,327	+ 18.5	+ 7.7
Asia/Pacific	427	480	+ 12.4	+ 5.4	1,569	1,808	+ 15.2	+ 9.7
Latin America	1,612	2,479	+ 53.8	+ 31.1	3,290	5,254	+ 59.7	+ 39.0
<b>EBITDA<sup>1</sup></b>	294	619	+ 110.5		225	6,035	.	
Special items <sup>1</sup>	(177)	(10)			(3,712)	(12)		
<b>EBITDA before special items<sup>1</sup></b>	471	629	+ 33.5		3,937	6,047	+ 53.6	
EBITDA margin before special items <sup>1</sup>	12.2%	13.4%			25.4%	30.9%		
<b>EBIT<sup>1</sup></b>	(200)	53	.		(1,930)	2,823	.	
Special items <sup>1</sup>	(181)	(10)			(4,178)	(1,334)		
<b>EBIT before special items<sup>1</sup></b>	(19)	63	.		2,248	4,157	+ 84.9	
<b>Net cash provided by (used in) operating activities</b>	1,340	1,157	- 13.7		(1,063)	1,321	.	
Cash flow-relevant capital expenditures	246	337	+ 37.0		549	726	+ 32.2	
Research and development expenses	609	622	+ 2.1		1,891	2,197	+ 16.2	

Fx &amp; p adj. = currency- and portfolio-adjusted

<sup>1</sup> For definition see Annual Report 2021, A 2.3 "Alternative Performance Measures Used by the Bayer Group."

#### Third quarter of 2022

##### Sales

Crop Science registered strong growth in the third quarter of 2022, with sales rising by 8.4% (Fx & portfolio adj.) to €4,692 million. We achieved double-digit percentage gains in Latin America and Europe/Middle East/Africa, but saw sales fall significantly in North America, mainly due to higher seed returns.

- // In our **Corn Seed & Traits** business, sales in North America were heavily impacted by lower licensing revenues and higher returns. This was only partly offset by higher prices in Latin America.
- // **Herbicides** posted considerable gains due to price increases, especially in Latin and North America and in Europe/Middle East/Africa, as we continued to benefit from a positive market environment for our glyphosate-based products.
- // Sales at **Fungicides** were level with the prior-year quarter. Weather-related shifts in demand between the second and third quarters resulted in higher sales in North America, but declines in Europe/Middle East/Africa.
- // Sales at **Soybean Seed & Traits** were down year on year, largely due to higher returns in North America. However, our business expanded in Latin America thanks to higher volumes and prices.
- // Sales at **Insecticides** advanced year on year, mainly driven by the performance of our Curbix™ product in Latin America.

- // **Environmental Science** posted an increase in sales due to higher prices across all regions.
- // Sales at **Vegetable Seeds** were down, mainly due to a decline in volumes in Europe/Middle East/Africa as a result of lower surface areas.
- // In the reporting unit **“Other”**, we saw volumes decrease at SeedGrowth, but increase in our North American cotton seed business.

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### Sales by Strategic Business Entity

€ million	Q3 2021	Q3 2022	Change (%) <sup>1</sup>		9M 2021	9M 2022	Change (%) <sup>1</sup>	
			Reported	Fx & p adj.			Reported	Fx & p adj.
<b>Crop Science</b>	<b>3,850</b>	<b>4,692</b>	<b>+ 21.9</b>	<b>+ 8.4</b>	<b>15,517</b>	<b>19,600</b>	<b>+ 26.3</b>	<b>+ 16.9</b>
Corn Seed & Traits	764	731	- 4.3	- 15.8	4,120	4,651	+ 12.9	+ 5.0
Herbicides	1,070	1,738	+ 62.4	+ 44.9	4,026	6,677	+ 65.8	+ 52.7
Fungicides	564	625	+ 10.8	- 0.4	2,218	2,546	+ 14.8	+ 8.8
Soybean Seed & Traits	561	611	+ 8.9	- 8.3	1,620	1,688	+ 4.2	- 7.9
Insecticides	320	383	+ 19.7	+ 9.1	1,044	1,209	+ 15.8	+ 9.0
Environmental Science	243	278	+ 14.4	+ 2.1	844	1,008	+ 19.4	+ 9.2
Vegetable Seeds	157	154	- 1.9	- 7.0	482	526	+ 9.1	+ 4.5
Other	171	172	+ 0.6	- 5.7	1,163	1,295	+ 11.3	+ 2.9

Fx &amp; p adj. = currency- and portfolio-adjusted

<sup>1</sup> For definition see Annual Report 2021, A 2.3 “Alternative Performance Measures Used by the Bayer Group.”

### Earnings

**EBITDA before special items** at Crop Science increased to €629 million in the third quarter of 2022 (Q3 2021: €471 million), primarily driven by our good business performance. We also benefited from contributions from ongoing efficiency programs. By contrast, earnings were diminished by an increase in costs, particularly in the cost of goods sold, which was mainly due to high inflation. There was a negative currency effect of €93 million (Q3 2021: €28 million). The EBITDA margin before special items increased by 1.2 percentage points to 13.4%.

**EBIT** came in at €53 million (Q3 2021: minus €200 million) after special charges of €10 million (Q3 2021: €181 million) that primarily related to expenses in connection with the sale of our Environmental Science Professional business to the international private equity firm Cinven.

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### Special Items<sup>1</sup> Crop Science

€ million	EBIT	EBIT	EBIT	EBIT	EBITDA	EBITDA	EBITDA	EBITDA
	Q3 2021	Q3 2022	9M 2021	9M 2022	Q3 2021	Q3 2022	9M 2021	9M 2022
Restructuring	(134)	(11)	(174)	(45)	(134)	(11)	(172)	(45)
Acquisition/integration	(3)	7	(4)	6	(3)	7	(4)	6
Divestments	(22)	(38)	(40)	(86)	(22)	(38)	(40)	(86)
Litigations/legal risks	5	32	(3,472)	123	5	32	(3,472)	123
Impairment losses/loss reversals	(4)	1	(465)	(1,324)	-	1	(1)	(2)
Other	(23)	(1)	(23)	(8)	(23)	(1)	(23)	(8)
<b>Total special items</b>	<b>(181)</b>	<b>(10)</b>	<b>(4,178)</b>	<b>(1,334)</b>	<b>(177)</b>	<b>(10)</b>	<b>(3,712)</b>	<b>(12)</b>

<sup>1</sup> For definition see Annual Report 2021, A 2.3 “Alternative Performance Measures Used by the Bayer Group.”



## Pharmaceuticals

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### Key Data – Pharmaceuticals

€ million	Q3 2021	Q3 2022	Change (%) <sup>1</sup>		9M 2021	9M 2022	Change (%) <sup>1</sup>	
			Reported	Fx & p adj.			Reported	Fx & p adj.
<b>Sales</b>	<b>4,539</b>	<b>4,955</b>	<b>+ 9.2</b>	<b>+ 2.9</b>	<b>13,398</b>	<b>14,397</b>	<b>+ 7.5</b>	<b>+ 2.6</b>
<b>Change in sales<sup>1</sup></b>								
Volume	+ 9.1%	+ 3.0%			+ 9.6%	+ 3.1%		
Price	- 2.0%	- 0.1%			- 2.3%	- 0.5%		
Currency	+ 0.7%	+ 6.4%			- 2.8%	+ 4.8%		
Portfolio	- 0.5%	- 0.1%			+ 0.4%	+ 0.1%		
<b>Sales by region</b>								
Europe/Middle East/Africa	1,842	1,829	- 0.7	- 2.4	5,311	5,542	+ 4.3	+ 3.6
North America	994	1,317	+ 32.5	+ 15.8	3,022	3,486	+ 15.4	+ 3.1
Asia/Pacific	1,459	1,538	+ 5.4	+ 1.0	4,374	4,623	+ 5.7	+ 1.2
Latin America	244	271	+ 11.1	+ 2.7	691	746	+ 8.0	+ 0.6
<b>EBITDA<sup>1</sup></b>	<b>1,070</b>	<b>1,501</b>	<b>+ 40.3</b>		<b>4,262</b>	<b>4,497</b>	<b>+ 5.5</b>	
Special items <sup>1</sup>	(296)	(72)			(11)	57		
<b>EBITDA before special items<sup>1</sup></b>	<b>1,366</b>	<b>1,573</b>	<b>+ 15.2</b>		<b>4,273</b>	<b>4,440</b>	<b>+ 3.9</b>	
EBITDA margin before special items <sup>1</sup>	30.1%	31.7%			31.9%	30.8%		
<b>EBIT<sup>1</sup></b>	<b>850</b>	<b>1,152</b>	<b>+ 35.5</b>		<b>3,531</b>	<b>3,560</b>	<b>+ 0.8</b>	
Special items <sup>1</sup>	(296)	(71)			(19)	(33)		
<b>EBIT before special items<sup>1</sup></b>	<b>1,146</b>	<b>1,223</b>	<b>+ 6.7</b>		<b>3,550</b>	<b>3,593</b>	<b>+ 1.2</b>	
<b>Net cash provided by operating activities</b>	<b>1,517</b>	<b>1,468</b>	<b>- 3.2</b>		<b>2,898</b>	<b>2,527</b>	<b>- 12.8</b>	
Cash flow-relevant capital expenditures	270	265	- 1.9		662	625	- 5.6	
Research and development expenses	904	902	- 0.2		2,347	2,558	+ 9.0	

Fx &amp; p adj. = currency- and portfolio-adjusted

<sup>1</sup> For definition see Annual Report 2021, A 2.3 "Alternative Performance Measures Used by the Bayer Group."

### Third quarter of 2022

#### Sales

Sales at Pharmaceuticals rose by 2.9% (Fx & portfolio adj.) to €4,955 million in the third quarter of 2022. The division continued its successful market launch of new products, especially Nubeqa™ and Kerendia™. Sales of the cancer drug Nubeqa™ nearly doubled – with significant gains in all regions. The division also received milestone payments via its cell and gene therapy (C&GT) and chemoproteomics platforms. However, overall sales growth was held back by tender procedures in China, particularly for Xarelto™ and Nexavar™.

- // Sales of our oral anticoagulant **Xarelto™** decreased notably, largely due to tender procedures in China as well as the expiration of our patent in Brazil. License revenues – recognized as sales – in the United States, where Xarelto™ is marketed by a subsidiary of Johnson & Johnson, were up against the prior-year quarter on a currency-adjusted basis.
- // Business with our ophthalmology drug **Eylea™** expanded, with gains in all regions. We achieved significant volume increases through continued market penetration, particularly in Europe and China.
- // Sales of our long-term contraceptives in the **Mirena™** product family grew significantly. This was mainly due to higher volumes and demand shifts in the United States.
- // We registered strong volume growth and stable prices in China for **Aspirin™ Cardio**, our product for secondary prevention of heart attacks, as well as for our cancer drug **Stivarga™**.
- // Sales of our pulmonary hypertension treatment **Adempas™** continued to climb. As in the past, sales reflected the proportionate recognition of the upfront and milestone payments resulting from the sGC collaboration with Merck & Co., United States. These payments rose due to the attainment of a further sales target.
- // Our radiology business, comprising the **Gadovist™** and **Ultravist™** product lines, posted a considerable increase in sales, largely driven by higher volumes in all regions.

**Best-Selling Pharmaceuticals Products**

€ million	Q3 2021	Q3 2022	Change (%) <sup>1</sup>		9M 2021	9M 2022	Change (%) <sup>1</sup>	
			Reported	Fx & p adj.			Reported	Fx & p adj.
Xarelto™	1,186	1,112	-6.2	-8.1	3,488	3,312	-5.0	-6.5
Eylea™	763	811	+6.3	+4.3	2,145	2,392	+11.5	+9.7
Mirena™/Kyleena™/Jaydess™	276	377	+36.6	+20.5	888	978	+10.1	0.0
Adalat™	207	232	+12.1	+2.7	556	683	+22.8	+12.7
Kogenate™/Kovaltry™/Jivi™	208	221	+6.3	-2.7	604	641	+6.1	-0.7
YAZ™/Yasmin™/Yasminelle™	186	196	+5.4	-2.6	562	606	+7.8	+2.5
Aspirin™ Cardio	165	199	+20.6	+12.0	508	587	+15.6	+8.5
Adempas™	142	168	+18.3	+7.7	410	483	+17.8	+10.0
Stivarga™	124	159	+28.2	+16.9	357	458	+28.3	+18.9
Gadovist™ product family	102	127	+24.5	+16.6	306	363	+18.6	+14.1
CT Fluid Delivery	115	120	+4.3	-8.1	329	355	+7.9	-1.2
Ultravist™	90	118	+31.1	+22.1	260	335	+28.8	+22.2
Nubeqa™	57	127	+122.8	+97.7	150	308	+105.3	+88.2
Betaferon™/Betaseron™	75	76	+1.3	-5.6	244	234	-4.1	-9.8
Nexavar™	113	56	-50.4	-54.0	344	221	-35.8	-39.4
<b>Total best-selling products</b>	<b>3,809</b>	<b>4,099</b>	<b>+7.6</b>	<b>+1.5</b>	<b>11,151</b>	<b>11,956</b>	<b>+7.2</b>	<b>+2.5</b>
Proportion of Pharmaceuticals sales	84%	83%			83%	83%		

Fx &amp; p adj. = currency- and portfolio-adjusted

<sup>1</sup> For definition see Annual Report 2021, A 2.3 "Alternative Performance Measures Used by the Bayer Group."**Earnings**

**EBITDA before special items** at Pharmaceuticals rose significantly in the third quarter of 2022, advancing 15.2% to €1,573 million (Q3 2021: €1,366 million). Earnings primarily benefited from the growth in sales, as well as income from the sale of noncore businesses. These positive effects more than offset ongoing investments in marketing new products as well as research and development expenses that partly related to our platform technologies and projects in advanced clinical development. There was a positive currency effect of €13 million (Q3 2021: negative currency effect of €13 million). The EBITDA margin before special items increased by 1.6 percentage points to 31.7%.

**EBIT** came in at €1,152 million (Q3 2021: €850 million) after net special charges of €71 million (Q3 2021: €296 million) that mainly related to the measurement of a contingent consideration at fair value.

**Special Items<sup>1</sup> Pharmaceuticals**

€ million	EBIT Q3 2021	EBIT Q3 2022	EBIT 9M 2021	EBIT 9M 2022	EBITDA Q3 2021	EBITDA Q3 2022	EBITDA 9M 2021	EBITDA 9M 2022
Restructuring	(267)	(11)	(304)	(162)	(267)	(11)	(296)	(162)
Acquisition/integration	(18)	(2)	(20)	(4)	(18)	(2)	(20)	(4)
Divestments	-	8	86	220	-	8	86	220
Litigations/legal risks	(10)	-	215	5	(10)	-	215	5
Impairment losses/loss reversals	(1)	2	(3)	(90)	(1)	-	(3)	-
Other	-	(68)	7	(2)	-	(67)	7	(2)
<b>Total special items</b>	<b>(296)</b>	<b>(71)</b>	<b>(19)</b>	<b>(33)</b>	<b>(296)</b>	<b>(72)</b>	<b>(11)</b>	<b>57</b>

<sup>1</sup> For definition see Annual Report 2021, A 2.3 "Alternative Performance Measures Used by the Bayer Group."

## Consumer Health

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### Key Data – Consumer Health

€ million	Q3 2021	Q3 2022	Change (%) <sup>1</sup>		9M 2021	9M 2022	Change (%) <sup>1</sup>	
			Reported	Fx & p adj.			Reported	Fx & p adj.
<b>Sales</b>	<b>1,346</b>	<b>1,548</b>	<b>+ 15.0</b>	<b>+ 4.4</b>	<b>3,888</b>	<b>4,556</b>	<b>+ 17.2</b>	<b>+ 9.3</b>
<b>Changes in sales<sup>1</sup></b>								
Volume	+ 7.6%	- 3.8%			+ 3.1%	+ 3.2%		
Price	+ 3.3%	+ 8.2%			+ 2.8%	+ 6.1%		
Currency	- 0.2%	+ 10.0%			- 4.6%	+ 7.3%		
Portfolio	+ 1.0%	+ 0.6%			+ 0.9%	+ 0.6%		
<b>Sales by region</b>								
Europe/Middle East/Africa	441	472	+ 7.0	+ 3.7	1,293	1,425	+ 10.2	+ 8.9
North America	529	628	+ 18.7	+ 1.4	1,502	1,820	+ 21.2	+ 7.8
Asia/Pacific	206	247	+ 19.9	+ 9.6	629	737	+ 17.2	+ 8.8
Latin America	170	201	+ 18.2	+ 9.3	464	574	+ 23.7	+ 16.2
<b>EBITDA<sup>1</sup></b>	<b>302</b>	<b>332</b>	<b>+ 9.9</b>		<b>857</b>	<b>1,029</b>	<b>+ 20.1</b>	
Special items <sup>1</sup>	(6)	(4)			(21)	(25)		
<b>EBITDA before special items<sup>1</sup></b>	<b>308</b>	<b>336</b>	<b>+ 9.1</b>		<b>878</b>	<b>1,054</b>	<b>+ 20.0</b>	
EBITDA margin before special items <sup>1</sup>	22.9%	21.7%			22.6%	23.1%		
<b>EBIT<sup>1</sup></b>	<b>219</b>	<b>239</b>	<b>+ 9.1</b>		<b>607</b>	<b>762</b>	<b>+ 25.5</b>	
Special items <sup>1</sup>	(7)	(4)			(21)	(25)		
<b>EBIT before special items<sup>1</sup></b>	<b>226</b>	<b>243</b>	<b>+ 7.5</b>		<b>628</b>	<b>787</b>	<b>+ 25.3</b>	
<b>Net cash provided by operating activities</b>	<b>308</b>	<b>300</b>	<b>- 2.6</b>		<b>714</b>	<b>729</b>	<b>+ 2.1</b>	
Cash flow-relevant capital expenditures	40	41	+ 2.5		107	99	- 7.5	
Research and development expenses	46	50	+ 8.7		138	154	+ 11.6	

Fx &amp; p adj. = currency- and portfolio-adjusted

<sup>1</sup> For definition see Annual Report 2021, A 2.3 "Alternative Performance Measures Used by the Bayer Group."

### Third quarter of 2022

#### Sales

Consumer Health increased sales by 4.4% (Fx & portfolio adj.) to €1,548 million in the third quarter of 2022, with growth in all regions. Sales of cough, cold and allergy products advanced significantly due to continuously elevated cold incidence rates and the launch of our Astepro™ antihistamine nasal spray. We also registered double-digit growth in the Dermatology category. After posting strong gains over the past two years, our Nutritionals category saw a decline, but remained at a high level overall.

- // Sales in **Europe/Middle East/Africa** rose year on year. Growth was largely driven by substantial gains in the Dermatology category on the back of strong Bepanthen Dry Skin™ sales, and in our cough and cold business, where the Aspirin™ line of products performed particularly well. Sales in the Nutritionals category were down slightly against the strong prior-year quarter.
- // Our business in **North America** posted a slight increase in sales year on year. We recorded significant growth in the Allergy & Cold category, driven in part by Astepro™ sales. Sales also advanced markedly in the Digestive Health category, mainly thanks to MiraLax™, and in our Dermatology business. These positive developments offset the notable declines in the Nutritionals and Pain & Cardio categories against a very strong prior-year quarter.
- // Our **Asia/Pacific** business posted encouraging sales gains. We generated substantial growth in the Dermatology category, driven in part by Canesten™ sales in China. The Pain & Cardio, Digestive Health and Allergy & Cold categories also registered double-digit percentage gains.
- // We also recorded strong sales growth in **Latin America**. Sales rose substantially in the Allergy & Cold, Dermatology and Pain & Cardio categories, but declined in the Nutritionals business against a very strong prior-year period.

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**Sales by Category**

€ million	Q3 2021	Q3 2022	Change (%) <sup>1</sup>		9M 2021	9M 2022	Change (%) <sup>1</sup>	
			Reported	Fx & p adj.			Reported	Fx & p adj.
<b>Consumer Health</b>	<b>1,346</b>	<b>1,548</b>	<b>+ 15.0</b>	<b>+ 4.4</b>	<b>3,888</b>	<b>4,556</b>	<b>+ 17.2</b>	<b>+ 9.3</b>
Nutritionals	387	392	+ 1.3	- 7.9	1,097	1,189	+ 8.4	+ 1.0
Allergy & Cold	258	342	+ 32.6	+ 16.6	737	1,001	+ 35.8	+ 23.7
Dermatology	270	328	+ 21.5	+ 14.3	838	970	+ 15.8	+ 11.2
Pain & Cardio	224	240	+ 7.1	- 3.0	613	683	+ 11.4	+ 3.5
Digestive Health	197	233	+ 18.3	+ 7.3	560	672	+ 20.0	+ 11.9
Other	10	13	+ 30.0	+ 9.9	43	41	- 4.7	- 9.3

Fx &amp; p adj. = currency- and portfolio-adjusted

<sup>1</sup> For definition see Annual Report 2021, A 2.3 "Alternative Performance Measures Used by the Bayer Group."**Earnings**

**EBITDA before special items** at Consumer Health advanced by 9.1% to €336 million in the third quarter of 2022 (Q3 2021: €308 million). This was largely due to the increase in sales as well as our continuous cost and price management efforts. By contrast, investments associated with the launch of innovative products, especially Astepro™, and inflation-related increases in costs weighed on earnings. There was a positive currency effect of €28 million (Q3 2021: negative currency effect of €1 million). The EBITDA margin before special items declined by 1.2 percentage points to 21.7%.

**EBIT** amounted to €239 million (Q3 2021: €219 million) after special charges of €4 million (Q3 2021: €7 million) relating to restructuring measures.

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**Special Items<sup>1</sup> Consumer Health**

€ million	EBIT		EBIT		EBITDA		EBITDA	
	Q3 2021	Q3 2022	9M 2021	9M 2022	Q3 2021	Q3 2022	9M 2021	9M 2022
Restructuring	(7)	(4)	(21)	(25)	(6)	(4)	(21)	(25)
<b>Total special items</b>	<b>(7)</b>	<b>(4)</b>	<b>(21)</b>	<b>(25)</b>	<b>(6)</b>	<b>(4)</b>	<b>(21)</b>	<b>(25)</b>

<sup>1</sup> For definition see Annual Report 2021, A 2.3 "Alternative Performance Measures Used by the Bayer Group."

## Financial Position of the Bayer Group

### Statement of Cash Flows

#### Net cash provided by operating activities

// Net operating cash flow in the third quarter of 2022 amounted to €2,654 million (Q3 2021: €2,811 million). The decline was largely due to inflation-related cost increases for our inventories as well as the earlier settlement of outstanding rebates in the United States in our Crop Science Division. Lower payments to resolve litigations involving glyphosate, Essure™ and dicamba had an opposing effect, with net payouts amounting to €122 million (Q3 2021: €601 million).

#### Net cash used in investing activities

- // Net investing cash flow in the third quarter of 2022 stood at minus €419 million (Q3 2021: minus €2,549 million).
- // Cash outflows for acquisitions amounted to €21 million (Q3 2021: €1,264 million). The high outflows in the prior-year quarter mainly related to the acquisition of the US biopharmaceutical company Vividion Therapeutics, Inc.
- // Net cash inflows from current financial assets totaled €274 million (Q3 2021: net cash outflows of €682 million) and largely arose from the sale of investments in money market funds.

#### Net cash used in financing activities

- // There was a net cash outflow of €1,340 million for financing activities in the third quarter of 2022 (Q3 2021: net cash inflow of €643 million).
- // This figure included net loan repayments of €1,081 million (Q3 2021: net borrowings of €900 million).
- // Net interest payments amounted to €255 million (Q3 2021: €253 million).

#### Free cash flow

// Free cash flow (total) came in at €1,738 million in the third quarter of 2022 (Q3 2021: €1,954 million).

#### Net financial debt

// Net financial debt of the Bayer Group declined by €0.7 billion to €35.9 billion in the third quarter of 2022 (June 30, 2022: €36.6 billion). Cash inflows from operating activities were partly offset by negative currency effects.

## Corporate Outlook

Following our strong third-quarter performance, we confirm the upgraded guidance we issued in August.

# Condensed Consolidated Interim Financial Statements as of September 30, 2022

## Bayer Group Consolidated Income Statements

B 1

€ million	Q3 2021	Q3 2022	9M 2021	9M 2022
<b>Net sales</b>	<b>9,781</b>	<b>11,281</b>	<b>32,963</b>	<b>38,739</b>
Cost of goods sold	(3,887)	(4,247)	(13,131)	(15,103)
<b>Gross profit</b>	<b>5,894</b>	<b>7,034</b>	<b>19,832</b>	<b>23,636</b>
Selling expenses	(3,015)	(3,358)	(8,858)	(10,378)
Research and development expenses	(1,564)	(1,576)	(4,400)	(4,958)
General administration expenses	(751)	(721)	(2,176)	(2,118)
Other operating income	313	292	1,200	1,581
Other operating expenses	(347)	(472)	(4,266)	(2,183)
<b>EBIT<sup>1</sup></b>	<b>530</b>	<b>1,199</b>	<b>1,332</b>	<b>5,580</b>
Equity-method income (loss)	(33)	(42)	46	(101)
Financial income	29	81	399	198
Financial expenses	(332)	(637)	(1,228)	(1,877)
<b>Financial result</b>	<b>(336)</b>	<b>(598)</b>	<b>(783)</b>	<b>(1,780)</b>
<b>Income before income taxes</b>	<b>194</b>	<b>601</b>	<b>549</b>	<b>3,800</b>
Income taxes	(104)	(49)	(697)	(243)
<b>Income after income taxes</b>	<b>90</b>	<b>552</b>	<b>(148)</b>	<b>3,557</b>
of which attributable to noncontrolling interest	5	6	13	18
<b>of which attributable to Bayer AG stockholders (net income)</b>	<b>85</b>	<b>546</b>	<b>(161)</b>	<b>3,539</b>
€				
<b>Earnings per share</b>				
Basic	0.09	0.56	(0.16)	3.60
Diluted	0.09	0.56	(0.16)	3.60

<sup>1</sup> For definition see Annual Report 2021, A 2.3 "Alternative Performance Measures Used by the Bayer Group."

## Bayer Group Consolidated Statements of Financial Position

B 2

€ million	Sept. 30, 2021	Dec. 31, 2021	Sept. 30, 2022
<b>Noncurrent assets</b>			
Goodwill	39,446	40,106	43,452
Other intangible assets	24,979	26,258	25,997
Property, plant and equipment	12,049	12,688	13,921
Investments accounted for using the equity method	611	629	914
Other financial assets	1,668	2,026	2,023
Other receivables	1,289	1,376	1,130
Deferred taxes	4,608	4,580	5,161
	<b>84,650</b>	<b>87,663</b>	<b>92,598</b>
<b>Current assets</b>			
Inventories	10,644	11,314	12,791
Trade accounts receivable	10,044	10,047	11,000
Other financial assets	3,903	3,342	4,713
Other receivables	1,636	1,709	2,038
Claims for income tax refunds	1,369	1,526	1,709
Cash and cash equivalents	4,316	4,564	4,361
Assets held for sale	30	76	1,800
	<b>31,942</b>	<b>32,578</b>	<b>38,412</b>
<b>Total assets</b>	<b>116,592</b>	<b>120,241</b>	<b>131,010</b>
<b>Equity</b>			
Capital stock	2,515	2,515	2,515
Capital reserves	18,261	18,261	18,261
Other reserves	10,327	12,244	20,496
<b>Equity attributable to Bayer AG stockholders</b>	<b>31,103</b>	<b>33,020</b>	<b>41,272</b>
Equity attributable to noncontrolling interest	170	148	195
	<b>31,273</b>	<b>33,168</b>	<b>41,467</b>
<b>Noncurrent liabilities</b>			
Provisions for pensions and other post-employment benefits	7,349	7,175	5,021
Other provisions	7,453	8,776	7,377
Refund liabilities	213	283	246
Contract liabilities	650	770	600
Financial liabilities	36,979	36,481	39,460
Income tax liabilities	1,573	1,601	1,663
Other liabilities	1,597	1,653	1,347
Deferred taxes	775	931	657
	<b>56,589</b>	<b>57,670</b>	<b>56,371</b>
<b>Current liabilities</b>			
Other provisions	8,048	6,823	8,647
Refund liabilities	5,797	4,564	6,582
Contract liabilities	1,302	4,052	1,793
Financial liabilities	4,791	4,391	5,331
Trade accounts payable	5,582	6,792	6,549
Income tax liabilities	885	686	1,025
Other liabilities	2,325	2,095	3,088
Liabilities directly related to assets held for sale	-	-	157
	<b>28,730</b>	<b>29,403</b>	<b>33,172</b>
<b>Total equity and liabilities</b>	<b>116,592</b>	<b>120,241</b>	<b>131,010</b>

2021 figures restated resulting from the completion of the purchase price allocation for AskBio in the fourth quarter of 2021

## Bayer Group Consolidated Statements of Cash Flows

B 3

€ million	Q3 2021	Q3 2022	9M 2021	9M 2022
Income after income taxes	90	552	(148)	3,557
Income taxes	104	49	697	243
Financial result	336	598	783	1,780
Income taxes paid	(526)	(374)	(1,666)	(1,342)
Depreciation, amortization and impairment losses (loss reversals)	870	1,097	3,346	4,659
Change in pension provisions	(53)	(58)	(238)	(205)
(Gains) losses on retirements of noncurrent assets	(44)	(41)	(163)	(380)
Decrease (increase) in inventories	(414)	(1,129)	427	(910)
Decrease (increase) in trade accounts receivable	3,185	4,085	(150)	252
(Decrease) increase in trade accounts payable	337	254	(343)	(736)
Changes in other working capital, other noncash items	(1,074)	(2,379)	(502)	(2,886)
<b>Net cash provided by (used in) operating activities</b>	<b>2,811</b>	<b>2,654</b>	<b>2,043</b>	<b>4,032</b>
Cash outflows for additions to property, plant, equipment and intangible assets	(649)	(726)	(1,471)	(1,625)
Cash inflows from the sale of property, plant, equipment and other assets	34	144	306	601
Cash inflows from (outflows for) divestments less divested cash	18	–	(39)	–
Cash inflows from noncurrent financial assets	3	25	360	28
Cash outflows for noncurrent financial assets	(54)	(180)	(321)	(494)
Cash outflows for acquisitions less acquired cash	(1,264)	(21)	(1,287)	(36)
Interest and dividends received	45	65	86	112
Cash inflows from (outflows for) current financial assets	(682)	274	4,209	(1,034)
<b>Net cash provided by (used in) investing activities</b>	<b>(2,549)</b>	<b>(419)</b>	<b>1,843</b>	<b>(2,448)</b>
Capital contributions	–	–	–	15
Dividend payments	(4)	(4)	(1,969)	(1,970)
Issuances of debt	1,536	52	6,031	6,523
Retirements of debt	(636)	(1,133)	(7,131)	(5,819)
Interest paid including interest-rate swaps	(253)	(255)	(800)	(869)
Interest received from interest-rate swaps	–	–	22	41
<b>Net cash provided by (used in) financing activities</b>	<b>643</b>	<b>(1,340)</b>	<b>(3,847)</b>	<b>(2,079)</b>
<b>Change in cash and cash equivalents due to business activities</b>	<b>905</b>	<b>895</b>	<b>39</b>	<b>(495)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>3,389</b>	<b>3,415</b>	<b>4,191</b>	<b>4,564</b>
Change in cash and cash equivalents due to changes in scope of consolidation	48	–	48	3
Change in cash and cash equivalents due to exchange rate movements	(26)	55	38	293
<b>Cash and cash equivalents at end of period</b>	<b>4,316</b>	<b>4,365</b>	<b>4,316</b>	<b>4,365</b>



## Legal Risks

To find out more about the Bayer Group's legal risks, please see Note 30 to the consolidated financial statements in the Bayer Annual Report 2021, which can be downloaded free of charge at [www.bayer.com](http://www.bayer.com). Since the Bayer Annual Report 2021, the following significant changes have occurred in respect of the legal risks:

**Xarelto™:** In the United States, a large number of plaintiffs alleged personal injuries, including cerebral, gastrointestinal or other bleeding and death, from the use of Xarelto™, an oral anticoagulant for the treatment and prevention of blood clots. In 2019, after prevailing in all six cases that went to trial, Bayer and Janssen Pharmaceuticals reached a global agreement to settle virtually all pending US cases. As of October 14, 2022, 11 Canadian lawsuits relating to Xarelto™ seeking class action certification and one individual action had been served upon Bayer. Two of the proposed class actions have been certified. Bayer believes the risks remaining in this litigation are no longer material.

**Roundup™ (glyphosate):** A large number of lawsuits from plaintiffs claiming to have been exposed to glyphosate-based products manufactured by Bayer's subsidiary Monsanto have been served upon Monsanto in the United States. Glyphosate is the active ingredient contained in a number of Monsanto's herbicides, including Roundup™-branded products. Plaintiffs allege personal injuries resulting from exposure to those products, including non-Hodgkin lymphoma (NHL), and seek compensatory and punitive damages. Additional lawsuits are anticipated. In 2020, Monsanto reached an agreement in principle with plaintiffs, without admission of liability, to settle most of the current Roundup™ litigation and to put in place a mechanism to resolve potential future claims. The three adverse verdicts – Johnson, Hardeman and Pilliod – were not covered by the settlement. The Company petitioned the Supreme Court for review in both the Hardeman and Pilliod cases. In Hardeman, the Supreme Court invited the US Solicitor General to file a brief in the matter; that brief recommended the Supreme Court deny review of the Hardeman appeal. In June 2022, the Supreme Court denied review of both Hardeman and Pilliod. There may be future cases in the Roundup™ litigation (or other unrelated actions) that present the Supreme Court with preemption questions, and the Company will continue to review its legal options regarding further proceedings.

In June and September 2022, juries in three court cases – Shelton (Circuit Court for Jackson County, Missouri (Kansas City)), Larry Johnson (Circuit Court for Jackson County, Oregon) and Alesi (three plaintiffs, St. Louis County, Missouri) – issued verdicts in Monsanto's favor, determining that Roundup™ did not cause the plaintiffs' cancer. These cases are the third, fourth and fifth consecutive trial wins for the Company.

**Dicamba:** In 2016, Bader Peach Farms filed a lawsuit against Monsanto and BASF in Missouri state court. Bader claims that off-target movement from the dicamba herbicide and/or the Xtend™ system has damaged Bader's crops. In October 2022, Monsanto and plaintiff agreed to settle all claims without admission of liability.

**MON 87429:** In August 2022, Corteva Agriscience LLC ("Corteva") filed a complaint in a US federal court against Bayer alleging that Bayer's herbicide tolerance technology MON 87429 infringes a patent by Corteva. However, Bayer asserts that its technology does not infringe any valid patent claim of Corteva and that Corteva's patent is invalid. Bayer believes that it has meritorious defenses in this patent dispute and intends to defend itself vigorously.

**BASF arbitration:** In 2019, Bayer was served with a request for arbitration by BASF SE. BASF maintained to have indemnification claims under the asset purchase agreements signed in 2017 and 2018 related to the divestment of certain Crop Science businesses to BASF. In August 2022, the arbitral tribunal dismissed BASF's claims in their entirety and awarded Bayer approximately two-thirds of its arbitration fees and costs. BASF may still decide to file a challenge to the decision.

**PCBs:** Bayer's subsidiary Monsanto has been named in lawsuits brought by various governmental entities in the United States claiming that Monsanto, Pharmacia and Solutia, collectively as a manufacturer of PCBs, should be responsible for a variety of damages due to PCBs in the environment, including bodies of water, regardless of how PCBs came to be located there. In 2020, Bayer reached an agreement for a nationwide class settlement to settle claims of approximately 2,500 municipal government entities across the United States for a total payment, including class benefits and attorney fees, of approximately US\$650 million. In March 2022, the court preliminarily approved the settlement and held the final approval hearing in October 2022. We await the court's decision on final class settlement approval. In July 2022, the Superior Court of Delaware dismissed, in its entirety, the Delaware State Attorney General's individual lawsuit that alleged environmental damages from PCBs. With regard to Oregon, we are considering a settlement with the Attorney General reflecting the unique circumstances in that state. In August 2022, the states of New Jersey and Illinois filed PCB lawsuits alleging environmental claims. In September 2022, the County of Marin (CA) and approximately ten other California towns and municipalities also filed a PCB lawsuit alleging environmental claims.

Monsanto also faces numerous lawsuits claiming personal injury and/or property damage due to use of and exposure to PCB products. In the Sky Valley Education Center ("SVEC") personal injury cases in Washington state, a third trial concluded in June 2022 with the jury awarding a total of approximately US\$21.3 million (compensatory and punitive damages) in total to four plaintiffs. Bayer disagrees with this verdict based on many of the same errors seen in the first two trials and plans to appeal. A fourth SVEC trial (Soley), which concluded in July 2022, resulted in a mistrial when the jury was unable to reach a verdict. It is unknown whether there will be a retrial. A fifth SVEC trial (Allison) concluded in October 2022 with the jury awarding approximately US\$275 million (compensatory and punitive damages) in total to 10 of the 13 plaintiffs. Again, Bayer disagrees with this verdict based on many of the same errors seen in the first trials and plans to appeal.

To recover costs associated with the PCB-related litigation, the Company filed a complaint in August 2022 in the Circuit Court of St. Louis County for the State of Missouri to enforce its rights under certain indemnity contracts. Under these contracts, the companies who purchased PCBs for use in their products agreed to indemnify Monsanto for PCB-related litigation costs, including settlements.

**Shareholder litigation concerning Monsanto acquisition:** In Germany and the United States, investors have filed lawsuits against Bayer claiming damages based on allegedly flawed capital market communication in connection with the acquisition of Monsanto Company. In Germany, as of September 30, 2022, 30 claims by approximately 340 plaintiffs had been filed and served upon Bayer. In July 2022, the Cologne Regional Court initiated a model case proceeding in accordance with the Capital Markets Model Case Act. This does not include a decision on the merits of the matter.

## Events After the End of the Reporting Period

In early October, we completed the sale of our Environmental Science Professional business to international private equity firm Cinven. The base purchase price for the business, which generated sales of around €600 million in 2021, amounted to US\$2.6 billion (€2.6 billion) and is subject to customary purchase price adjustments.

At the start of November, we closed the sale of our men's health product Nebido™ to Grünenthal for a preliminary purchase price of €495 million that is likewise subject to customary purchase price adjustments.

## Financial Calendar

<b>2022 Annual Report</b>	<i>February 28, 2023</i>
<b>Annual Stockholders' Meeting 2023</b>	<i>April 28, 2023</i>
<b>Q1 2023 Quarterly Statement</b>	<i>May 11, 2023</i>
<b>2023 Half-Year Report</b>	<i>August 8, 2023</i>

## Reporting Principles

The present document is a Quarterly Statement pursuant to Section 53 of the Exchange Rules of the Frankfurt Stock Exchange (as of June 30, 2022) and does not constitute an interim report according to the International Accounting Standard (IAS) 34. This Quarterly Statement should be read in conjunction with the Annual Report for the 2021 fiscal year and the additional information about the company provided therein. The Annual Report 2021 is available on our website at [www.bayer.com](http://www.bayer.com). The accounting policies and measurement principles applied in this Quarterly Statement are based on those used in the consolidated financial statements of the Bayer Group for fiscal 2021.

## Masthead

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### Forward-Looking Statements

This Quarterly Statement 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](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.

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