Bayer AG
Communications
51368 Leverkusen
Germany
Phone +49 214 30-1
www.bayer.com/en/media

News Release

Annual Stockholders' Meeting
April 24, 2026

Explanations relating to the Supervisory Board Report

Prof. Dr. Norbert Winkeljohann,

Chairman of the Supervisory Board of Bayer AG

(Please check against delivery)

(2026-1503e)

Dear stockholders, ladies and gentlemen,

I would now like to deliver the Report of the Supervisory Board, which forms part of Agenda Item 1 of today's Annual Stockholders' Meeting. You can also find the Report of the Supervisory Board on pages 13 to 22 of the Annual Report.

Over the course of fiscal 2025, the Supervisory Board continued to extensively focus on Bayer's strategic alignment and the progress being made in delivering on the defined strategic priorities: bolstering the pharmaceuticals pipeline, containing the litigations, deleveraging, increasing profitability in the Crop Science business, and reducing bureaucracy by systematically implementing the Dynamic Shared Ownership operating model.

I will address each of these points in more detail.

Furthermore, the Supervisory Board has taken some important decisions relating to the composition of the Board of Management. It extended the service contract of our CEO Bill Anderson to March 31, 2029, and the service contract of Stefan Oelrich, head of the Pharmaceuticals Division, to October 31, 2029. The Supervisory Board also appointed Judith Hartmann to the Board of Management effective March 1, 2026. Judith will take over from Wolfgang Nickl as CFO when he steps down on May 31, 2026. Finally, in March of this year, the Supervisory Board extended the service contract of Heike Prinz, our Labor Director and Board of Management member responsible for Human Resources, to August 31, 2028.

In addition, the Supervisory Board gained a new member in 2025. As I outlined last year as part of the Annual Stockholders' Meeting, Nadine Dietz joined the Supervisory Board effective January 1, 2025.

Ladies and gentlemen,

The Supervisory Board convened for nine meetings last year. There were also 28 meetings of our Supervisory Board committees. Our key annual meetings were held in person, including the February meeting on the financial statements, the September strategy meeting spanning several days, and the annual planning meeting in December. The other meetings were held either as virtual videoconference calls or as hybrid meetings. With many Supervisory Board members not residing in Germany, this was practically the only viable option, especially in the case of extraordinary meetings arranged at short notice, while also representing an appropriate choice from a sustainability and cost perspective.

In between the meetings of the Supervisory Board, I was in regular and close contact with our CEO, Bill Anderson, as well as with the other members of the Board of Management and other senior leaders.

I'd now like to highlight some of the key topics the Supervisory Board focused on this past year.

Engaging with stockholders and other stakeholders is a top priority for Bayer and the Supervisory Board. Following the 2025 Annual Stockholders' Meeting, we extensively engaged with investors on Board of Management compensation, and in early 2026 we continued our dialogue through our Corporate Governance Roadshow, focusing on general governance topics such as the composition of the Board of Management and the Supervisory Board, compensation-related matters and the Supervisory Board's role in the strategy process, along with other important aspects such as the company's efforts to contain litigation. In total, we engaged with 21 investors representing 33 percent of our shares outstanding. As Supervisory Board Chairman, I participated in many of these engagements and am very grateful for the constructive dialogue and comprehensive feedback shared by our stockholders. These conversations give the Supervisory Board a wider and deeper perspective on the issues discussed.

Ladies and gentlemen,

Over the course of last year, the Supervisory Board continued to monitor the Board of Management's business strategy and the company's performance very closely.
In my report to the Annual Stockholders' Meeting last year, I listed five priorities for the Supervisory Board's work in 2025:

1. Improving performance in all areas
2. Advancing the pipelines at Pharmaceuticals, Crop Science and Consumer Health
3. Improving cash flow and reducing net financial debt over the long term
4. Implementing Dynamic Shared Ownership to demonstrably enhance performance
5. Proactively finding conclusive solutions to Bayer's litigation issues

We've been focusing on these topics, or iterations thereof, in previous years, too. As before, they represent important priorities for our work as a Supervisory Board. Allow me to now briefly describe how Bayer fared in each of these areas.
Since it is such an important topic, I'd like to start by highlighting our efforts to significantly contain litigation.

As previously announced, we achieved two independently necessary and mutually reinforcing milestones in this regard at the start of the year. In February, Monsanto reached an agreement with a nationwide class of plaintiffs to settle current and potential future cases in the glyphosate litigation, along with additional settlement agreements relating to glyphosate and PCBs. In parallel, we welcomed the US Supreme Court's decision in January to review the Durnell case – a particularly relevant case in the glyphosate litigation. The US Solicitor General had previously issued its recommendation that the Supreme Court review the case. We also continue to work with US policymakers to support clear and consistent regulatory standards for crop protection products. Just recently, the White House issued an Executive Order underlining what a crucial role glyphosate plays.

The Supervisory Board as a whole oversees the company's multi-pronged strategy to significantly contain the litigations. The specific settlement agreements reached were extensively addressed during all ordinary meetings as well as a number of extraordinary meetings, and were also the subject of a written resolution. The Supervisory Board's deliberations on these topics are based on preparatory work by the Legal Risk Committee, which is chaired by Lori Schechter. The aforementioned class settlement agreement reached in February of this year as part of the glyphosate litigation was a topic of particular focus for the Supervisory Board and was the subject of extensive deliberations. Supplementing input from external experts consulted by the Board of Management, the Supervisory Board also sought its own legal advice and subsequently approved the conclusion of the settlement agreements on that basis following in-depth discussions.

We also extensively focused on the other priorities I mentioned earlier, performing our oversight and advisory duties to support the work of the Board of Management. In each one of these areas, the company has also been able to make major strides.

The Crop Science Division, for instance, has taken steps to improve operations and efficiency, while also carefully reviewing the product portfolio to ensure investments are being made in areas where it can deliver major value for customers while also securing the highest possible returns. Powered by its leading innovation capabilities, the division plans to launch 10 blockbusters over the next 10 years. It also remains committed to hitting the goal of lifting its EBITDA margin before special items to a mid-20s percentage by the end of 2029.

The Pharmaceuticals Division, for its part, has made great progress in growing its topline and bolstering the pipeline. On the sales front, the division exceeded its original expectations. Nubeqa™ and Kerendia™ have delivered significant gains, driven in part by approvals for new indications. Bayer has also obtained marketing authorization for its new products Beyonttra™ and Lynkuet™ in 2025. In addition, the company published positive Phase III data for asundexian for secondary stroke prevention in February 2026.

Bayer also continues to make strides to improve cash generation and reduce debt. In 2025, the company generated free cash flow of 2.1 billion euros. Meanwhile, Bayer achieved a substantial reduction in net financial debt, which fell from 32.6 billion euros as of year-end 2024 to 29.8 billion euros as of year-end 2025.

The implementation of Dynamic Shared Ownership, the operating model we refer to as DSO for short, has already brought significant improvements in terms of speed, efficiency and customer focus. Bureaucracy has been slashed, hierarchy levels have been greatly reduced, and decision-making has been placed in the hands of those doing the work. These steps have already delivered shorter innovation cycles and enhanced growth momentum. The company is targeting 2 billion euros in sustainable organizational savings by the end of 2026.

An additional topic that has become a priority from the Supervisory Board’s perspective is the use of artificial intelligence, or AI. Bayer is increasingly leveraging the power of AI throughout the company as we look to further optimize processes, unlock efficiencies and accelerate innovation. Thanks to the DSO operating model, we are in a position to effectively deploy new processes and tools in a targeted way. Throughout the company, a number of AI initiatives are underway, helping us to utilize it more effectively and deliver ever greater impact – not just for our customers, as a key factor for our competitive profile, but also as a lever for bolstering our company’s profitability. Our existing digital tools and platforms provide a strong foundation for implementing AI. In addition, the Supervisory Board has frequently explored ways that it can utilize AI to support its own work.

Ladies and gentlemen,

I would now like to move on to the agenda for today’s Annual Stockholders’ Meeting, and share a few words from the perspective of the Supervisory Board. The agenda mainly comprises the standard Annual Stockholders’ Meeting items. There are also two Supervisory Board elections to be conducted, which I will talk about shortly.

And another point to mention concerns the appointment of the auditor: Due to the legal requirements around mandatory auditor rotation, today’s Annual Stockholders’ Meeting marks the last time that we will be proposing Deloitte GmbH Wirtschaftsprüfungsgesellschaft as the auditor of the Financial Statements of Bayer AG and the Consolidated Financial Statements of the Bayer Group, as well as the Sustainability Report.

That also means that a new auditor needs to be proposed to review the interim report for the first quarter of 2027 if any such report is prepared. After conducting a selection process in accordance with the legal requirements, and based on the recommendation and reasoned preference of the Audit Committee, the Supervisory Board proposes that

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft be appointed as the auditor to perform the aforementioned review.

Ladies and gentlemen, I would now like to turn to Board of Management compensation for 2025 and share some insights.

Last year, we conducted a mid-cycle review of the Board of Management compensation system, which was approved by shareholders at the 2024 Annual Stockholders' Meeting. Performed mid-way through the four-year cycle, this review was designed to explore whether an updated system should be put forward at this year's Annual Stockholders' Meeting. Our review clearly demonstrated that the critical points raised by stockholders mainly related to the application of the compensation system, rather than the underlying design of the system itself. Against this backdrop, and consistent with investor feedback, the Supervisory Board decided to keep the current system in place. That is why we are not putting forward a proposal for a new compensation system at today's Annual Stockholders' Meeting.

At the same time, we are mindful that our 2024 Compensation Report received 67 percent support, which was below our expectations. During engagements, certain shareholders shared critical feedback on the link between pay and performance with respect to the payout factors for the variable compensation components (STI and LTI) for 2024. They also saw potential for additional transparency around the application of the factor for strategy development and execution. We took this feedback into account in our 2025 Compensation Report and provided more detailed information on how targets are set and attainment is evaluated, as well as how the factor for strategy development and execution is applied. Alongside these improvements, we also focused on further enhancing our reporting and disclosures in order to provide greater clarity around our pay-for-performance approach. The Supervisory Board will continue its efforts to optimize the design and application of the compensation system while taking into account stockholder feedback.

With respect to the 2025 short-term incentive (STI) plan, attainment for our CEO amounted to 121 percent, which was also on a par with the average attainment level among the other Board of Management members. This reflected performance against the financial and strategic targets we set at the beginning of 2025, which paved the way to upgrade the guidance for the Pharmaceuticals Division, and thus also for the Group as a whole, later in the year. Within the STI, attainment for the year was based on above-target performance for sales growth and for core EPS, as well as below-target performance for free cash flow.

Regarding the long-term incentive (LTI) plan, the attainment level for Board of Management members participating in the tranche for the 2022-2025 performance period amounted to 28 percent, reflecting below-threshold performance for relative TSR and ROCE, and above-target performance for our sustainability goals.

Ladies and gentlemen,

Let’s now turn to the audit of the financial statements for fiscal 2025. The Audit Committee and the Supervisory Board extensively discussed and examined the Financial Statements of Bayer AG, the Consolidated Financial Statements of the Bayer Group, the Combined Management Report, and the audit reports prepared by the external auditor for fiscal 2025. There were no objections, and we therefore concurred with the result of the external audit.

We are in agreement with the Combined Management Report and, in particular, with the assessment of the future development of the enterprise.

The same applies to the proposed dividend. The Supervisory Board has assented to the proposal by the Board of Management for the use of the distributable profit, which provides for payment of a dividend of 0.11 euros per share. As announced back in 2024, the Board of Management and the Supervisory Board agreed to adopt a dividend policy that involves paying out only the legally required minimum for a period of three fiscal years: from 2023 through 2025. The Supervisory Board is aware that the substantial reduction of the dividend represents a significant burden for our stockholders. However, given the fact that Bayer needs to further reduce its debt – an area in which we made encouraging progress last year – we believe that this remains the right decision, and an important one at that.

Dear stockholders,

2025 was a pivotal year for your company, Bayer AG, as it looked to advance its turnaround. It was a year in which we made significant progress on our key strategic priorities. We have embarked on a clear path to ensure Bayer is best-placed to thrive in the competitive environment – and are committed to making further headway in the year ahead.

On behalf of the Supervisory Board – and, if I may, on your behalf as well – I would like to thank the members of the Board of Management and the entire workforce for their hard work, particularly in view of these very challenging times.

Ladies and gentlemen,

I’d like to conclude by sharing the following remarks:

Last year, I informed you about the priorities the Supervisory Board had set for its work in 2025 as it looks to support the company’s multi-year transformation. We made encouraging progress on these priority issues. As expected, however, these challenges have not yet been overcome. Over the next 12 months, we will therefore continue to focus on the following issues and closely oversee and support the Board of Management in its efforts to move Bayer forward:

1. Improving performance in all areas
2. Advancing the pipelines at Pharmaceuticals and Crop Science, including in the medium term
3. Improving cash flow and sustainably reducing net financial debt
4. Continuing to implement Dynamic Shared Ownership to demonstrably enhance performance
5. Achieving further progress in significantly containing the major litigations that Bayer is involved in and ensuring the requisite financing is in place

Dear stockholders,

I firmly believe that by focusing on these five priorities, the Supervisory Board together with the Board of Management will continue to significantly advance Bayer's transformation over the next 12 months. The Supervisory Board and I personally will closely monitor and oversee Bayer's ongoing transformation. We look forward to our continued dialogue with you. Thank you very much.