



Q2

Half-Year Financial Report 2024

Modest performance in challenging agricultural market environment

- // Group sales at €11.1 billion
(Fx & p adj. +3.1%)
- // EBITDA before special items declines
to €2.1 billion (-16.5%), impacted by
currency headwinds
- // Crop Science posts slight increase
in sales and sharp fall in earnings
- // Pharmaceuticals and Consumer
Health report higher sales
(Fx & p adj.) and lower earnings
- // Core earnings per share at €0.94
(-23.0%)
- // Net income at minus €34.0 million
- // Free cash flow at €1.3 billion
- // Group outlook confirmed

Health for all, Hunger for none

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Bayer Group Key Data

€ million	Q2 2023	Q2 2024	Change (%)		H1 2023	H1 2024	Change (%)	
			Reported	Fx & p adj.			Reported	Fx & p adj.
Sales	11,044	11,144	+ 0.9	+ 3.1	25,433	24,909	- 2.1	+ 1.0
Change in sales¹								
Volume	-7.4%	+1.6%			-6.6%	+0.5%		
Price	-0.8%	+1.5%			+2.1%	+0.5%		
Currency	-4.3%	-2.2%			-1.7%	-3.1%		
Portfolio	-1.3%	0.0%			-1.2%	0.0%		
Sales by region								
Europe/Middle East/Africa	3,307	3,500	+5.8	+7.4	7,946	7,991	+0.6	+4.3
North America	4,038	4,154	+2.9	+1.8	9,944	9,914	-0.3	+0.0
Asia/Pacific	2,235	2,107	-5.7	-2.2	4,416	4,021	-8.9	-4.0
Latin America	1,464	1,383	-5.5	+4.8	3,127	2,983	-4.6	+2.6
EBITDA¹	2,331	1,667	-28.5		6,649	5,872	-11.7	
Special items ¹	(196)	(444)			(349)	(651)		
EBITDA before special items¹	2,527	2,111	-16.5		6,998	6,523	-6.8	
EBITDA margin before special items ¹	22.9%	18.9%			27.5%	26.2%		
EBIT¹	(956)	525	.		2,017	3,617	+79.3	
Special items ¹	(2,490)	(490)			(2,921)	(697)		
EBIT before special items¹	1,534	1,015	-33.8		4,938	4,314	-12.6	
Financial result	(618)	(622)	.		(985)	(1,123)	.	
Net income (from continuing and discontinued operations)	(1,887)	(34)	.		291	1,966	.	
Earnings per share from continuing and discontinued operations (€)	(1.92)	(0.03)	.		0.30	2.00	.	
Core earnings per share¹ from continuing operations (€)	1.22	0.94	-23.0		4.17	3.76	-9.8	
Net cash provided by (used in) operating activities (from continuing and discontinued operations)	484	2,410	.		(3,066)	260	.	
Free cash flow¹	(473)	1,273	.		(4,575)	(1,353)	.	
Net financial debt (at end of period)	39,620	36,760	-7.2		39,620	36,760	-7.2	
Cash flow-relevant capital expenditures (from continuing and discontinued operations)	606	628	+3.6		1,072	1,074	+0.2	
Research and development expenses	1,228	1,499	+22.1		2,799	2,925	+4.5	
Depreciation, amortization and impairment losses/loss reversals	3,287	1,142	-65.3		4,632	2,255	-51.3	
Number of employees (at end of period)²	102,048	96,567	-5.4		102,048	96,567	-5.4	
Personnel expenses (including pension expenses)	2,480	3,050	+23.0		5,739	6,090	+6.1	

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

¹ For definition see Annual Report 2023, A 2.3 "Alternative Performance Measures Used by the Bayer Group."

² Employees calculated as full-time equivalents (FTEs)

Interim Group Management Report as of June 30, 2024

Key Events

Financing activities

In June 2024, we placed our first-ever bond on the Chinese capital market. Known as a Panda bond, the issuance had a volume of CNY 2 billion (€256 million), a maturity of two years and a coupon of 2.2%.

1. Overview of Sales, Earnings and Financial Position¹

1.1 Earnings Performance

Second quarter of 2024

Group sales

Group sales increased by 3.1% (Fx & portfolio adj.) to €11,144 million in the second quarter of 2024 (Q2 2023: €11,044 million; reported: +0.9%). There was a negative currency effect of €240 million (Q2 2023: €553 million). Sales in Germany amounted to €659 million (Q2 2023: €638 million).

Sales at Crop Science increased slightly against the prior-year quarter, primarily due to higher sales of our glyphosate-based herbicides and soybean seeds. However, we registered significant declines for our non-glyphosate-based herbicides and at Fungicides. Sales at Pharmaceuticals were up, largely driven by significant gains for Nubeqa™ and Kerendia™ and further increases for Eylea™ and our Radiology business. However, growth was mainly held back by declines for Xarelto™. Sales at Consumer Health also increased, largely thanks to growth in the Dermatology, Nutritionals and Digestive Health categories.

EBITDA before special items

Group EBITDA before special items decreased by 16.5% to €2,111 million. This figure included a negative currency effect of €129 million (Q2 2023: €120 million). EBITDA before special items at Crop Science declined considerably, mainly due to an unfavorable product mix and a reduction in allocations to provisions for the Group-wide short-term incentive (STI) program in the prior-year quarter. Pharmaceuticals posted a decline in EBITDA before special items that was attributable to the product mix, high negative currency effects and the aforementioned reduction in allocations to STI provisions in the prior-year quarter. EBITDA before special items at Consumer Health fell, mainly due to an increase in costs and higher investments in our products. The Group EBITDA margin before special items came in at 18.9%.

¹ For definition of alternative performance measures see Annual Report 2023, A 2.3 "Alternative Performance Measures Used by the Bayer Group."

Depreciation, amortization and impairments

Depreciation, amortization and impairment losses – net of impairment loss reversals – amounted to €1,142 million (Q2 2023: €3,287 million). They comprised €692 million (Q2 2023: €2,610 million) in amortization and impairments on intangible assets and €450 million (Q2 2023: €677 million) in depreciation and impairments on property, plant and equipment. Impairment losses, net of impairment loss reversals, totaled €121 million (Q2 2023: €2,301 million), with intangible assets accounting for €72 million (Q2 2023: €2,035 million).

A total of €46 million in impairment losses, net of impairment loss reversals, were included in special items (Q2 2023: €2,298 million).

EBIT and special items

EBIT of the Bayer Group came in at €525 million (Q2 2023: minus €956 million) after net special charges of €490 million (Q2 2023: €2,490 million). The special charges primarily related to expenses for ongoing restructuring measures and affected all divisions and functional areas. EBIT before special items decreased by 33.8% to €1,015 million (Q2 2023: €1,534 million).

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

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Special Items¹ by Category

€ million	EBIT	EBIT	EBIT	EBIT	EBITDA	EBITDA	EBITDA	EBITDA
	Q2 2023	Q2 2024	H1 2023	H1 2024	Q2 2023	Q2 2024	H1 2023	H1 2024
Total special items	(2,490)	(490)	(2,921)	(697)	(196)	(444)	(349)	(651)
Restructuring	(166)	(329)	(281)	(529)	(166)	(325)	(281)	(524)
of which in the Reconciliation	(27)	(121)	(54)	(138)	(27)	(120)	(54)	(137)
Acquisition/integration	(16)	–	(18)	–	(16)	–	(18)	–
Divestments/closures	(2)	(43)	(50)	(42)	(2)	(2)	(50)	(1)
Litigations/legal risks	(35)	(185)	(81)	(181)	(35)	(184)	(81)	(181)
of which in the Reconciliation	(28)	(183)	(88)	(209)	(28)	(183)	(88)	(209)
Impairment losses/loss reversals ²	(2,298)	–	(2,576)	–	(4)	–	(4)	–
Other	27	67	85	55	27	67	85	55

¹ For definition see Annual Report 2023, A 2.3 "Alternative Performance Measures Used by the Bayer Group."

² Where not already included in the other special items categories

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Special Items¹ by Functional Cost

€ million	EBIT	EBIT	EBIT	EBIT	EBITDA	EBITDA	EBITDA	EBITDA
	Q2 2023	Q2 2024	H1 2023	H1 2024	Q2 2023	Q2 2024	H1 2023	H1 2024
Total special items	(2,490)	(490)	(2,921)	(697)	(196)	(444)	(349)	(651)
Cost of goods sold	(46)	(79)	(342)	(114)	(15)	(79)	(33)	(114)
Selling expenses	(91)	(114)	(129)	(179)	(106)	(68)	(144)	(133)
Research and development expenses	148	(40)	128	(91)	(10)	(40)	(30)	(91)
General administration expenses	(37)	(145)	(82)	(191)	(37)	(144)	(82)	(190)
Other operating income/(expenses)	(2,464)	(112)	(2,496)	(122)	(28)	(113)	(60)	(123)

¹ For definition see Annual Report 2023, A 2.3 "Alternative Performance Measures Used by the Bayer Group."

Net income

After a financial result of minus €622 million (Q2 2023: minus €618 million), income before income taxes amounted to minus €97 million (Q2 2023: minus €1,574 million). The financial result was nearly level year on year, with an increase in net interest expense offset by an improvement in the net amounts of exchange gains and losses and of miscellaneous financial income and expenses. Taking into account income from income taxes of €71 million (Q2 2023: income tax expense of €315 million) and accounting for noncontrolling interest, net income amounted to minus €34 million (Q2 2023: minus €1,887 million).

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Financial Result¹

€ million	Q2 2023	Q2 2024	H1 2023	H1 2024
Income (loss) from investments in affiliated companies	(53)	(57)	(100)	(55)
Net interest expense	(327)	(411)	(540)	(717)
Other financial income/(expenses)	(238)	(154)	(345)	(351)
of which interest portion of discounted provisions	(102)	(117)	(216)	(218)
of which exchange gain (loss)	(72)	(20)	(57)	(61)
of which miscellaneous financial income/(expenses)	(64)	(17)	(72)	(72)
Total	(618)	(622)	(985)	(1,123)
of which special items (net)	(74)	(95)	(166)	(147)

¹ Further information on the financial result is given in Note [10] of the Annual Report 2023.

Core earnings per share

Core earnings per share decreased by 23.0% to €0.94 (Q2 2023: €1.22), mainly due to the decline in earnings at all divisions.

Earnings per share (total) came in at minus €0.03 (Q2 2023: minus €1.92). The difference between this figure and the one for core earnings per share is mainly due to amortization and special charges for ongoing restructuring measures.

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Core Earnings per Share¹

€ million	Q2 2023	Q2 2024	H1 2023	H1 2024
EBIT¹ (as per income statements)	(956)	525	2,017	3,617
Amortization and impairment losses/loss reversals on goodwill and other intangible assets	2,610	692	3,276	1,388
Impairment losses/loss reversals on property, plant and equipment, and accelerated depreciation included in special items	271	50	555	76
Special items (other than accelerated depreciation, amortization and impairment losses/loss reversals)	196	444	349	651
Core EBIT¹	2,121	1,711	6,197	5,732
Financial result (as per income statements)	(618)	(622)	(985)	(1,123)
Special items in the financial result ²	74	95	166	147
Income taxes (as per income statements)	(315)	71	(739)	(518)
Special items in income taxes	-	-	-	-
Tax effects related to amortization, impairment losses/loss reversals and special items	(57)	(324)	(529)	(531)
Income after income taxes attributable to noncontrolling interest (as per income statements)	2	(8)	(2)	(10)
Above-mentioned adjustments attributable to noncontrolling interest	(12)	(1)	(12)	(1)
Core net income from continuing operations	1,195	922	4,096	3,696
Shares (million)				
Weighted average number of shares	982.42	982.42	982.42	982.42
€				
Core earnings per share from continuing operations¹	1.22	0.94	4.17	3.76

¹ For definition see Annual Report 2023, A 2.3 "Alternative Performance Measures Used by the Bayer Group."

² Includes in particular the changes in the fair value of the interests in Century Therapeutics, United States, and Pyxis Oncology, United States, as well as interest cost for the provisions for litigations/legal risks

Personnel expenses and employee numbers

The number of employees in the Bayer Group as of the closing date fell by 5.4% year on year to 96,567 (June 30, 2023: 102,048). Personnel expenses increased by 23.0% to €3,050 million in the second quarter (Q2 2023: €2,480 million), mainly due to the aforementioned reduction in allocations to provisions for the Group-wide short-term incentive (STI) program in the prior-year period as well as expenses for our restructuring programs.

First half of 2024

Group sales

Group sales rose by 1.0% (Fx & portfolio adj.) to €24,909 million in the first half of 2024 (H1 2023: €25,433 million; reported: -2.1%). There was a negative currency effect of €765 million (H1 2023: €451 million). Sales in Germany amounted to €1,388 million (H1 2023: €1,406 million).

Crop Science registered a slight decline in sales that was mainly due to significantly lower volumes for our non-glyphosate-based herbicides and our Fungicides business. Our glyphosate-based products posted substantial volume increases that offset the impact of lower prices. Sales at Pharmaceuticals were up, largely driven by significant gains for Nubeqa™ and Kerendia™ as well as further increases for Eylea™ and our Radiology business. However, growth was mainly held back by declines for Xarelto™ and Adalat™. Sales at Consumer Health advanced slightly, largely due to gains in the Dermatology and Digestive Health categories.

EBITDA before special items

EBITDA before special items at the Bayer Group dropped by 6.8% to €6,523 million (H1 2023: €6,998 million). This figure included a negative currency effect of €335 million. The EBITDA margin before special items declined to 26.2%.

EBITDA before special items at Crop Science declined significantly, mainly due to an unfavorable product mix, price declines for our glyphosate-based products and a reduction in allocations to provisions for the Group-wide short-term incentive (STI) program in the prior-year period. Pharmaceuticals posted an increase in EBITDA before special items that was primarily attributable to lower selling and R&D expenses. EBITDA before special items at Consumer Health was down due to a rise in costs, higher investments in our products and negative currency effects.

Depreciation, amortization and impairments

Depreciation, amortization and impairment losses – net of impairment loss reversals – amounted to €2,255 million in the first six months of 2024 (H1 2023: €4,632 million). They comprised €1,388 million (H1 2023: €3,275 million) in amortization and impairments on intangible assets and €867 million (H1 2023: €1,357 million) in depreciation and impairments on property, plant and equipment. Impairment losses, net of impairment loss reversals, totaled €148 million (H1 2023: €2,635 million), and included €73 million in net impairment losses on intangible assets (H1 2023: €2,074 million).

A total of €46 million in impairment losses, net of impairment loss reversals, were included in special items (H1 2023: €2,576 million).

EBIT and special items

EBIT of the Bayer Group amounted to €3,617 million in the first half of the year (H1 2023: €2,017 million) after net special charges of €697 million (H1 2023: €2,921 million) that were mainly related to ongoing restructuring programs. EBIT before special items decreased by 12.6% to €4,314 million (H1 2023: €4,938 million).

Net income

After a financial result of minus €1,123 million (H1 2023: minus €985 million), income before income taxes in the first half of the year came in at €2,494 million (H1 2023: €1,032 million). The deterioration in the financial result was largely attributable to higher interest expense due to increased interest rates. After income tax expense of €518 million (H1 2023: €739 million), income after income taxes was €1,976 million (H1 2023: €293 million). After adjusting for income from discontinued operations after income taxes and income attributable to noncontrolling interest, net income came to €1,966 million (H1 2023: €291 million).

Core earnings per share

Core earnings per share decreased by 9.8% to €3.76 (H1 2023: €4.17), mainly due to the decline in earnings at the Crop Science Division.

Earnings per share (total) came in at €2.00 (H1 2023: €0.30). The difference between this figure and the one for core earnings per share is mainly due to amortization and special charges for ongoing restructuring measures.

1.2 Business Development by Division Crop Science

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Key Data – Crop Science

€ million	Q2 2023	Q2 2024	Change (%) ¹		H1 2023	H1 2024	Change (%) ¹	
			Reported	Fx & p adj.			Reported	Fx & p adj.
Sales	4,924	4,981	+ 1.2	+ 1.1	13,275	12,888	- 2.9	- 1.4
Change in sales¹								
Volume	- 15.1%	+ 3.8%			- 11.2%	+ 1.4%		
Price	- 3.4%	- 2.7%			+ 2.6%	- 2.8%		
Currency	- 3.3%	+ 0.1%			- 0.6%	- 1.5%		
Portfolio	- 2.0%	0.0%			- 1.8%	0.0%		
Sales by region								
Europe/Middle East/Africa	973	1,096	+ 12.6	+ 13.2	3,270	3,175	- 2.9	+ 2.1
North America	2,273	2,360	+ 3.8	+ 2.7	6,455	6,482	+ 0.4	+ 0.8
Asia/Pacific	651	611	- 6.1	- 4.4	1,283	1,130	- 11.9	- 8.3
Latin America	1,027	914	- 11.0	- 10.1	2,267	2,101	- 7.3	- 9.1
EBITDA¹	666	446	- 33.0		3,915	3,235	- 17.4	
Special items ¹	(59)	(78)			(77)	(138)		
EBITDA before special items¹	725	524	- 27.7		3,992	3,373	- 15.5	
EBITDA margin before special items ¹	14.7%	10.5%			30.1%	26.2%		
EBIT¹	(2,207)	(229)	.		112	1,834	.	
Special items ¹	(2,353)	(79)			(2,649)	(138)		
EBIT before special items¹	146	(150)	.		2,761	1,972	- 28.6	
Net cash provided by (used in) operating activities	338	1,519	.		(3,026)	(1,346)	.	
Cash flow-relevant capital expenditures	283	266	- 6.0		491	476	- 3.1	
Research and development expenses	382	618	+ 61.8		982	1,243	+ 26.6	

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

¹ For definition see Annual Report 2023, A 2.3 "Alternative Performance Measures Used by the Bayer Group."

Second quarter of 2024

Sales

Sales at Crop Science rose by 1.1% (Fx & portfolio adj.) to €4,981 million in the second quarter of 2024. Growth was mainly driven by higher sales of our glyphosate-based herbicides, with a particularly strong performance in North America. Sales of soybean seeds also increased. However, we recorded substantial sales declines for our non-glyphosate-based herbicides and our Fungicides business in a soft market environment.

- // At **Corn Seed & Traits**, we recorded a slight drop in sales, mainly due to lower volumes in Latin and North America amid a decline in planted acreages.
- // In our **Herbicides** business, we recorded substantial volume increases for our glyphosate-based products across all regions. By contrast, sales of our non-glyphosate-based products declined in all regions, especially in Latin America due to adverse weather conditions and Asia/Pacific as a result of falling market prices.
- // Business at **Fungicides** was down sharply, mainly as a result of lower volumes and prices in North and Latin America.
- // Sales at **Soybean Seed & Traits** climbed by a double-digit percentage, mainly driven by substantially higher volumes in North America.
- // Sales at **Insecticides** increased, largely driven by higher Movento™ volumes in the Europe/Middle East/Africa region.

- // Our **Cotton Seed** business was impacted by a negative regional price-mix effect in North America that was only partially offset by higher volumes in the Asia/Pacific and North America regions.
- // Business at **Vegetable Seeds** was up, primarily due to price increases in the Europe/Middle East/Africa region.
- // Sales in the reporting unit "**Other**" came in at the prior-year level. In the Industrial Turf & Ornamental (IT&O) business, volume increases more than offset price declines.

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Sales by Strategic Business Entity

€ million	Q2 2023	Q2 2024	Change (%) ¹		H1 2023	H1 2024	Change (%) ¹	
			Reported	Fx & p adj.			Reported	Fx & p adj.
Crop Science	4,924	4,981	+ 1.2	+ 1.1	13,275	12,888	- 2.9	- 1.4
Corn Seed & Traits	1,232	1,211	- 1.7	- 2.8	4,500	4,453	- 1.0	+ 0.7
Herbicides	1,276	1,381	+ 8.2	+ 8.7	3,165	2,982	- 5.8	- 4.4
of which glyphosate-based products ²	486	685	+ 40.9	+ 41.7	1,191	1,342	+ 12.7	+ 13.2
Fungicides	819	709	- 13.4	- 12.4	1,873	1,644	- 12.2	- 10.2
Soybean Seed & Traits	446	506	+ 13.5	+ 12.4	1,054	1,110	+ 5.3	+ 5.3
Insecticides	348	369	+ 6.0	+ 6.9	808	828	+ 2.5	+ 4.3
Cotton Seed	137	127	- 7.3	- 9.6	451	417	- 7.5	- 7.8
Vegetable Seeds	195	211	+ 8.2	+ 9.0	376	395	+ 5.1	+ 7.1
Other	471	467	- 0.8	- 0.6	1,048	1,059	+ 1.0	+ 2.5

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

¹ For definition see Annual Report 2023, A 2.3 "Alternative Performance Measures Used by the Bayer Group."² As of 2024, our business with glyphosate-based products is for the first time being reported separately within the Herbicides strategic business entity; the prior-year figures are likewise shown separately.**Earnings**

EBITDA before special items at Crop Science decreased by 27.7% to €524 million in the second quarter of 2024 (Q2 2023: €725 million), mainly due to an unfavorable product mix and a reduction in allocations to provisions for the Group-wide short-term incentive (STI) program in the prior-year quarter. By contrast, there was a positive currency effect of €49 million (Q2 2023: negative currency effect of €96 million). The EBITDA margin before special items declined by 4.2 percentage points to 10.5%.

EBIT amounted to minus €229 million in the second quarter of 2024 (Q2 2023: minus €2,207 million) after net special charges of €79 million (Q2 2023: €2,353 million) that primarily related to ongoing restructuring measures.

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Special Items¹ Crop Science

€ million	EBIT Q2 2023	EBIT Q2 2024	EBIT H1 2023	EBIT H1 2024	EBITDA Q2 2023	EBITDA Q2 2024	EBITDA H1 2023	EBITDA H1 2024
Restructuring	(26)	(77)	(53)	(166)	(26)	(77)	(53)	(166)
Acquisition/integration	(16)	-	(18)	-	(16)	-	(18)	-
Divestments/closures	(4)	-	(22)	-	(4)	-	(22)	-
Litigation/legal risks	(8)	(2)	22	28	(8)	(1)	22	28
Impairment losses/loss reversals	(2,298)	-	(2,576)	-	(4)	-	(4)	-
Other	(1)	-	(2)	-	(1)	-	(2)	-
Total special items	(2,353)	(79)	(2,649)	(138)	(59)	(78)	(77)	(138)

¹ For definition see Annual Report 2023, A 2.3 "Alternative Performance Measures Used by the Bayer Group."

First half of 2024

Sales

In the first half of 2024, sales at Crop Science declined by 1.4% (Fx & portfolio adj.) to €12,888 million in a soft market environment, mainly due to significantly lower volumes for our non-glyphosate-based herbicides and our Fungicides business. By contrast, we recorded a substantial increase in sales of our glyphosate-based products. Sales at **Corn Seed & Traits** rose, especially in Europe/Middle East/Africa. However, growth was slowed by lower volumes in North and Latin America. In our **Herbicides** business, we recorded declines for our non-glyphosate-based products in all regions, largely due to increased competitive pressure in the Europe/Middle East/Africa region. Our glyphosate-based products saw a substantial increase in volumes and a market-driven decline in prices, especially in North America, with demand returning to normal levels. Business at **Fungicides** was down in all regions, with sales primarily impacted by significantly lower volumes in the Europe/Middle East/Africa region due to adverse weather and market conditions. Sales at **Soybean Seed & Traits** were up, primarily driven by higher volumes in North and Latin America. Our **Insecticides** business reported an increase in sales that was largely due to higher volumes and prices in the Europe/Middle East/Africa region. However, price declines in Latin America had a negative impact. Sales at **Cotton Seed** decreased, mainly due to negative regional price-mix effects in North America. Sales at **Vegetable Seeds** increased, with business growing particularly in Europe/Middle East/Africa due to higher prices. In the reporting unit “**Other**”, we registered a slight increase in sales that was predominantly due to higher volumes.

Earnings

EBITDA before special items at Crop Science declined by 15.5% to €3,373 million in the first half of 2024, mainly due to price declines for glyphosate-based products, an unfavorable product mix and a reduction in allocations to provisions for the Group-wide short-term incentive (STI) program in the prior-year period. There was a negative currency effect of €43 million (H1 2023: €42 million). The EBITDA margin before special items decreased by 3.9 percentage points to 26.2%.

EBIT came in at €1,834 million (H1 2023: €112 million) after net special charges of €138 million (H1 2023: €2,649 million) that primarily related to ongoing restructuring measures.

Pharmaceuticals

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Key Data – Pharmaceuticals

€ million	Q2 2023	Q2 2024	Change (%) ¹		H1 2023	H1 2024	Change (%) ¹	
			Reported	Fx & p adj.			Reported	Fx & p adj.
Sales	4,557	4,605	+ 1.1	+ 4.5	8,964	8,963	0.0	+ 4.2
Change in sales¹								
Volume	+ 0.9%	+ 1.5%			- 0.7%	+ 2.3%		
Price	- 0.7%	+ 3.0%			- 0.7%	+ 1.9%		
Currency	- 4.8%	- 3.4%			- 2.8%	- 4.2%		
Portfolio	- 0.8%	0.0%			- 0.9%	0.0%		
Sales by region								
Europe/Middle East/Africa	1,789	1,812	+ 1.3	+ 2.9	3,560	3,634	+ 2.1	+ 4.5
North America	1,171	1,256	+ 7.3	+ 6.4	2,281	2,366	+ 3.7	+ 3.8
Asia/Pacific	1,356	1,272	- 6.2	- 1.6	2,661	2,459	- 7.6	- 1.8
Latin America	241	265	+ 10.0	+ 40.7	462	504	+ 9.1	+ 38.2
EBITDA¹	1,304	1,293	- 0.8		2,368	2,392	+ 1.0	
Special items ¹	(75)	(29)			(117)	(124)		
EBITDA before special items¹	1,379	1,322	- 4.1		2,485	2,516	+ 1.2	
EBITDA margin before special items ¹	30.3%	28.7%			27.7%	28.1%		
EBIT¹	1,047	1,040	- 0.7		1,853	1,912	+ 3.2	
Special items ¹	(75)	(32)			(117)	(128)		
EBIT before special items¹	1,122	1,072	- 4.5		1,970	2,040	+ 3.6	
Net cash provided by operating activities	442	1,047	.		1,149	1,856	+ 61.5	
Cash flow-relevant capital expenditures	245	262	+ 6.9		450	440	- 2.2	
Research and development expenses	794	822	+ 3.5		1,674	1,578	- 5.7	

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

¹ For definition see Annual Report 2023, A 2.3 "Alternative Performance Measures Used by the Bayer Group."

Second quarter of 2024

Sales

In the Pharmaceuticals Division, we increased sales by 4.5% (Fx & portfolio adj.) to €4,605 million in the second quarter of 2024. We registered significant gains for our new products Nubeqa™ and Kerendia™, and also posted continued sales growth for Eylea™ and our Radiology business. By contrast, business was mainly held back by declines for Xarelto™ due to patent expirations.

- // As expected, sales of our oral anticoagulant **Xarelto™** decreased markedly as a result of competitive pressure from generics, especially in Canada and Europe. License revenues – recognized as sales – in the United States, where Xarelto™ is marketed by a subsidiary of Johnson & Johnson, were down against the prior-year quarter.
- // Our ophthalmology drug **Eylea™** delivered strong growth with contributions from all regions, mainly driven by higher volumes in Japan and Canada.
- // Sales of our cancer drug **Nubeqa™** rose significantly, with gains in all regions. The product therefore maintained its growth momentum, especially in the United States and Europe, with strong increases in volumes.
- // We also achieved considerable gains for **Kerendia™**, our product for the treatment of patients with chronic kidney disease associated with type 2 diabetes, mainly thanks to a substantial rise in volumes in the United States. The expansion of business in China also contributed to the positive development.
- // The strong increase in sales of our long-term contraceptives in the **Mirena™** product family was driven by higher volumes and prices, particularly in the United States and Brazil.
- // Business with our pulmonary hypertension treatment **Adempas™** was up significantly, especially in the United States. 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.
- // Sales of **Aspirin™ Cardio**, our product for the secondary prevention of heart attacks, increased, with business mainly up in China following a weak prior-year quarter.

- // The substantial sales declines for **Stivarga™**, our cancer drug, and **Adalat™**, our product for the treatment of hypertension and coronary heart disease, were primarily attributable to lower volumes in China.
- // We again registered very strong performance in our Radiology business, especially for **CT Fluid Delivery** and **Ultravist™**, driven by increased volumes and prices.

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Best-Selling Pharmaceuticals Products

€ million	Q2 2023	Q2 2024	Change (%) ¹		H1 2023	H1 2024	Change (%) ¹	
			Reported	Fx & p adj.			Reported	Fx & p adj.
Xarelto™	1,039	904	-13.0	-10.6	1,982	1,830	-7.7	-4.8
Eylea™	814	843	+3.6	+7.7	1,603	1,625	+1.4	+5.6
Nubeqa™	201	380	+89.1	+90.0	379	663	+74.9	+78.4
Mirena™/Kyleena™/Jaydess™	296	322	+8.8	+11.1	599	615	+2.7	+5.5
Adempas™	164	181	+10.4	+10.8	316	352	+11.4	+12.7
Kogenate™/Kovaltry™/Jivi™	192	180	-6.3	-4.2	384	347	-9.6	-7.6
YAZ™/Yasmin™/Yasminelle™	180	168	-6.7	+1.2	332	333	+0.3	+10.5
Aspirin™ Cardio	131	160	+22.1	+29.6	312	311	-0.3	+8.1
CT Fluid Delivery	125	139	+11.2	+11.1	249	273	+9.6	+10.5
Adalat™	144	112	-22.2	-20.1	321	239	-25.5	-21.7
Stivarga™	145	125	-13.8	-10.7	278	237	-14.7	-10.4
Ultravist™	124	122	-1.6	+10.6	242	236	-2.5	+10.3
Gadovist™ product family	115	108	-6.1	-0.4	233	213	-8.6	-1.8
Kerendia™	67	115	+71.6	+72.9	119	200	+68.1	+69.9
Betaferon™/Betaseron™	60	56	-6.7	-6.1	117	102	-12.8	-11.9
Total best-selling products	3,797	3,915	+3.1	+6.4	7,466	7,576	+1.5	+5.5
Proportion of Pharmaceuticals sales	83%	85%			83%	85%		

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

¹ For definition see Annual Report 2023, A 2.3 "Alternative Performance Measures Used by the Bayer Group."**Earnings**

EBITDA before special items at Pharmaceuticals decreased by 4.1% to €1,332 million in the second quarter of 2024 (Q2 2023: €1,379 million). The increase in sales was offset by an unfavorable product mix, which primarily related to the declines for Xarelto™, as well as high negative currency effects of €150 million (Q2 2023: €40 million) and a reduction in allocations to provisions for the Group-wide short-term incentive (STI) program in the prior-year quarter. By contrast, earnings benefited from a decrease in selling expenses for our more mature products. In addition, higher investments in early-stage research and our cell and gene therapy and chemoproteomics technologies were offset by significantly lower expenses for projects in advanced clinical development. The EBITDA margin before special items declined by 1.6 percentage points to 28.7%.

EBIT came in at €1,040 million in the second quarter of 2024 (Q2 2023: €1,047 million) after net special charges of €32 million (Q2 2023: €75 million). Special charges from ongoing restructuring measures were partly offset by special gains from the measurement of contingent considerations at fair value.

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Special Items¹ Pharmaceuticals

€ million	EBIT Q2 2023	EBIT Q2 2024	EBIT H1 2023	EBIT H1 2024	EBITDA Q2 2023	EBITDA Q2 2024	EBITDA H1 2023	EBITDA H1 2024
Restructuring	(106)	(99)	(161)	(184)	(106)	(96)	(161)	(180)
Divestments/closures	2	-	(28)	1	2	-	(28)	1
Litigations/legal risks	1	-	(15)	-	1	-	(15)	-
Other	28	67	87	55	28	67	87	55
Total special items	(75)	(32)	(117)	(128)	(75)	(29)	(117)	(124)

¹ For definition see Annual Report 2023, A 2.3 "Alternative Performance Measures Used by the Bayer Group."

First half of 2024

Sales

Sales at Pharmaceuticals increased by 4.2% (Fx & portfolio adj.) to €8,963 million in the first half of 2024. Growth was largely driven by our new products Nubeqa™ and Kerendia™, as well as by Eylea™ and our Radiology business, which maintained their strong performance. By contrast, business was held back by declines for Xarelto™ due to patent expirations and for Adalat™ as a result of tender procedures in China.

As expected, **Xarelto™** sales declined due to competitive pressure from generics. By contrast, we recorded encouraging gains for **Eylea™**, primarily thanks to strong volume growth. **Nubeqa™** sales increased considerably, largely driven by significantly higher volumes in the United States and Europe. We also posted substantial gains for **Kerendia™**, especially in the United States and China. **Adempas™** sales likewise rose markedly, mainly driven by business in the United States. Sales of **Kogenate™/Kovaltry™/Jivi™** were down due to competitive pressure and lower volumes. Our **YAZ™/Yasmin™/Yasminelle™** business developed very positively compared with a weak prior-year period. The substantial declines for **Adalat™** and **Stivarga™** were mainly attributable to lower volumes in China. Our Radiology business continued to post strong gains, especially for **CT Fluid Delivery** and **Ultravist™**, driven by increased volumes and prices.

Earnings

EBITDA before special items at Pharmaceuticals rose by 1.2% to €2,516 million in the first half of 2024. Earnings benefited from a decrease in selling expenses for our more mature products. Costs for R&D activities also decreased, with a significant decline in expenses for projects in advanced clinical development more than offsetting an increase in investments, especially for our cell and gene therapy and chemoproteomics technologies. By contrast, earnings were impacted by high negative currency effects of €277 million (H1 2023: €46 million) and a reduction in allocations to provisions for the Group-wide short-term incentive (STI) program in the prior-year period. The EBITDA margin before special items rose by 0.4 percentage points to 28.1%.

EBIT amounted to €1,912 million (H1 2023: €1,853 million) after net special charges of €128 million (H1 2023: €117 million). Special charges from ongoing restructuring measures were partly offset by special gains arising primarily from the measurement of contingent considerations at fair value.

Consumer Health

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Key Data – Consumer Health

€ million	Q2 2023	Q2 2024	Change (%) ¹		H1 2023	H1 2024	Change (%) ¹	
			Reported	Fx & p adj.			Reported	Fx & p adj.
Sales	1,466	1,458	-0.5	+5.3	3,039	2,890	-4.9	+1.6
Change in sales¹								
Volume	-4.4%	-5.5%			-4.2%	-9.0%		
Price	+9.8%	+10.8%			+8.9%	+10.6%		
Currency	-7.0%	-5.8%			-3.5%	-6.3%		
Portfolio	-0.4%	0.0%			-0.2%	-0.2%		
Sales by region								
Europe/Middle East/Africa	448	495	+10.5	+14.4	964	1,018	+5.6	+10.2
North America	594	536	-9.8	-10.5	1,206	1,064	-11.8	-11.1
Asia/Pacific	228	224	-1.8	+0.5	472	432	-8.5	-5.0
Latin America	196	203	+3.6	+38.2	397	376	-5.3	+27.3
EBITDA¹	328	280	-14.6		701	602	-14.1	
Special items ¹	(7)	(34)			(13)	(43)		
EBITDA before special items¹	335	314	-6.3		714	645	-9.7	
EBITDA margin before special items ¹	22.9%	21.5%			23.5%	22.3%		
EBIT¹	239	135	-43.5		521	364	-30.1	
Special items ¹	(7)	(75)			(13)	(84)		
EBIT before special items¹	246	210	-14.6		534	448	-16.1	
Net cash provided by operating activities	52	138			235	357	+51.9	
Cash flow-relevant capital expenditures	35	45	+28.6		55	71	+29.1	
Research and development expenses	53	65	+22.6		105	120	+14.3	

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

¹ For definition see Annual Report 2023, A 2.3 "Alternative Performance Measures Used by the Bayer Group."

Second quarter of 2024

Sales

Consumer Health increased sales by 5.3% (Fx & portfolio adj.) to €1,458 million in the second quarter of 2024, with double-digit percentage gains in the Dermatology and Nutritionals categories. We also registered strong growth at Digestive Health amid an improved supply situation. By contrast, sales declined markedly in the Allergy & Cold business, in part due to a weaker season.

- // Sales in **Europe/Middle East/Africa** grew by a double-digit percentage. We recorded substantial gains in the Digestive Health category, mainly driven by Iberogast™ and Rennie™. Sales were also up significantly at Nutritionals and Dermatology, partly thanks to Supradyn™, Elevit™ and Bepanthen™. Business in the Allergy & Cold category was down markedly, largely due to weaker demand for cough and cold products.
- // Sales in **North America** decreased significantly, with declines in all categories that were partly attributable to customers continuing to optimize their inventories, as expected. This effect primarily impacted our Allergy & Cold business. Sales of allergy products were additionally held back by a weaker season. The Nutritionals and Pain & Cardio categories also saw substantial declines. The launch of Iberogast™ in the United States benefited sales at Digestive Health and partially offset declines for other products in the category.
- // Sales in **Asia/Pacific** were level with the prior-year quarter. We registered significant gains in the Dermatology category, driven by Bepanthen™ and Canesten™, as well as product-line extensions for KangWang™. By contrast, we posted declines at Pain & Cardio and in the allergy business due to reduced demand.
- // Sales in **Latin America** were up, especially at Pain & Cardio, thanks to Actron™ and the Aspirin™ product family, and at Nutritionals, largely driven by Supradyn™ and Redoxon™. By contrast, the Allergy & Cold business declined slightly.

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Sales by Category

€ million	Q2 2023	Q2 2024	Change (%) ¹		H1 2023	H1 2024	Change (%) ¹	
			Reported	Fx & p adj.			Reported	Fx & p adj.
Consumer Health	1,466	1,458	-0.5	+5.3	3,039	2,890	-4.9	+1.6
Nutritionals	348	356	+2.3	+11.6	723	691	-4.4	+5.7
Allergy & Cold	323	265	-18.0	-17.6	733	600	-18.1	-17.1
Dermatology	337	374	+11.0	+13.8	682	723	+6.0	+10.5
Pain & Cardio	229	212	-7.4	+8.5	445	393	-11.7	+4.7
Digestive Health	216	245	+13.4	+14.5	426	467	+9.6	+11.8
Other	13	6	-53.8	-19.5	30	16	-46.7	-27.0

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

¹ For definition see Annual Report 2023, A 2.3 "Alternative Performance Measures Used by the Bayer Group."**Earnings**

EBITDA before special items at Consumer Health decreased by 6.3% to €314 million in the second quarter of 2024 (Q2 2023: €335 million). This was mainly due to a rise in costs and higher investments in our strong brands, such as the market launch of Iberogast™ in the United States. In addition, the prior-year quarter had benefited from income from the sale of minor, nonstrategic brands. These effects were partially offset by our continuous cost and price management efforts. There was a negative currency effect of €17 million (Q2 2023: €31 million). The EBITDA margin before special items declined by 1.4 percentage points to 21.5%.

EBIT amounted to €135 million (Q2 2023: €239 million) after special charges of €75 million (Q2 2023: €7 million) relating to restructuring and the winding down of Care/of, the direct-to-consumer nutritional supplements business in the United States.

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Special Items¹ Consumer Health

€ million	EBIT Q2 2023	EBIT Q2 2024	EBIT H1 2023	EBIT H1 2024	EBITDA Q2 2023	EBITDA Q2 2024	EBITDA H1 2023	EBITDA H1 2024
Restructuring	(7)	(32)	(13)	(41)	(7)	(32)	(13)	(41)
Divestments/closures	-	(43)	-	(43)	-	(2)	-	(2)
Total special items	(7)	(75)	(13)	(84)	(7)	(34)	(13)	(43)

¹ For definition see Annual Report 2023, A 2.3 "Alternative Performance Measures Used by the Bayer Group."**First half of 2024****Sales**

Sales at Consumer Health advanced by 1.6% (Fx & portfolio adj.) to €2,890 million in the first half of 2024. We recorded substantial growth in the Digestive Health category amid an improved supply situation. We also benefited from strong performance in the Dermatology category, which was mainly driven by Bepanthen™ and Canesten™, as well as encouraging gains at Nutritionals. In addition, the Pain & Cardio category grew in Latin America (Fx & portfolio adj.). By contrast, we registered considerable declines in the Allergy & Cold business against a strong prior-year period, driven by a weaker season and inventory optimization by our customers in North America.

Earnings

EBITDA before special items at Consumer Health declined by 9.7% to €645 million in the first half of 2024. This was mainly due to a rise in costs and higher investments in our strong brands, such as the market launch of Iberogast™ in the United States, as well as material negative currency effects of €63 million (H1 2023: €35 million). In addition, the prior-year period had benefited from income from the sale of minor, nonstrategic brands. However, we were able to partially offset these effects thanks to our continuous cost and price management efforts. The EBITDA margin before special items declined by 1.2 percentage points to 22.3%.

EBIT amounted to €364 million (H1 2023: €521 million) after special charges of €84 million (H1 2023: €13 million) relating to restructuring and the winding down of Care/of, the direct-to-consumer nutritional supplements business in the United States.

1.3 Asset and Financial Position of the Bayer Group Statement of Cash Flows

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Bayer Group Summary Statements of Cash Flows

€ million	Q2 2023	Q2 2024	H1 2023	H1 2024
Net cash provided by (used in) operating activities (total)	484	2,410	(3,066)	260
Net cash provided by (used in) investing activities (total)	(1,097)	(2,603)	505	(2,300)
Net cash provided by (used in) financing activities (total)	272	(692)	1,934	(15)
Change in cash and cash equivalents due to business activities	(341)	(885)	(627)	(2,055)
Cash and cash equivalents at beginning of period	4,854	4,725	5,171	5,907
Change due to exchange rate movements and to changes in scope of consolidation	(32)	48	(63)	36
Cash and cash equivalents at end of period	4,481	3,888	4,481	3,888

Second quarter of 2024

Net cash provided by operating activities

// Net operating cash flow in the second quarter of 2024 amounted to €2,410 million (Q2 2023: €484 million). This increase was partly due to lower payments for the Group-wide short-term incentive (STI) program and positive effects arising from the reduction of inventories. Payments to resolve proceedings in the litigations surrounding glyphosate, PCBs and dicamba resulted in a net outflow of €28 million (Q2 2023: €153 million).

Net cash used in investing activities

// Net investing cash flow in the second quarter of 2024 stood at minus €2,603 million (Q2 2023: minus €1,097 million).
// Net cash outflows for current financial assets totaled €2,044 million (Q2 2023: net cash inflows of €12 million) and were mainly attributable to investments in money market funds.

Net cash used in financing activities

// There was a net cash outflow of €692 million for financing activities in the second quarter of 2024 (Q2 2023: net cash inflow of €272 million).
// This included net borrowings of €55 million (Q2 2023: €3,025 million). The high prior-year figure was largely attributable to the issuance of new senior bonds for general corporate purposes.
// Net interest payments came to €604 million (Q2 2023: €416 million).
// The Bayer Group paid out €113 million (2023: €2,360 million) in dividends.

Free cash flow

// Free cash flow (total) came in at €1,273 million in the second quarter of 2024 (Q2 2023: minus €473 million), mainly due to the increase in operating cash flow.

First half of 2024

Net cash provided by operating activities

// Net operating cash flow in the first half of 2024 came in at €260 million (H1 2023: minus €3,066 million). This increase was primarily due to lower payments overall to resolve proceedings in the litigations surrounding glyphosate, dicamba, Essure™ and PCBs, with a net payout of €195 million (H1 2023: €1,689 million).

Net cash used in investing activities

// Net investing cash flow in the first half of 2024 came in at minus €2,300 million (H1 2023: €505 million). This decline was largely driven by outflows for current financial assets due to investments in money market funds.

Net cash used in financing activities

// There was a net cash outflow of €15 million for financing activities in the first half of 2024 (H1 2023: net cash inflow of €1,934 million). The high net cash inflow in the prior-year period was partly attributable to the issuance of new senior bonds for general corporate purposes, but also included outflows for the dividend payout for the Bayer Group.

Free cash flow

// Free cash flow (total) amounted to minus €1,353 million in the first half of 2024 (H1 2023: minus €4,575 million). This development was mainly attributable to the significant increase in operating cash flow.

Net financial debt

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Net Financial Debt¹

€ million	Dec. 31, 2023	Mar. 31, 2024	June 30, 2024	Change vs. Mar. 31 (%)
Bonds and notes	40,852	41,312	41,794	+ 1.2
of which hybrid bonds ²	4,878	4,879	4,880	–
Liabilities to banks ³	784	1,765	1,577	– 10.7
Lease liabilities	1,238	1,251	1,247	– 0.3
Liabilities from derivatives ⁴	217	69	89	+ 29.0
Other financial liabilities	1,915	1,871	1,871	–
Receivables from derivatives ⁴	(39)	(72)	(179)	+ 148.6
Financial debt	44,967	46,196	46,399	+ 0.4
Cash and cash equivalents	(5,907)	(4,725)	(3,888)	– 17.7
Current financial assets ⁵	(4,562)	(3,983)	(5,751)	+ 44.4
Net financial debt¹	34,498	37,488	36,760	– 1.9

¹ For definition see Annual Report 2023, A 2.3 "Alternative Performance Measures Used by the Bayer Group."

² Classified as debt according to IFRS

³ Including both financial and nonfinancial liabilities

⁴ Including the market values of interest-rate and currency hedges of recorded transactions

⁵ Including short-term receivables with maturities between 3 and 12 months outstanding from banks and other companies as well as financial investments in debt and equity instruments that were recorded as current on first-time recognition

// Net financial debt of the Bayer Group decreased by €0.7 billion to €36.8 billion in the second quarter of 2024 (March 31, 2024: €37.5 billion), mainly as a result of cash inflows from operating activities.

// In June 2024, Bayer AG placed its first bond on the Chinese capital market. Known as a Panda bond, the issuance has a volume of CNY 2 billion (€256 million), a maturity of two years and a coupon of 2.2%.

// The rating agencies currently assess Bayer as follows:

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Rating

Rating agency	Long-term rating	Short-term rating	Outlook
S&P Global Ratings	BBB	A-2	stable
Moody's	Baa2	P-2	negative
Fitch Ratings	BBB	F2	stable

Asset and capital structure

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Bayer Group Summary Statements of Financial Position

€ million	Dec. 31, 2023	31.03.2024	June 30, 2024	Change vs. Mar. 31 (%)
Noncurrent assets	78,703	79,714	79,715	–
Assets held for sale	51	14	1	–92.9
Other current assets	37,505	40,153	40,143	–
Current assets	37,556	40,167	40,144	–0.1
Total assets	116,259	119,881	119,859	–
Equity	33,078	35,762	35,847	+0.2
Noncurrent liabilities	53,724	53,489	52,451	–1.9
Current liabilities	29,457	30,630	31,561	+3.0
Liabilities	83,181	84,119	84,012	–0.1
Total equity and liabilities	116,259	119,881	119,859	–

// Between the first quarter and June 30, 2024, total assets remained nearly unchanged at €119.9 billion.

// Noncurrent assets were level in the second quarter, at €79.7 billion. Major factors here included a €0.3 billion net decline in other intangible assets (mainly due to amortization) and a €0.2 billion increase in deferred tax assets.

// Total current assets were largely stable at €40.1 billion. The main effects here included a €0.7 billion decline in receivables and a €0.3 billion decrease in inventories for Crop Science's seasonal business, as well as a €0.8 billion reduction in cash and cash equivalents, which were offset by a €1.9 billion increase in investments in money market funds.

// At €35.8 billion, equity was likewise nearly level compared with March 31, 2024. The equity ratio was nearly unchanged at 29.9% as of June 30, 2024 (March 31, 2024: 29.8%).

// Liabilities were also virtually unchanged compared with the previous quarter, amounting to €84.0 billion as of June 30, 2024. The placement of the Panda bond on the Chinese capital market (+€0.3 billion) was a particularly significant effect. This was offset by a €0.3 billion decline in trade accounts payable, among other things.

2. Research, Development, Innovation

Crop Science

License agreements / collaborations

In April, we announced a new agreement with UK-based company AlphaBio Control to secure an exclusive license for the first-ever biological insecticide available for arable crops, including oilseed rape and cereals. Targeted for initial launch in 2028, the new bioinsecticide has potential for use against Coleoptera insects, which are widespread in the United Kingdom and throughout much of Europe. It will also support Bayer's commitment to reduce the environmental impact of crop protection products by 30% by 2030 without negatively impacting crop yields and health.

In May, as part of our strategic open innovation approach, we announced the advancement of two initiatives with external partners to bring forward genome editing in vegetables.

We have also entered into a collaboration agreement with the South-Korean biotech company G+FLAS to develop genome-edited tomato varieties that are nutritionally enhanced with vitamin D3.

Additionally, we have acquired a license from the startup company Pairwise, United States, that grants us rights to commercialize Pairwise's genome-edited varieties and to use the underlying technologies to develop new varieties.

Pharmaceuticals

We regularly review our research and development pipeline so that we can give priority to advancing the most promising pharmaceutical projects.

Phase II and III clinical projects

The following table shows our most important drug candidates currently in Phase II of clinical testing:

A 18

Research and Development Projects (Phase II)

Project	Indication
Anti alpha2-antiplasmin	Thrombolysis

As of July 24, 2024

The following table shows our most important drug candidates currently in Phase III of clinical testing:

A 19

Research and Development Projects (Phase III)

Project	Indication
Aflibercept 8 mg (VEGF inhibitor) ¹	Macular edema secondary to retinal vein occlusion
Asundexian (FXIa inhibitor)	Secondary prevention of ischemic stroke
Darolutamide (ODM-201, AR antagonist)	Hormone-sensitive metastatic prostate cancer
Darolutamide (ODM-201, AR antagonist)/ADT without chemotherapy	Adjuvant treatment for localized prostate cancer with very high risk of recurrence
Darolutamide (ODM-201, AR antagonist)/ADT	Hormone-sensitive prostate cancer in patients with a high risk of biochemical recurrence (BCR)
Elinzanetant (neurokinin 1,3 receptor antagonist)	Vasomotor symptoms associated with menopause
Finerenone (MR antagonist)	Heart failure with mid-range or preserved ejection fraction
Finerenone (MR antagonist)	Non-diabetic chronic kidney disease
Finerenone (MR antagonist)	Chronic kidney disease in type 1 diabetes
Gadoquatrane (MRI contrast agent)	Magnetic resonance imaging
Vericiguat (sGC stimulator) ²	Stable heart failure with reduced ejection fraction (HFrEF)

As of July 24, 2024

¹ In collaboration with Regeneron Pharmaceuticals, Inc., United States

² In collaboration with Merck & Co., Inc., United States

The nature of drug discovery and development is such that not all compounds can be expected to meet the predefined project goals. It is possible that any or all of the projects listed above may have to be discontinued due to scientific and/or commercial reasons and will not result in commercialized products. It is also possible that the requisite US Food and Drug Administration (FDA), European Medicines Agency (EMA) or other regulatory approvals will not be granted for these compounds. Moreover, we regularly review our research and development pipeline so that we can give priority to advancing the most promising pharmaceutical projects.

The following material developments occurred in the first half of 2024:

Aflibercept

// In May, we initiated the clinical Phase III PHOTONIC study investigating Eylea 8 mg in diabetic macular edema (DME) in China.

Zabedoseritib

// In April, we decided not to further pursue the development of zabedoseritib, a Phase II project in the indication atopic dermatitis. We remain determined to driving advances in the field of immunology.

Runcaciguat

// In June, we decided not to further pursue the development of runcaciguat, a soluble guanylate cyclase (sGC) activator in Phase II clinical development, in the indication nonproliferative diabetic retinopathy (NPDR). We will continue the sGC activator/CKD development program with the oral sGC activator BAY3283142, a follow-up compound to runcaciguat which shows an improved PK/PD (pharmacokinetic/pharmacodynamic) profile and is currently completing Phase I clinical development.

Filings and approvals

The most important drug candidates currently in the approval process are:

A 20

Main Products Submitted for Approval

Project	Region	Indication
Aflibercept 8mg (VEGF inhibitor) ¹	China	Neovascular age-related macular degeneration (nAMD)

As of July 24, 2024

¹ In collaboration with Regeneron Pharmaceuticals, Inc., United States

Darolutamide

// In July, the ARANOTE study reached its primary endpoint. In the study arm with darolutamide and androgen deprivation therapy, the radiographic progression-free survival was significantly increased in patients with metastatic hormone-sensitive prostate cancer compared to the study arm without darolutamide.

Cell and gene therapy

With the expansion of our development portfolio to include cell and gene therapies, we now have new, potentially transformative therapy forms that intervene in disease mechanisms and can even halt or reverse the progression of diseases in the future. Our development portfolio comprises seven projects at different stages of clinical development. These projects cover several therapeutic areas with a high unmet medical need, both in rare diseases and in more prevalent diseases. Our two most advanced programs are in Parkinson's disease and congestive heart failure.

The following material developments occurred in the first half of 2024:

- // In February 2024, we announced that the first patient had been randomized in AskBio's Phase II gene therapy trial for congestive heart failure GenePHIT. GenePHIT is a clinical trial to evaluate the safety and efficacy of the one-time administration of gene therapy candidate AB-1002 for the treatment of adults with non-ischemic cardiomyopathy and New York Heart Association (NYHA) Class III heart failure symptoms. In April 2024, we announced that the US Food and Drug Administration (FDA) had granted Fast Track Designation to AB-1002.
- // Also in April 2024, we announced together with our subsidiary AskBio that the Phase Ib trial of AB-1005, an investigational gene therapy candidate for the treatment of Parkinson's disease, continued to show positive results at 18 months. In July, we announced that the US FDA had granted AB-1005 Fast Track Designation, and the British Medicines and Healthcare products Regulatory Agency (MHRA) had awarded the MHRA Innovation Passport.
- // Similarly, in March 2024, we announced together with our subsidiary BlueRock Therapeutics that the Phase I trial of bemdaneprocel, an investigational cell therapy candidate for the treatment of Parkinson's disease, continued to show positive results at 18 months.
- // In May 2024, we announced that the US FDA had granted the Regenerative Medicine Advanced Therapy (RMAT) designation for the Parkinson's disease cell therapy candidate bemdaneprocel.

Chemoproteomics

The chemoproteomics platform technology of our US subsidiary Vividion Therapeutics, Inc., enables us to unlock a multitude of traditionally undruggable target molecules with precision oncology therapeutics. In July 2024, Vividion announced plans to expand its capacities with the construction of a new research and development center and corporate headquarters in San Diego, California.

External innovation

In the area of external innovation, progress was made as follows in the first half of 2024.

- // In January, our US subsidiary BlueRock Therapeutics announced the in-licensing of the iPSC cell therapy candidate OpCT-001 for the treatment of primary photoreceptor diseases from FUJIFILM Cellular Dynamics, Inc., United States, and Opsi Therapeutics, LLC, United States.
- // In March, we announced the acquisition of exclusive commercialization rights for acoramidis in Europe from Eidos Therapeutics Inc., United States, BridgeBio International GmbH, Switzerland, and BridgeBio Europe B.V., Netherlands, to strengthen our cardiology portfolio.
- // Also in March, we announced a collaboration with Aignostics GmbH, Germany, to identify novel targets in the area of precision oncology therapies.
- // Likewise in March, we announced a collaboration with Thermo Fisher Scientific Inc., United States, in the field of precision oncology to jointly develop diagnostic tests based on next-generation sequencing.
- // In April, we announced a collaboration with Google Cloud Limited, Ireland, to develop AI-powered solutions for radiologists.
- // Also in April, we announced a research collaboration with Evotec SE, Germany, in the field of precision cardiology.
- // In June, we announced a collaboration with Samsung Electronics America, Inc., United States, in the area of women's healthcare.
- // Likewise in June, we announced plans to build the Berlin Center for Gene and Cell Therapies in cooperation with Charité – Universitätsmedizin Berlin. The aim of this collaboration with the Berlin-based university hospital is to accelerate the translation of research results into healthcare applications. At the same time, we are aiming to establish a leading biotech ecosystem for novel therapies in Berlin and help startups in particular transition their innovative gene and cell therapy approaches to clinical development. The project will receive funding from the German Federal Ministry of Education and Research and the State of Berlin. Construction is scheduled to begin in 2025.

Consumer Health

Our Consumer Health Division continued to innovate to meet consumer needs in the first half of 2024.

In particular, we are advancing our vision for digitally led, precision-health solutions. Following the launch of the Aspirin Cardio Risk Assessment tool in the United States in 2023, we expanded the tool to the Middle East, enabling individuals to assess their cardiovascular risk factors. Under our One A Day™ brand in the United States, we also launched our first holistic precision-health ecosystem focused on helping consumers manage their healthy aging journey. This ecosystem encompasses a biological age test, a specially formulated supplement and a companion lifestyle app.

Iberogast™, our plant-based digestive health product, launched in the United States, where we premiered an innovative and consumer-driven softgel format. As part of the market launch, we also expanded the Liquid Drops format to the US market. Both presentations offer American consumers a new, differentiated and science-backed option for relieving many digestive health symptoms.

Leaps by Bayer

Our impact investment arm Leaps by Bayer announced investments in two new companies in the first half of 2024. Leaps participated in a financing round for Ji Xing Pharmaceuticals Limited, Cayman Islands, to develop novel therapies for the treatment of unmet medical needs in the fields of cardiovascular diseases and ophthalmology for China. Leaps also invested in Sudo Biosciences, Inc., United States, a biotech company that is working on the development of novel therapies for inflammatory and neurodegenerative diseases such as multiple sclerosis. Furthermore, two of the companies in the Leaps portfolio announced IPOs: Metagenomi Inc., United States, which conducts research in the field of cell and gene therapy, and BoundlessBio, Inc., United States, which develops innovative therapies for patients with intractable cancers. In addition, the Leaps portfolio company eGenesis, Inc., United States, made medical history by successfully performing the first-ever intracorporeal transplantation of a porcine kidney into a living human patient. It also announced the successful completion of an extracorporeal perfusion of a brain-dead research donor using a genetically engineered porcine liver.

In agriculture, our Crop Science Division and the Leaps portfolio company Grão Direto LLC, United States, announced the commercialization of a new digital offering called Barter View in Brazil. Barter View enables farmers in rural regions to use their mobile phones to manage their trading operations while simultaneously allowing real-time retrieval of information and up-to-date prices. As already mentioned in the section on the Crop Science Division, we also acquired a license from the Leaps portfolio company Pairwise Plants LLC, United States, a food and agricultural technology startup company that develops new genomic technologies for the development of innovative products.

3. Report on Future Perspectives and on Opportunities and Risks

3.1 Future Perspectives

3.1.1 Economic Outlook

Global economic situation largely unchanged

Based on International Monetary Fund (IMF) data, we continue to expect the global economy to grow by a below-average, low-single-digit percentage in 2024². Risks to inflation will likely increase, as could trade tensions and political uncertainty, all of which could lead to higher-for-even-longer interest rates.

We now expect the **seed and crop protection market** to see further pressure and decline by 1%³ (previously: grow by 2%) in 2024. Prices for key active ingredients and agricultural products remain low, and price-driven generics pressure continues across all geographies, especially in herbicides. Although the market for seeds and traits is growing moderately, driven by vegetable seeds as well as acreage increase in soybeans and cotton, it is not able to offset the negative market environment for crop protection products.

We now expect the **pharmaceuticals market** to expand by approximately 9%⁴ (previously: 7%) in 2024. Innovative products will continue to drive growth and more than offset losses due to the expiration of patents.

We now expect growth of approximately 4%⁵ (previously: 5%) in the **consumer health market** in 2024, driven mostly by price increases, with slightly lower growth than in the prior year due to softening economic conditions, led by deceleration in China.

² Source: International Monetary Fund (as of July 2024)

³ Source: Bayer's estimate (as of June 2024), plus various local sources; currency-adjusted

⁴ Source: IQVIA Market Prognosis (as of March 2024), all rights reserved; currency-adjusted

⁵ Source: Bayer's estimate (as of July 2024), taking into account external sources; currency-adjusted

3.1.2 Corporate Outlook

We confirm our Group outlook for the year 2024 as published in the Annual Report 2023 and the Quarterly Statement for the first quarter of 2024.

For the Crop Science Division, we expect currency- and portfolio-adjusted sales growth and the EBITDA margin before special items to come in at the lower end of the projected ranges. For the Pharmaceuticals Division, however, we now anticipate currency- and portfolio-adjusted sales growth of between 0% and 3% (previously: between minus 4% and 0%).

3.2 Opportunities and Risks

As a global enterprise with a diversified portfolio, the Bayer Group is exposed to a wide range of internal and external developments and events that could significantly impact the achievement of our financial and nonfinancial objectives.

Opportunity and risk management at Bayer forms an integral part of the Group-wide corporate governance system. Our opportunity and risk management process and opportunity and risk status are outlined in detail in the Annual Report 2023, A 3.2 "Opportunity and Risk Report."

Overall assessment by the Board of Management

We currently have not identified any material changes in our risk status compared with the assessment given in the Annual Report 2023. In the opinion of the Board of Management, the Bayer Group's continued existence remains unendangered.

Significant developments that have occurred in respect of the legal risks since publication of the Annual Report 2023 (Note [30] to the Consolidated Financial Statements) are described in the Notes to the Condensed Consolidated Interim Financial Statements under "Legal Risks."

Condensed Consolidated Interim Financial Statements as of June 30, 2024

Bayer Group Condensed Consolidated Income Statements

B 1

€ million	Q2 2023	Q2 2024	H1 2023	H1 2024
Net sales	11,044	11,144	25,433	24,909
Cost of goods sold	(4,718)	(4,994)	(10,451)	(10,457)
Gross profit	6,326	6,150	14,982	14,452
Selling expenses	(3,196)	(3,362)	(6,590)	(6,607)
Research and development expenses	(1,228)	(1,499)	(2,799)	(2,925)
General administration expenses	(489)	(688)	(1,147)	(1,271)
Other operating income	614	523	998	792
Other operating expenses	(2,983)	(599)	(3,427)	(824)
EBIT¹	(956)	525	2,017	3,617
Equity-method income (loss)	(45)	(35)	(82)	(49)
Financial income	63	95	212	256
Financial expenses	(636)	(682)	(1,115)	(1,330)
Financial result	(618)	(622)	(985)	(1,123)
Income before income taxes	(1,574)	(97)	1,032	2,494
Income taxes	(315)	71	(739)	(518)
Income after income taxes	(1,889)	(26)	293	1,976
of which attributable to noncontrolling interest	(2)	8	2	10
of which attributable to Bayer AG stockholders (net income)	(1,887)	(34)	291	1,966
€				
Earnings per share				
Basic	(1.92)	(0.03)	0.30	2.00
Diluted	(1.92)	(0.03)	0.30	2.00

¹ For definition see Annual Report 2023, A 2.3 "Alternative Performance Measures Used by the Bayer Group."

Bayer Group Condensed Consolidated Statements of Comprehensive Income

B 2

€ million	Q2 2023	Q2 2024	H1 2023	H1 2024
Income after income taxes	(1,889)	(26)	293	1,976
of which attributable to noncontrolling interest	(2)	8	2	10
of which attributable to Bayer AG stockholders	(1,887)	(34)	291	1,966
Remeasurements of the net defined benefit liability for post-employment benefit plans	234	55	744	6
Income taxes	(64)	(8)	(196)	5
Other comprehensive income from remeasurements of the net defined benefit liability for post-employment benefit plans	170	47	548	11
Changes in the fair value of equity instruments measured at fair value	1	(41)	(13)	(44)
Income taxes	(4)	4	(3)	6
Other comprehensive income from equity instruments measured at fair value	(3)	(37)	(16)	(38)
Other comprehensive income that will not be reclassified subsequently to profit or loss	167	10	532	(27)
Changes in the fair value of cash flow hedges	(49)	31	(66)	(22)
Reclassified to profit or loss	(20)	(11)	(1)	(24)
Income taxes	16	(8)	14	5
Other comprehensive income from cash flow hedges	(53)	12	(53)	(41)
Changes in time value of options used as hedging instrument	(1)	6	(7)	7
Income taxes	–	(2)	2	(2)
Other comprehensive income from time value of options	(1)	4	(5)	5
Changes in exchange differences recognized on translation of operations outside the eurozone	231	199	(211)	949
Reclassified to profit or loss	12	(1)	12	(1)
Other comprehensive income from exchange differences	243	198	(199)	948
Other comprehensive income relating to associates accounted for using the equity method	–	(1)	(2)	(3)
Other comprehensive income that may be reclassified subsequently to profit or loss	189	213	(259)	909
Total other comprehensive income¹	356	223	273	882
of which attributable to noncontrolling interest	3	–	1	4
of which attributable to Bayer AG stockholders	353	223	272	878
Total comprehensive income	(1,533)	197	566	2,858
of which attributable to noncontrolling interest	1	8	3	14
of which attributable to Bayer AG stockholders	(1,534)	189	563	2,844

¹ Other comprehensive income is recognized outside profit or loss in equity.

Bayer Group Condensed Consolidated Statements of Financial Position

B 3

€ million	June 30, 2023	Dec. 31, 2023	June 30, 2024
Noncurrent assets			
Goodwill	36,922	32,299	32,896
Other intangible assets	23,438	23,363	22,985
Property, plant and equipment	13,177	13,321	13,487
Investments accounted for using the equity method	930	850	817
Other financial assets	1,867	2,267	2,362
Other receivables	1,212	1,132	1,252
Deferred taxes	5,344	5,471	5,916
	82,890	78,703	79,715
Current assets			
Inventories	13,768	13,947	13,088
Trade accounts receivable	13,717	9,343	13,442
Other financial assets	3,149	4,836	6,136
Other receivables	2,079	2,030	1,959
Claims for income tax refunds	1,569	1,442	1,630
Cash and cash equivalents	4,481	5,907	3,888
Assets held for sale	14	51	1
	38,777	37,556	40,144
Total assets	121,667	116,259	119,859
Equity			
Capital stock	2,515	2,515	2,515
Capital reserves	18,261	18,261	18,261
Other reserves	16,172	12,151	14,911
Equity attributable to Bayer AG stockholders	36,948	32,927	35,687
Equity attributable to noncontrolling interest	176	151	160
	37,124	33,078	35,847
Noncurrent liabilities			
Provisions for pensions and other post-employment benefits	3,596	4,014	3,569
Other provisions	8,296	7,784	7,702
Refund liabilities	194	14	182
Contract liabilities	517	436	367
Financial liabilities	36,557	38,176	37,397
Income tax liabilities	1,451	1,523	1,581
Other liabilities	1,028	987	817
Deferred taxes	717	790	836
	52,356	53,724	52,451
Current liabilities			
Other provisions	3,618	3,241	3,441
Refund liabilities	8,014	5,463	8,390
Contract liabilities	1,657	3,856	1,371
Financial liabilities	9,960	6,830	9,181
Trade accounts payable	5,970	7,456	6,127
Income tax liabilities	799	619	906
Other liabilities	2,169	1,992	2,145
	32,187	29,457	31,561
Total equity and liabilities	121,667	116,259	119,859

Bayer Group Condensed Consolidated Statements of Cash Flows

B 4

€ million	Q2 2023	Q2 2024	H1 2023	H1 2024
Income after income taxes	(1,889)	(26)	293	1,976
Income taxes	315	(71)	739	518
Financial result	618	622	985	1,123
Income taxes paid	(406)	(361)	(872)	(799)
Depreciation, amortization and impairment losses (loss reversals)	3,287	1,142	4,632	2,255
Change in pension provisions	(139)	(158)	(247)	(275)
(Gains) losses on retirements of noncurrent assets	(20)	(7)	(42)	(62)
Decrease (increase) in inventories	(163)	391	(194)	957
Decrease (increase) in trade accounts receivable	856	680	(3,532)	(4,129)
(Decrease) increase in trade accounts payable	(300)	(187)	(1,458)	(1,358)
Changes in other working capital, other noncash items	(1,675)	385	(3,370)	54
Net cash provided by (used in) operating activities	484	2,410	(3,066)	260
Cash outflows for additions to property, plant, equipment and intangible assets	(606)	(628)	(1,072)	(1,074)
Cash inflows from the sale of property, plant, equipment and other assets	60	5	102	101
Cash inflows from divestments less divested cash	(20)	9	(14)	16
Income tax payments related to divestments and asset sales	(290)	–	(355)	–
Cash inflows from noncurrent financial assets	130	9	130	9
Cash outflows for noncurrent financial assets	(95)	(49)	(246)	(94)
Cash outflows for acquisitions less acquired cash	(353)	–	(482)	(95)
Interest and dividends received	65	95	162	255
Cash inflows from (outflows for) current financial assets	12	(2,044)	2,280	(1,418)
Net cash provided by (used in) investing activities	(1,097)	(2,603)	505	(2,300)
Capital contributions	23	–	23	–
Dividend payments	(2,360)	(113)	(2,360)	(113)
Issuances of debt	3,750	1,371	5,936	2,930
Retirements of debt	(725)	(1,316)	(1,066)	(2,008)
Interest paid including interest-rate swaps	(422)	(609)	(605)	(799)
Interest received from interest-rate swaps	6	5	6	5
Cash outflows for the purchase of additional interests in subsidiaries	–	(30)	–	(30)
Net cash provided by (used in) financing activities	272	(692)	1,934	(15)
Change in cash and cash equivalents due to business activities	(341)	(885)	(627)	(2,055)
Cash and cash equivalents at beginning of period	4,854	4,725	5,171	5,907
Change in cash and cash equivalents due to changes in scope of consolidation	(1)	–	(1)	–
Change in cash and cash equivalents due to exchange rate movements	(31)	48	(62)	36
Cash and cash equivalents at end of period	4,481	3,888	4,481	3,888

Bayer Group Condensed Consolidated Statements of Changes in Equity

B 5

€ million	Capital stock	Capital reserves	Other reserves	Equity attributable to Bayer AG stockholders	Equity attributable to non-controlling interest	Equity
Jan. 1, 2023	2,515	18,261	17,997	38,773	153	38,926
Total comprehensive income						
Income after income taxes			291	291	2	293
Other comprehensive income			272	272	1	273
Miscellaneous other changes						
Equity transactions with owners						
Dividend payments			(2,358)	(2,358)	(2)	(2,360)
Other changes			(30)	(30)	22	(8)
June 30, 2023	2,515	18,261	16,172	36,948	176	37,124
Jan. 1, 2024	2,515	18,261	12,151	32,927	151	33,078
Total comprehensive income						
Income after income taxes			1,966	1,966	10	1,976
Other comprehensive income			878	878	4	882
Miscellaneous other changes						
Equity transactions with owners						
Dividend payments			(108)	(108)	(5)	(113)
Other changes			24	24	–	24
June 30, 2024	2,515	18,261	14,911	35,687	160	35,847

Notes to the Condensed Consolidated Interim Financial Statements of the Bayer Group

Explanatory Notes

Accounting policies

The consolidated interim financial statements as of June 30, 2024, were prepared in condensed form in compliance with IAS 34 according to the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB), London, which are endorsed by the European Union, and the Interpretations of the IFRS Interpretations Committee in effect at the closing date.

Reference should be made as appropriate to the Notes to the Consolidated Financial Statements for the 2023 fiscal year, particularly with regard to the main recognition and valuation principles. As regards those Notes' listed standards, amendments and interpretations to be applied for the first time in fiscal 2024, none have had any material impact on the Bayer Group this fiscal year.

Impact of the geopolitical situation

We do not currently see any material impact of Russia's invasion of Ukraine or the Middle East conflict on our business operations and thus the Group's financial position or results of operations.

We are continually analyzing the future direct and indirect effects of economic and political developments on the valuation of assets and liabilities, such as possible impacts on supply chains and energy supplies.

Impact of climate-related matters

We are continuing to monitor the risks from climate-related matters and to develop innovative and sustainable methods to minimize these risks. Taking the latest information and assumptions into account, we do not currently see any fundamentally changed expectations with regard to the Group's financial position or results of operations.

Changes in underlying parameters

Changes in the underlying parameters relate primarily to currency exchange rates and the interest rates used to calculate pension obligations. The exchange rates for major currencies against the euro varied as follows:

B 6

Exchange Rates for Major Currencies

€1 /		Closing rate			Average rate	
		Dec. 31, 2023	June 30, 2023	June 30, 2024	H1 2023	H1 2024
BRL	Brazil	5.36	5.30	5.87	5.48	5.48
CAD	Canada	1.46	1.44	1.47	1.46	1.47
CNY	China	7.87	7.90	7.80	7.49	7.82
GBP	United Kingdom	0.87	0.86	0.85	0.88	0.85
INR	India	91.97	89.04	89.20	88.85	90.01
JPY	Japan	156.34	157.08	171.82	145.51	164.19
MXN	Mexico	18.74	18.54	19.56	19.65	18.48
USD	United States	1.11	1.09	1.07	1.08	1.08

B 7

Application of IAS 29 (Financial Reporting in Hyperinflationary Economies)

Company name	Place of business	Applied since
Bayer S. A.	Buenos Aires, Argentina	July 1, 2018
Bayer Türk Kimya Sanayii Limited Sirketi	Istanbul, Turkey	April 1, 2022
Monsanto Gıda Ve Tarım Ticaret Ltd Sirketi	Istanbul, Turkey	April 1, 2022
Bayer Tohumculuk ve Tarım Limited Sirketi	Istanbul, Turkey	March 7, 2023

The effects in initial and ongoing accounting have so far been immaterial for the Group.

In Argentina, hyperinflation is based on the index "IPC Nacional Empalme IPIM" (2017=100) with an index value of 6,347 as of June 30, 2024 (December 31, 2023: 3,533), and an annual inflation rate of 80% since December 31, 2023 (prior-year period: 51%). In Turkey, hyperinflation is based on the "Consumer price index (2003=100)" with an index value of 2,319 as of June 30, 2024 (December 31, 2023: 1,859), and an annual inflation rate of 25% since December 31, 2023 (prior-year period: 20%).

The most important interest rates used to calculate the present value of pension obligations are given below. Provisions for pensions and other post-employment benefits declined by €445 million to €3,569 million compared with December 31, 2023. This was mainly the result of changes in discount rates and the development of plan assets.

B 8

Discount Rate for Pension Obligations

%	Dec. 31, 2023	June 30, 2023	June 30, 2024
Germany	3.80	4.20	3.80
United Kingdom	4.35	5.00	4.95
United States	4.90	5.10	5.30

Segment reporting

As of June 30, 2024, the Bayer Group comprised the three reportable segments Crop Science, Pharmaceuticals and Consumer Health.

B 9

Key Data by Segment

€ million	Crop Science		Pharmaceuticals		Consumer Health	
	Q2 2023	Q2 2024	Q2 2023	Q2 2024	Q2 2023	Q2 2024
Net sales (external)	4,924	4,981	4,557	4,605	1,466	1,458
Currency- and portfolio-adjusted change ¹	- 18.5%	+ 1.1%	+ 0.2%	+ 4.5%	+ 5.4%	+ 5.3%
Intersegment sales	0	8	8	9	2	2
Net sales (total)	4,924	4,989	4,565	4,614	1,468	1,460
EBIT ¹	(2,207)	(229)	1,047	1,040	239	135
EBITDA before special items ¹	725	524	1,379	1,322	335	314
Net cash provided by operating activities	338	1,519	442	1,047	52	138
Depreciation, amortization, impairment losses/loss reversals	2,873	675	257	253	89	145

¹ For definition see Annual Report 2023, A 2.3 "Alternative Performance Measures Used by the Bayer Group."

B 9 (continued)

Key Data by Segment

€ million	All other segments		Enabling functions and consolidation		Group	
	Q2 2023	Q2 2024	Q2 2023	Q2 2024	Q2 2023	Q2 2024
Net sales (external)	94	95	3	5	11,044	11,144
Currency- and portfolio-adjusted change ¹	+ 120.5%	+ 1.7%	–	–	– 8.2%	+ 3.1%
Intersegment sales	0	0	(10)	(19)	–	–
Net sales (total)	94	95	(7)	(14)	11,044	11,144
EBIT ¹	4	(6)	(39)	(415)	(956)	525
EBITDA before special items ¹	20	12	68	(61)	2,527	2,111
Net cash provided by operating activities	–	–	–	–	484	2,410
Depreciation, amortization, impairment losses/loss reversals	16	18	52	51	3,287	1,142

¹ For definition see Annual Report 2023, A 2.3 "Alternative Performance Measures Used by the Bayer Group."

B 10

Key Data by Segment

€ million	Crop Science		Pharmaceuticals		Consumer Health	
	H1 2023	H1 2024	H1 2023	H1 2024	H1 2023	H1 2024
Net sales (external)	13,275	12,888	8,964	8,963	3,039	2,890
Currency- and portfolio-adjusted change ¹	– 8.6%	– 1.4%	– 1.4%	+ 4.2%	+ 4.7%	+ 1.6%
Intersegment sales	1	25	9	18	4	3
Net sales (total)	13,276	12,913	8,973	8,981	3,043	2,893
EBIT ¹	112	1,834	1,853	1,912	521	364
EBITDA before special items ¹	3,992	3,373	2,485	2,516	714	645
Net cash provided by (used in) operating activities	(3,026)	(1,346)	1,149	1,856	235	357
Depreciation, amortization, impairment losses/loss reversals	3,803	1,401	515	480	180	238

¹ For definition see Annual Report 2023, A 2.3 "Alternative Performance Measures Used by the Bayer Group."

B 10 (continued)

Key Data by Segment

€ million	All other segments		Enabling functions and consolidation		Group	
	H1 2023	H1 2024	H1 2023	H1 2024	H1 2023	H1 2024
Net sales (external)	145	159	10	9	25,433	24,909
Currency- and portfolio-adjusted change ¹	+ 55.5%	+ 8.4%	–	–	– 4.5%	+ 1.0%
Intersegment sales	0	0	(14)	(46)	–	–
Net sales (total)	145	159	(4)	(37)	25,433	24,909
EBIT ¹	18	(13)	(487)	(480)	2,017	3,617
EBITDA before special items ¹	51	22	(244)	(33)	6,998	6,523
Net cash provided by (used in) operating activities	–	–	–	–	(3,066)	260
Depreciation, amortization, impairment losses/loss reversals	33	35	101	101	4,632	2,255

¹ For definition see Annual Report 2023, A 2.3 "Alternative Performance Measures Used by the Bayer Group."

To simplify the consolidation process, leases between fully consolidated companies continue to be recognized as operating leases under IAS 17 within the segment data in the consolidated financial statements of the Bayer Group even after the first-time application of IFRS 16 as of January 1, 2019. This does not have any relevant impact on the respective key data used in the steering of the company and internal reporting to the Board of Management as the chief operating decision maker.

The following table shows the reconciliation of EBITDA before special items of the above-mentioned segments and the reconciliation to income before income taxes of the Group from continuing operations:

B 11				
Reconciliation of Segments' EBITDA Before Special Items to Group Income Before Income Taxes				
€ million	Q2 2023	Q2 2024	H1 2023	H1 2024
EBITDA before special items of segments	2,459	2,172	7,242	6,556
EBITDA before special items of enabling functions and consolidation	68	(61)	(244)	(33)
EBITDA before special items¹	2,527	2,111	6,998	6,523
Depreciation, amortization and impairment losses/loss reversals before special items of segments	(941)	(1,046)	(1,959)	(2,108)
Depreciation, amortization and impairment losses/loss reversals before special items of corporate functions and consolidation	(52)	(50)	(101)	(101)
Depreciation, amortization and impairment losses/loss reversals before special items	(993)	(1,096)	(2,060)	(2,209)
EBIT before special items of segments	1,518	1,126	5,283	4,447
EBIT before special items of enabling functions and consolidation	16	(111)	(345)	(133)
EBIT before special items¹	1,534	1,015	4,938	4,314
Special items of segments	(2,435)	(186)	(2,779)	(350)
Special items of enabling functions and consolidation	(55)	(304)	(142)	(347)
Special items¹	(2,490)	(490)	(2,921)	(697)
EBIT of segments	(917)	940	2,504	4,097
EBIT of enabling functions and consolidation	(39)	(415)	(487)	(480)
EBIT¹	(956)	525	2,017	3,617
Financial result	(618)	(622)	(985)	(1,123)
Income before income taxes	(1,574)	(97)	1,032	2,494

¹ For definition see Annual Report 2023, A 2.3 "Alternative Performance Measures Used by the Bayer Group."

In the second quarter of 2024, special items of €329 million were due to ongoing restructuring programs.

The special items of the prior-year quarter were mainly in connection with an impairment loss on goodwill in the Crop Science Division of €2,436 million.

Scope of consolidation

Changes in the scope of consolidation

The consolidated financial statements as of June 30, 2024, included 310 companies (December 31, 2023: 340 companies). Four joint ventures (December 31, 2023: four) and 41 associates (December 31, 2023: 42) were accounted for in the consolidated financial statements using the equity method according to IAS 28 (Investments in Associates and Joint Ventures).

Acquisitions, divestments and discontinued operations

Acquisitions

There were no material acquisitions as of June 30, 2024.

Acquisitions in 2023

On February 13, 2023, we completed the acquisition of 100% of the shares in Blackford Analysis Ltd., United Kingdom, a global provider of radiology AI platform technology. Bayer paid an upfront consideration of around €46 million to acquire Blackford. Further amounts of up to around €54 million are payable upon the achievement of predefined research and development milestones. A liability of €30 million, weighted according to the probability that the payments will have to be made, was recognized for this purpose. The purchase price mainly pertained to goodwill, which in turn largely reflected the anticipated innovation potential and amounted to around €68 million based on the purchase price allocation. The goodwill is not tax-deductible. In addition, an amount of around €10 million was recognized for patents and technologies, some €2 million for other assets, and approximately €7 million for liabilities. The purchase price allocation was completed in the fourth quarter of 2023.

Blackford provides platform infrastructure and access to a rich clinical application (ClinApp) ecosystem focused on medical imaging and analytics. The acquisition follows a development and license agreement between the two companies in 2020 that laid the foundation for Bayer's recently launched medical imaging platform, Calantic™ Digital Solutions. The acquired companies are assigned to the Pharmaceuticals segment.

Assets held for sale and discontinued operations

There were no discontinued operations to report in 2024 or 2023.

The assets held for sale, net of directly related liabilities, totaled around €1 million as of June 30, 2024.

The prior-year figure of around €14 million related to the planned sale of a production facility in Spain. The transaction was completed in the second quarter of 2024.

Goodwill, other intangible assets and property, plant and equipment

In the second quarter of 2024, Bayer decided to wind down its direct-to-consumer nutritional supplements business Care/of. As of June 30, 2024, the decision resulted in depreciation, amortization and impairments on assets totaling some €55 million, of which around €44 million on intangible assets (€36 million thereof primarily for the Care/of trademark), €6 million on property, plant and equipment, and €5 million on inventories.

Financial instruments

The following tables show the carrying amounts and fair values of the individual financial assets and liabilities by category of financial instrument under IFRS 9 and a reconciliation to the corresponding line items in the statements of financial position. Since the line items "Trade accounts receivable," "Other receivables," "Financial liabilities" and "Other liabilities" contain both financial instruments and nonfinancial assets or liabilities (such as other tax receivables), the reconciliation is shown in the column headed "Nonfinancial assets/liabilities."

Carrying Amounts and Fair Values of Financial Instruments

June 30, 2024

Measurement category (IFRS 9) ¹	Measured at amortized cost	Measured at fair value [fair value for information ⁴]			Nonfinancial assets/liabilities	Total
		Based on quoted prices in active markets (Level 1)	Based on observable market data (Level 2)	Based on unobservable inputs (Level 3)		
€ million	Carrying amount	Carrying amount	Carrying amount	Carrying amount	Carrying amount	
Trade accounts receivable	12,936	216	42		248	13,442
AC	12,936					12,936
FVTPL, mandatory ²		216				216
FVOCI (recycling)			42			42
Nonfinancial assets					248	248
Other financial assets	2,224	3,214	1,229	1,831		8,498
AC	2,198		[2,094]			2,198
FVTPL, mandatory ²		3,154	898	1,499		5,551
FVTOCI (no recycling), designated ³		55		263		318
Derivatives		5	331	69		405
Lease receivables	26		[26]			26
Other receivables	424			101	2,686	3,211
AC	424		[424]			424
FVTPL, mandatory ²				101		101
Nonfinancial assets					2,686	2,686
Cash and cash equivalents	3,888					3,888
AC	3,888		[3,888]			3,888
Total financial assets	19,472	3,430	1,271	1,932		26,105
of which AC	19,446					19,446
of which FVTPL		3,370	898	1,600		5,868
Financial liabilities	46,403		89		86	46,578
AC	45,156	[29,112]	[13,393]			45,156
Derivatives			89			89
Lease liabilities	1,247					1,247
Nonfinancial liabilities					86	86
Trade accounts payable	6,127					6,127
AC	6,127					6,127
Other liabilities	1,106	6	89	878	883	2,962
AC	1,106		[1,107]			1,106
FVTPL (nonderivative), mandatory ²				872		872
Derivatives		6	89	6		101
Nonfinancial liabilities					883	883
Total financial liabilities	53,636	6	178	878		54,698
of which AC	52,389					52,389
of which derivatives		6	178	6		190

¹ AC: at amortized cost

FVTOCI: at fair value through other comprehensive income

FVTPL: at fair value through profit or loss

² Measured at fair value through profit or loss as required by IFRS 9³ Measured at fair value through other comprehensive income under IFRS 9.5.7.5⁴ Fair value of the financial instruments at amortized cost under IFRS 7.29 (a)

B 13

Carrying Amounts and Fair Values of Financial Instruments

Dec. 31, 2023

Measurement category (IFRS 9) ¹	Measured at amortized cost	Measured at fair value [fair value for information ⁴]			Nonfinancial assets/liabilities	Total
		Based on quoted prices in active markets (Level 1)	Based on observable market data (Level 2)	Based on unobservable inputs (Level 3)		
€ million	Carrying amount	Carrying amount	Carrying amount	Carrying amount	Carrying amount	
Trade accounts receivable	8,771	327			245	9,343
AC	8,771					8,771
FVTPL, mandatory ²		327				327
FVTOCI (recycling)			627			627
Nonfinancial assets					245	245
Other financial assets	947	2,849	1,520	1,787		7,103
AC	919		[897]			919
FVTPL, mandatory ²		2,774	1,379	1,494		5,647
FVTOCI (no recycling), designated ³		63		261		324
Derivatives		12	141	32		185
Lease receivables	28		[28]			28
Other receivables	387			82	2,693	3,162
AC	387		[387]			387
FVTPL, mandatory ²				82		82
Nonfinancial assets					2,693	2,693
Cash and cash equivalents	5,907					5,907
AC	5,907		[5,907]			5,907
Total financial assets	16,012	3,176	1,520	1,869		22,577
of which AC	15,984					15,984
of which FVTPL		3,113	1,439	1,608		6,160
Financial liabilities	44,703		217		86	45,006
AC	43,465	[28,558]	[12,588]			43,465
Derivatives			217			217
Lease liabilities	1,238					1,238
Nonfinancial liabilities					86	86
Trade accounts payable	7,456					7,456
AC	7,456					7,456
Other liabilities	932	8	91	1,031	917	2,979
AC	932		[932]			932
FVTPL (nonderivative), mandatory ²				1,030		1,030
Derivatives		8	91	1		100
Nonfinancial liabilities					917	917
Total financial liabilities	53,091	8	308	1,031		54,438
of which AC	51,853					51,853
of which derivatives		8	308	1,031		1,347

¹ AC: at amortized cost

FVTOCI: at fair value through other comprehensive income

FVTPL: at fair value through profit or loss

² Measured at fair value through profit or loss as required by IFRS 9³ Measured at fair value through other comprehensive income under IFRS 9.5.7.5⁴ Fair value of the financial instruments at amortized cost under IFRS 7.29 (a)

Due to the short maturities of most trade accounts receivable and payable, other financial receivables and liabilities, and cash and cash equivalents, their carrying amounts at the closing date do not significantly differ from the fair values. Trade accounts receivable are measured at fair value through other comprehensive income if they can potentially be transferred as part of factoring agreements.

The fair values of financial assets and liabilities measured at amortized cost that are given for information are the present values of the respective future cash flows based on observable market data. The present values are determined by discounting the cash flows at a closing-date interest rate, taking into account the term of the assets or liabilities and also the creditworthiness of the counterparty in certain cases. Where a market price is available, however, this is deemed to be the fair value.

The fair values of financial assets measured at fair value correspond to quoted prices in active markets (Level 1), or are determined using valuation techniques based on observable market data as of the end of the reporting period (Level 2), or are the present values of the respective future cash flows, determined on the basis of unobservable inputs (Level 3).

The fair values of derivatives for which no publicly quoted prices exist in active markets (Level 1) are determined using valuation techniques based on observable market data as of the end of the reporting period (Level 2). In applying valuation techniques, credit or debt value adjustments are determined to account for the credit risk of the contractual party or Bayer.

Currency and commodity forward contracts are measured individually at their forward rates or forward prices on the closing date. These depend on spot rates or prices, including time spreads. The fair values of interest-rate hedging instruments and cross-currency interest-rate swaps were determined by discounting future cash flows over the remaining terms of the instruments at market rates of interest, taking into account any foreign currency translation as of the closing date in certain cases.

Fair values measured using unobservable inputs are categorized within Level 3 of the fair value hierarchy. This essentially applies to certain debt or equity instruments, in some cases to the fair values of embedded derivatives, and to obligations for contingent consideration in business combinations. Credit risk is frequently the principal unobservable input used to determine the fair values of debt instruments classified as "FVTPL – at fair value through profit or loss" by the discounted cash flow method. Here the credit spreads of comparable issuers are applied. A significant increase in credit risk could result in a lower fair value, whereas a significant decrease could result in a higher fair value. However, a relative change of 10% in the credit spread does not materially affect the fair value.

When determining the fair values of contingent consideration within the "FVTPL (nonderivative) – at fair value through profit or loss" category, the principal unobservable input is the estimation of the probability that, for example, pre-defined milestones for research and development projects will be achieved or that sales targets will be attained, as well as the timing of the payments. Changes in these estimates may lead to significant increases or decreases in fair value.

Embedded derivatives are separated from their respective host contracts if the contracts do not represent financial assets and are not closely related to them. Such host contracts are generally sale or purchase agreements relating to the operational business. The embedded derivatives cause the cash flows from the contracts to vary with exchange-rate or price fluctuations, for example. The internal measurement of embedded derivatives is performed using appropriate valuation models, such as discounted cash flow models, which are based on unobservable inputs. The relevant models include planned sales and purchase volumes, and prices derived from market data. Regular monitoring is carried out based on these fair values as part of quarterly reporting.

Changes in the fair value of an embedded derivative from a long-term structured renewable energy credit (REC) purchase agreement in the United States are recognized in other operating income or expenses. As of June 30, 2024, the positive fair value was €68 million (June 30, 2023: €9 million).

The changes in the amount of financial assets and liabilities recognized at fair value based on unobservable inputs (Level 3) for each financial instrument category were as follows:

B 14

Development of Financial Assets and Liabilities (Level 3)

€ million	Assets – FVTPL ¹	FVTOCI (no recycling) ¹	Derivatives (net)	Liabilities – FVTPL (nonderivative) ¹	Total
Carrying amounts (net), January 1, 2024	1,576	261	31	(1,030)	838
Gains (losses) recognized in profit or loss	(8)	–	31	56	79
of which related to assets/liabilities recognized in the statements of financial position	(8)	–	31	56	79
Gains (losses) recognized outside profit or loss	–	(8)	–	–	(8)
Additions of assets (liabilities)	27	5	–	–	32
Settlements of (assets) liabilities	–	–	–	134	134
Changes in scope of consolidation	–	(1)	–	–	(1)
Exchange differences	5	6	1	(32)	(20)
Carrying amounts (net), June 30, 2024	1,600	263	63	(872)	1,054

¹ See table B 12 for definitions of measurement categories.

B 15

Development of Financial Assets and Liabilities (Level 3)

€ million	Assets – FVTPL ¹	FVTOCI (no recycling) ¹	Derivatives (net)	Liabilities – FVTPL (nonderivative) ¹	Total
Carrying amounts (net), January 1, 2023	1,473	340	8	(1,729)	92
Gains (losses) recognized in profit or loss	15	–	11	74	100
of which related to assets/liabilities recognized in the statements of financial position	15	–	11	74	100
Gains (losses) recognized outside profit or loss	–	(10)	–	–	(10)
Additions of assets (liabilities)	136	20	–	(31)	125
Settlements of (assets) liabilities	(126)	–	–	463	337
Changes in scope of consolidation	–	(61)	–	–	(61)
Exchange differences	(2)	(5)	–	26	19
Carrying amounts (net), June 30, 2023	1,496	284	19	(1,197)	602

¹ See table B 13 for definitions of measurement categories.

The changes recognized in profit or loss were included in other operating income/expenses, as well as in the financial result in interest income, exchange gains or losses, and other financial income and expenses.

Financial liabilities

In June 2024, Bayer AG placed its first-ever bond on the Chinese capital market. Known as a Panda bond, the issuance had a volume of CNY 2 billion (€256 million), a maturity of two years and a coupon of 2.2%. The proceeds will be used for general corporate purposes.

To find out more about the maturities of financial liabilities, please see the table on maturities in Note [24] to the consolidated financial statements in the Bayer Annual Report 2023.

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 2023, which can be downloaded at www.bayer.com. Since the Bayer Annual Report 2023, the following significant changes have occurred in respect of the legal risks:

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. As of July 15, 2024, Monsanto had reached settlements and/or was close to settling in a substantial number of claims. Of the approximately 172,000 claims in total, approximately 114,000 have been settled or are not eligible for various reasons.

As of July 23, 2024, there have been 23 Roundup™ trials concluded before both federal and state courts in California, Missouri, Oregon, Arkansas, Delaware and Pennsylvania. In fourteen of those trials, favorable outcomes were achieved on behalf of Monsanto, including eleven defense verdicts, one hung jury resulting in a mistrial, one directed verdict on behalf of Monsanto, and one dismissal of plaintiff's claims with prejudice mid-trial. In the other nine trials, the plaintiffs were awarded compensatory damages and, in most cases, punitive damages. In July 2024, one of the eleven defense verdicts was overturned by the appellate court, and a re-trial may be scheduled.

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. PCBs are chemicals that were widely used for various purposes until the manufacture of PCBs was prohibited by the EPA in the United States in 1979. In April 2024, the Maine Attorney General filed suit in state court alleging claims for damages related to PCB contamination of the state's environment, so that there are now six attorney general cases pending. In July 2024, Bayer agreed, without admission of liability, to pay US\$160 million to settle the lawsuit with the City of Seattle, US\$35 million of which was devoted to PCB remediation. Seattle was one of the municipalities that opted out of the class settlement reached in 2020. In May 2024, the Court of Appeals for the State of Washington handed down its opinion in the first of the Sky Valley Education Center (SVEC) personal injury cases to go to trial (Erickson et al.). The Court of Appeals reversed the lower-court decision and remanded the cases for further proceedings, eliminating the entirety of the compensatory and punitive damages in that case, based on multiple trial errors. Many of the identified errors should, in Bayer's opinion, carry through the other SVEC trials to date. The plaintiffs have appealed the decision to the Washington Supreme Court.

BASF arbitration: In 2019, Bayer was served with a request for arbitration by BASF. BASF alleged indemnification claims under asset purchase agreements signed in 2017 and 2018 related to the divestment of certain Crop Science businesses to BASF. In 2022, the arbitral tribunal dismissed BASF's claims in their entirety. In April 2023, the Higher Regional Court of Frankfurt am Main (Germany) rejected BASF's motion to set aside the award. However, the court found that the arbitral award was technically invalid because it did not comply with a German procedural rule regarding the signatures of the tribunal members. According to the court decision, the original arbitration proceedings had not yet come to an end and still had to be concluded by a valid arbitration award that fully complies with the procedural rules. In July 2024, the Federal Court of Justice overturned the decision of the Higher Regional Court of Frankfurt am Main and remanded the case back to the Higher Regional Court for a decision on the alleged grounds for annulment, ruling that the procedural rule regarding the signatures of the tribunal members had not been infringed.

Shareholder litigation concerning Monsanto acquisition: In Germany and the United States, investors have filed lawsuits claiming damages suffered due to the drop in the company's share price. Plaintiffs allege that the company's capital market communication in connection with the acquisition of Monsanto was flawed. In the German proceedings, approximately 280 plaintiffs withdrew their claims, so that in Germany claims of approximately 55 plaintiffs remained as of June 30, 2024.

Notes to the Statements of Cash Flows

Net operating cash flow in the first half of 2024 amounted to €260 million (H1 2023: minus €3,066 million). The increase was primarily due to lower payments overall to resolve proceedings in the litigations surrounding glyphosate, dicamba, Essure™ and PCBs, with a net payout of €195 million (H1 2023: €1,689 million). The transfer of government bonds to Bayer Pension Trust e.V. (BPT), Germany, totaling €300 million (H1 2023: €0 million) was a noncash transaction and did not result in a cash outflow for operating activities. BPT is a related party as defined in IAS 24.

The net cash outflow for investing activities in the first half of the year amounted to €2,300 million (H1 2023: net cash inflow of €505 million). The net cash outflow for current financial assets came to €1,418 million (H1 2023: net cash inflow of €2,280 million). These cash outflows were largely attributable to investments in money market funds.

There was a net cash outflow of €15 million for financing activities (H1 2023: net cash inflow of €1,934 million). This included net borrowings of €922 million (H1 2023: €4,870 million). The high net cash inflow in the prior-year period was partly attributable to the issuance of new senior bonds for general corporate purposes, but also included the dividend payout for the Bayer Group. Net interest payments came to €794 million (H1 2023: €599 million). We paid out €113 million in dividends (H1 2023: €2,360 million).

Related Parties

Related parties as defined in IAS 24 (Related Party Disclosures) are those legal entities, natural persons and close members of their family that are able to exert influence on Bayer AG and its subsidiaries or over which Bayer AG or its subsidiaries exercise control or joint control or have a significant influence. They include, in particular, nonconsolidated subsidiaries, joint ventures and associates included in the consolidated financial statements at cost of acquisition or using the equity method, post-employment benefit plans and the corporate officers of Bayer AG.

Business transactions involving related parties were not material from the viewpoint of the Bayer Group.

Other Information

On April 26, 2024, the Annual Stockholders' Meeting approved the proposal by the Board of Management and the Supervisory Board that a dividend of €0.11 per share carrying dividend rights be paid for the 2023 fiscal year and that the remaining amount of €2,466,515,397.63 be allocated to other retained earnings.

The actions of the members of the Board of Management and the Supervisory Board serving in 2023 were ratified in accordance with the proposals by the Board of Management and the Supervisory Board.

Five stockholder representatives were elected to the Supervisory Board in accordance with the nominations submitted by the Supervisory Board.

The Annual Stockholders' Meeting accepted the proposal by the Supervisory Board to approve the compensation system resolved by the Supervisory Board for the members of the Board of Management with effect from January 1, 2024, and the proposal by the Board of Management and the Supervisory Board to approve the Compensation Report for the 2023 fiscal year prepared and audited in accordance with Section 162 of the German Stock Corporation Act (AktG).

In accordance with the proposal by the Board of Management and the Supervisory Board, the Annual Stockholders' Meeting once again authorized the Board of Management to acquire and use own shares, and in the course of such acquisition to employ derivatives and to disapply subscription and other tender rights.

The Annual Stockholders' Meeting also accepted the proposal by the Board of Management and the Supervisory Board to approve the Control and Profit and Loss Transfer Agreement between Bayer Aktiengesellschaft and Bayer CropScience Aktiengesellschaft dated February 22, 2024.

In accordance with the proposal by the Supervisory Board, Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Munich, Germany, was elected by the Annual Stockholders' Meeting as auditor of the annual and consolidated financial statements for 2024, and also to review, if applicable, the condensed financial statements and interim management report as of June 30, 2024, and if applicable, the condensed financial statements and interim management reports as of September 30, 2024, and March 31, 2025, if these are prepared.

Events After the End of the Reporting Period

Repayment of Financial Liabilities

Bayer AG repaid two bonds with a total volume of €2.2 billion in July 2024. In addition, Bayer U.S. Finance II LLC, United States, and Monsanto Company, United States, repaid two bonds with a combined volume of US\$750 million (€701 million) in July 2024.

The Bayer Corporation, United States, also repaid commercial paper with a nominal volume of US\$924 million (€864 million) in July 2024.

Leverkusen, August 1, 2024
Bayer Aktiengesellschaft

The Board of Management

Bill Anderson

Wolfgang Nickl

Stefan Oelrich

Heike Prinz

Rodrigo Santos

Julio Triana

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the consolidated interim financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group in line with generally accepted accounting principles, and the interim Group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Leverkusen, August 1, 2024
Bayer Aktiengesellschaft

The Board of Management

Bill Anderson

Wolfgang Nickl

Stefan Oelrich

Heike Prinz

Rodrigo Santos

Julio Triana

Report on Review of Interim Financial Information

To Bayer Aktiengesellschaft, Leverkusen

We have reviewed the condensed consolidated interim financial statements, which comprise the condensed consolidated income statement and the condensed consolidated statement of comprehensive income, the condensed consolidated statement of financial position, the condensed consolidated statement of cash flows, the condensed consolidated statement of changes in equity as well as selected explanatory notes to the condensed consolidated interim financial statements, and the interim group management report of Bayer Aktiengesellschaft, Leverkusen for the period from 1 January to 30 June 2024, that are part of the half-year financial information under Section 115 German Securities Trading Act (WpHG). The preparation of the condensed consolidated interim financial statements in accordance with the IFRS applicable to interim financial reporting, as adopted by the EU, and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports is the responsibility of the executive directors of the Company. Our responsibility is to issue a review report on the condensed consolidated interim financial statements and on the interim group management report based on our review.

We conducted our review of the condensed consolidated interim financial statements and of the interim group management report in compliance with the German Generally Accepted Standards for Reviews of Financial Statements promulgated by the Institut der Wirtschaftsprüfer (IDW) and in supplementary compliance with the International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". Those standards require that we plan and perform the review to obtain a certain level of assurance to preclude through critical evaluation that the condensed consolidated interim financial statements have not been prepared, in material respects, in accordance with the IFRS applicable to interim financial reporting, as adopted by the EU, or that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports. A review is limited primarily to inquiries of company personnel and to analytical procedures applied to financial data and thus provides less assurance than an audit. Since, in accordance with our engagement, we have not performed an audit, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements of Bayer Aktiengesellschaft, Leverkusen, have not been prepared, in material respects, in accordance with the IFRS applicable to interim financial reporting, as adopted by the EU, or that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports.

Munich, 2 August 2024

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Wirtschaftsprüfungsgesellschaft

Andreas Wermelt

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(German Public Auditor)

Silvia Geberth

Wirtschaftsprüferin

(German Public Auditor)

Financial Calendar

Q3 2024 Quarterly Statement	<i>November 12, 2024</i>
2024 Annual Report	<i>March 5, 2025</i>
Annual Stockholders' Meeting 2025	<i>April 25, 2025</i>
Q1 2025 Quarterly Statement	<i>May 13, 2025</i>

Reporting Principles

This Bayer AG Interim Report is a half-year financial report that satisfies the requirements of Section 115, Paragraph 2, No. 1 and No. 2, Paragraph 3 and Paragraph 4 of the German Securities Trading Act (WpHG). Bayer has prepared the condensed consolidated interim financial statements according to the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB) and endorsed by the European Union (EU). This report should be read in conjunction with the Annual Report for the 2023 fiscal year and the additional information about the company provided therein. The Annual Report 2023 is available on our website at www.bayer.com.

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Forward-Looking Statements

This half-year financial report 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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