BASF plc

Directors' Report and Financial Statements

Registered Number 667980

for the Year Ended 31 December 2025

BASF plc

Contents

BASF plc

Strategic Report for the Year Ended 31 December 2025

The directors present their strategic report for the year ended 31 December 2025.

Principal activity

The principal activity of the company is split into manufacturing and distribution. Manufacturing activities comprise of the manufacture of performance chemicals, polyurethane systems and rodenticides. Distribution comprises a wide range of products including acrylic monomers, crop protection products, fine chemicals, intermediates, and speciality chemicals, dispersions, pigments and plastics manufactured by BASF SE and other subsidiaries within the BASF SE group.

Fair review of the business

Divestiture
On 30 September 2024 the company carved out the trade and net assets of the Coatings business to BASF Coatings UK Limited, a wholly owned subsidiary of BASF plc. As control is maintained, the carve-out does not represent a discontinued operation. Turnover in prior year was £38,184,000.

Performance Summary
Turnover decreased compared to the prior year to £726,227,000 (2024: £829,270,000). The main decrease was due to lower sales in core chemical distribution business, and the sale of the business and net assets of the Coatings business into a separate legal entity. The prior year included 9 months worth of the Coatings business compared to nil in current period.

The company made an operating profit of £15,257,000 (2024: £21,865,000). The decrease in operating profit was driven by lower sales compared to the prior year and a reduction in margin on the overall distribution business. Operating profit margins for the core chemical distribution business excluding Coatings reduced to 1.87% (2024: 2.40%). This is consistent with the long term operating profit target of 2%.

Segmental Analysis

The company's two main segments are sales and distribution and manufacturing.

The first segment, the import and distribution business and includes sales acting as an agent for speciality care chemicals and royalties, operates in a mature market. BASF plc already occupies a leading position in terms of market share. To retain this position, new product initiatives are brought to the market on a regular basis. Total turnover for this segment for the period was £663,615,000 (2024: £763,322,000). The reduction is due to the impact of only 9 months of Coatings sales in the period and lower value of Agriculture sales due to market conditions and price sensitivity.

The second segment turnover of manufactured products was £62,612,000 (2024: £65,948,000). A modest reduction in sales has been noted across most production sites, in line with the wider slowdown experienced across the UK and European markets with the exception of Widnes Pesticides production site that has increased sales compared to prior year.

Sales in the UK decreased to £579,583,000 (2024: £662,453,000). This is inline with the reduction in sales of merchandise distribution sales compared to the prior year. Sales decreased to Europe to £117,240,000 (2024: £134,171,000), and sales to the rest of the world similarly reduced to £29,404,000 (2024: £32,646,000).

Performance (continued)
Key performance indicators

The company's key financial and other performance indicators during the year were as follows:

	Unit	2025	2024
Average Days Sales Outstanding	days	67.40	61.30
Selling costs % of net turnover	%	4.23	4.28
Gross Margin	%	10.20	10.20

The average Days Sales Outstanding (DSO) increased to 67.4 days in 2025 compared to 61.3 days in 2024. The change is due to increase in agricultural debtors as a percentage of the total portfolio which have longer than the average payment terms.

Selling and agency costs, as a percentage of net sales were 4.23% (2024: 4.28%). The decrease is driven by changes due to the carved out Coatings business on 30 September 2024. The company had higher than average technical marketing selling costs compared the the overall business in the company.

Selling costs KPI as a percentage of net sales is calculated using the group reporting numbers. For the current year the net sales were £726,227,000 and selling costs £30,738,000 giving a selling costs percentage of 4.23%. In the prior year the net sales were £ 841,869,000 and selling costs of £36,054,000 giving a percentage of 4.28%

The gross margin on turnover was 10.2% (2024: 10.2%). The margin has remained stable over the two periods despite the reduction in overall sales.

Non-financial KPIs

In addition to financial measures, the directors monitor a range of non-financial key performance indicators to assess the overall performance and long-term sustainability of the company. These include:

Health and safety performance

This KPI monitors the organisation’s health and safety performance through two key indicators:

Lost Time Incidents (LTI): The number of work-related injuries resulting in an employee being unable to perform their normal duties for at least one full working day. In line with BASF internal process safety standards, a Process Safety Incident (PSI) refers to an unplanned or uncontrolled event involving the release of hazardous materials or energy from a process. Such events have the potential to result in serious harm to people, the environment or assets, even if actual consequences are limited through effective controls or timely intervention.

Purpose: To measure the effectiveness of our safety protocols and the overall safety culture within the organisation. A low or reducing number of LTIs and PSIs indicates strong risk management and proactive safety practices.

Performance for the Year 2025:

LTIs: 0 (2024: 1) , PSIs: 2 (2024: 1)

Non-financial KPIs (continued)
Health and safety performance (continued)

Maintaining a safe and healthy working environment continues to be a core operational priority. The low incidence of Lost Time Incidents (LTIs) during the reporting period reflects the company's sustained investment in employee training, risk identification, and hazard mitigation. Nonetheless, management remains committed to achieving a target of zero LTIs, which is considered the only acceptable long-term outcome.

The stable level of Process Safety Incidents (PSIs) is viewed as a positive indicator of the organisations consistent process safety performance and effective risk controls. It indicates a mature safety culture in which near-misses are appropriately identified and reported, allowing preventative action to be taken before serious incidents occur.

Workforce Diversity - Gender representation

This KPI tracks gender diversity across the company, focusing on the proportion of female employees at different organisational levels. it reflects the company's commitment to creating an inclusive and equitable workplace.

KPI Measures at 31 December 2025

Overall workforce 41% (2024: 39%)
Senior management 36% (2024: 32%)
Board of directors 33% (2024: 25%)

The company has seen year-on-year improvements in gender diversity at senior management level, supported by inclusive hiring practices, and flexible work policies. The board remains committed to improving representation further in the future.

Employee Diversity and Ethnicity

This KPI measures the percentage of employees within the organisation who self-identify as belonging to ethnic minority groups, relative to the total number of employees, as of the reporting date. This indicator reflects the company's commitment to fostering an inclusive and diverse working environment. Tracking ethnic diversity supports fair recruitment, progression practices, and helps identify potential gaps in representation.

Current Performance:
As at 31 December 2025, 9% of the workforce identified as belonging to ethnic minority groups (2024: 9%). This includes staff at all levels.

Data Collection Method:
Data is collected through voluntary self-disclosure, in compliance with the Equality Act 2010 and GDPR.

Limitations:
Participation in disclosure is voluntary, and while response rates are high (over 95%), the KPI may not fully capture intersectional diversity or nuances in ethnic identity.

The company has set a target to increase ethnic minority representation. Training in inclusive hiring practices has been rolled out across all departments.

Section 172(1) Companies Act 2006

The Directors confirm that they have acted in good faith in the way they consider what would be most likely to promote the success of the Company for the benefit of its members. In doing so they have considered, among other matters, those set out in section 172(1) (a) to (f) of the Companies Act 2006: the likely consequences of any decision in the long term; the interests of the Company's employees; the need to foster the Company's business relationships with suppliers, customers and others; the impact of the Company's operations on the community and the environment; the desirability of the Company maintaining a reputation for high standards of business conduct; and the need to act fairly as between members of the Company. This statement applies equally to the Directors individually and when acting collectively as the Board.

In discharging their duties in relation to section 172 (1), careful consideration is given to the matters set out above. The stakeholders we consider in this regard are primarily employees, suppliers and customers, the communities we operate in, the wider world and environment.

Engagement with our shareholders and all stakeholders is of fundamental importance across the business and the Directors are focused on building these relationships on a continuous basis.

Communities

The company continues to engage in corporate citizenship with a focus on contributing to its local communities, particularly through its STEM engagement and outreach programmes. Through our two flagship initiatives, ScienceXperience and BASF STEM Ambassadors network, employees volunteer to deliver a suite of activities for schools local to the areas of BASF's operations.

Through ScienceXperience, students in schools local to BASF's manufacturing sites are able to visit the site, take part in interactive demonstrations and hands-on experiments and in this way explore science in the context of real BASF products and processes that support everyday life. Each ScienceXperience is co created with local schools, it is also aligned with the curriculum and tailored to the site's specific operations.
Complementing ScienceXperience is BASF's STEM Ambassador network, based at our UK headquarters in Stockport. Recognising the challenges faced by schools in areas of high deprivation, including in Stockport, the team's approach focuses on building long term partnerships with three primary schools-St Matthew's, Larkhill and Dial Park.

In 2025, more than 30 BASF STEM Ambassadors rolled out a STEM week at Larkhill Primary, in Stockport, delivering 13 different lessons, 21 sessions and overall engaging 158 children. In the same year, BASF also partnered with the Great Science Share for Schools to host a Stockport based event involving eight schools, eight teachers and 64 pupils. Young learners presented their own scientific investigations, covering topics from materials testing to geology, and feedback was overwhelmingly positive with BASF Ambassadors facilitating high-quality questioning and peer-to-peer sharing.

In addition to engaging with primary schools, the company offers individual work experience giving older children a glimpse into the reality of working in STEM.

Engagement with employees

Our people are critical to the success of our company, and we are continuing to invest in making the company a better place to work and become an employer of choice. We continue to invest in internal social media channels (Viva Engage and Teams) and regular surveys as part of our monitoring and listening activities while also providing colleagues with platforms to share personal stories and perspectives (blog posts and intranet stories).

Our Site Communications Network supports effective communications cascade and feedback across all our sites ensuring that communications activities are impactful and inclusive. In addition, by supporting a year-round programme of activities around diversity, equity and inclusion awareness and mental health and wellbeing, a number of workshops and webinars have been delivered on a number of issues including women’s health, non-visible disabilities and physical wellbeing.

Diversity and inclusion remain critically important priorities and, through employee-led working groups, we continue to support greater awareness and a more inclusive culture. Most recently, through the work of our working groups, we became a member of the Hidden Disabilities Sunflower scheme. This initiative helps colleagues with non-visible disabilities or conditions to voluntarily identify that they may require additional support, understanding or adjustments in the workplace. Examples of the positive impact include improving awareness and confidence among employees with conditions such as autism, ADHD, anxiety, chronic pain and hearing loss, enabling colleagues to feel more comfortable requesting reasonable adjustments, and supporting managers and teams to respond with greater empathy and understanding. The scheme has also helped to foster a more open and supportive culture by encouraging conversations around non-visible disabilities and reducing stigma associated with them.

Engagement with suppliers, customers and other relationships

BASF plc contributes to BASF’s ambition to the preferred chemicals company to enable our customers’ green transformation.
We are committed to enhancing the customer experience by acknowledging customer feedback within 48 hours and following up within 20 business days. The BASF group uses Net Promoter Score® (NPS®) to measure our customers’ experience and this provides a way to collect feedback in real time. This includes surveys taken from customers of the company. A monthly performance tracking scorecard and additional KPIs measure percentage first response to customer within 48 hours, percentage follow up in 20 days, and overall net promoter score (measured as the number of promoters who gave the company a score of 9 or 10 out of 10 minus the percentage of detractors who gave ratings of 0 through to 6).

BASF’s group net promoter score is 30 with 55% promoters 20% passives and 25% detractors giving a score of 0 through to 6. The score tracks whether BASF’s customers would recommend using the product based on a scale of -100 to 100.
The company is committed to prompt payment practice and follows the prompt payment code. We are committed to paying our suppliers with the terms agreed at the outset of the contract, and to paying over 95% of our invoices within 60 days. The company publishes its prompt payment practices report twice yearly.

BASF plc engages with trade associations, regulators and wider stakeholders in an open and transparent way, contributing expertise to policy discussions supporting the development of a safe, sustainable and competitive business environment and to enable the industry’s green transformation.

Non-financial and sustainability information

Company employees

The company is an equal opportunities employer. All recruitment assessments and selection processes are made without reference to age, gender, race, religion, disability, sexual orientation, marital status or other protected characteristics. Should an employee become disabled during employment with the Company or develop a health condition affecting their work, supporting measures are available which include identifying any reasonable adjustments which need to be made.

The Company is also a member of the Hidden Disabilities Sunflower Scheme, supporting employees and visitors with non-visible disabilities and promoting an inclusive and supportive working environment.

Employee development is included as an element of feedback talks between employees and their managers. Employees discuss their development aspirations and are encouraged to continually develop their skills. Promotions are made based on skills and abilities and without reference to other characteristics.

Social and community issues

BASF plc aims to be a responsible and trusted neighbour by operating safely, protecting the environment, and supporting the communities where it works. The company actively engages with local stakeholders and invests in initiatives such as education, skills development, and community partnerships. Through these efforts, BASF seeks to create shared value and make a positive, long-term contribution to the areas in which it operates.

Environmental matters

On top of meeting environmental and health and safety requirements, the company is involved in a number of projects and activities to better the local environment. For example, at its site in Alfreton, BASF working alongside Derbyshire Wildlife Trust has transformed an area of the industrial estate, often water-logged field and unsuitable for business use, for the benefit of the local environment. This area is now considered a Local Wildlife Site where 33 flora examples, 12 bird, four mammal, four bumblebee, 18 butterfly and seven moth species have been recorded while the site has become a stronghold for the Dingy Skipper one of Derbyshire's rarest butterflies.

As part of BASF Group, BASF plc is working towards contributing to increase sales of Sustainable-Future Solutions, defined as products that make a positive contribution to sustainability, to more than 50% by 2030.

Streamlined Energy and Carbon Reporting

The company has complied with the Streamlined Energy and Carbon Reporting (SECR) requirements for the year ended 31 December 2025, including disclosure of energy consumption and related carbon emissions where applicable. These disclosures have been prepared in accordance with the relevant UK regulatory framework.

Metrics and targets

Our Streamlined Energy and Carbon Reporting (SECR) disclosure presents our carbon footprint across Scopes 1,2 and 3, together with an appropriate intensity metric and our total energy use of electricity, gas and steam. In 2025 the company decreased its like-for-like carbon intensity ratio by 11% (tCO2e/m2) compared to the prior year.

BASF is on a journey toward climate neutrality and have set ambitious goals and are striving worldwide to achieve net zero CO2 emissions by 2050.At the heart of the long-term transition is the use of new technologies, which will replace fossil fuels such as natural gas with electricity from renewable sources. Most of these technologies are being pioneered by BASF in collaboration with partners and are currently in a pilot stage. Broad scale up of these technologies will only be fully realizable after 2030. In order to accelerate the avoidance of CO2 emissions prior to that date, BASF also continues to systematically implement continuous improvement processes for existing production plants.

In the UK the company has already moved head office to a more sustainable site which can be adapted to the needs and size of the head office in future years.

Emissions and energy consumption

Energy consumption data has been sourced from the central BASF Group database which captures actual usage of energy at source. The transport fuel data is collected from our online travel and expenses tool. The equivalent greenhouse gas emissions data was converted using government conversion factors (https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2025). Emissions are reports as CO2e. Only 'location based' electricity emissions have been reported.

Summary of scope 1 (direct) greenhouse gas emissions for the year ended 31 December 2025:

Name and description	Unit of measurement	2025	2024
Natural gas	tCO2e	242.60	283.82

Summary of scope 2 (indirect) greenhouse gas emissions for the year ended 31 December 2025:

Name and description	Unit of measurement	2025	2024
Electricity	tCO2e	765.74	1,041.78
Steam	tCO2e	212.05	268.75
		977.79	1,310.53

Summary of scope 3 (other indirect) greenhouse gas emissions for the year ended 31 December 2025:

Name and description	Unit of measurement	2025	2024
Business travel	tCO2e	316.49	371.27

Strategic Report for the Year Ended 31 December 2025 (continued)

Summary of energy consumption for the year ended 31 December 2025:

Name and description	Unit of measurement	2025	2024
Natural gas	MWh	1,325.99	1,551.80
Electricity	MWh	4,326.20	5,031.52
Business travel, company	Miles ('000s)	1,821.80	1,999.70
Steam	MWh	1,209.70	1,495.98
		8,683.69	10,079.00

Intensity ratio

Emissions Intensity tCO2e/£m

In order to express the emissions using a carbon intensity metric, and for the purposes of base-lining and ongoing comparison the company has chosen GBP million turnover. In 2025 the reported turnover was £756.227m (2024: £829.270m) with a resulting emission intensity of 2.12 tCO2e/£m (2024: 2.37 tCO2e/£m). The decreasing intensity is driven by lower electricity usage at the Bradford plant, and then reduction in the number of business miles, accompanied by an increase in the percentage of business miles driven in fully electric vehicles compared to the prior year.

Outlook for 2026

Our outlook for 2026 is based on the assumption that our overall demand in end markets will remain at similar levels as we have seen in the first 3 months of 2026, adjusted for the seasonal sales of agricultural products. Turnover for the first 3 months has reduced compared to the same period in 2025 by 7%. The main driver for the change is the reduction in distribution turnover. The company expects to see a similar reduction in turnover in the final 9 months of the year, as has been experienced in the first 3 months.

The direct impact of US tariffs on the company is limited as sales invoiced or shipped to the US make up less than 1% of total turnover. Indirect effects could include changes in consumer market demand meaning our customers might sell less or adjustments of global supply chains leading to customers relocating production. The company continues to monitor developments in this area.

The expected decrease in turnover is all within the merchandise distribution segments that achieve target operating profit margins according to inter-company transfer pricing guidelines. Based on these target merchandise distribution margins, the reduction in turnover will have a minimal effect to overall operating profit.

The directors have considered the potential impact of ongoing geopolitical developments, including the conflict involving Iran during 2026, on the company’s performance. The conflict has contributed to increased global economic uncertainty, particularly through volatility in energy prices, supply chain disruption and inflationary pressures. The temporary disruption to energy supply routes, including the Strait of Hormuz, has led to significant fluctuations in oil and gas prices. These conditions have contributed to reduced global growth expectations which have been considered in the outlook, together with an increased risk of inflationary pressure persisting through 2026. The company is limited in terms of the inflationary costs pressures as mentioned above due to target merchandise distribution margins.

Risks and uncertainties

The board of directors have identified the following risks and uncertainties as those which could have a significant impact on the performance of the company going forward:

• Inherent risks in BASF products of obsolescence due to competitors developing technically superior products and the loss of market share. To mitigate this risk, the company invests in ongoing product development, monitors market trends closely, and engages proactively with customers to ensure offerings remain aligned with demand.

• Risk of a major incident involving a chemical leak and contamination. To mitigate this risk, the company maintains strict compliance with health, safety, and environmental regulations, including the Control of Substances Hazardous to Health (COSHH) Regulations and relevant local environmental legislation.

•The company recognises the increasing threat posed by cyberattacks and data breaches. Counter-measures including firewalls, antivirus software, data encryption, and regular staff training are implemented to help safeguard sensitive information and maintain system integrity.

• Risk of significant changes in currency exchange rates. The company maintains constant management review of foreign exchange exposure and the Groups policy is to hedge these risks using forward exchange contracts which are entered into by BASF Societas Europaea.

• The direct impact of US tariffs on the company is limited as sales invoiced or shipped to the US make up less than 1% of total turnover. Indirect effects could include changes in consumer market demand meaning our customers might sell less or adjustments of global supply chains leading to customers relocating production. The company continues to monitor developments in this area.

• The company is exposed to risks arising from geopolitical uncertainty, including the potential escalation of conflict involving Iran. Such developments may adversely affect global economic conditions, disrupt supply chains, and contribute to volatility in energy prices and foreign exchange markets. These factors could increase operating costs and impact customer demand. The company seeks to mitigate this exposure to energy prices through energy efficiency initiatives, fixed-price contracts where possible, and careful supplier selection.

Approved by the Board on 22 May 2026 and signed on its behalf by:

Gabriele Giovannetti (May 22, 2026 12:02:52 GMT+2)

G Giovannetti
Director

BASF plc

Directors' Report for the Year Ended 31 December 2025

The directors present their report and the financial statements for the year ended 31 December 2025.

Principal activity
The principal activity of the company is manufacture and distribution of chemical products A more detailed description of the company's business model and strategy can be found in the Strategic Report.

Proposed dividend

Dividends paid during the year comprise an interim dividend of £20,105,000 (2024: £22,326,000)

The directors do not recommend the payment of a final dividend.

Directors of the company
The directors who held office during the year up to to the date of the report were as follows:

T Birk (ceased 31 July 2025)

D Budd (appointed 1 April 2025 and ceased 17 April 2026)

T Holstein

E M Schweitzer (appointed 1 June 2025)

The following director was appointed after the year end:

G Giovannetti (appointed 23 March 2026)

Information included in the Strategic Report
Review of the business, Key Performance Indicators, environmental and employee matters,are included in the Strategic report.

Charitable donations

During the year, the company made charitable donations totalling £2,617 (2024: £16,777).

Future developments
The directors expect the company to continue its current principal activities during the forthcoming year and are satisfied with the company’s future outlook. In the coming years, the company will focus on strengthening its core businesses and growing sales profitably within these areas, both organically and through suitable value-enhancing opportunities. The directors will continue to operate the business in a cost-efficient and lean manner in order to maintain profitability and competitive advantage within the market.

Research and development
The company incurred £768,000 of expense in the year ended 31 December 2025 on research and development (2024: £1,379,000).

Going concern
Following detailed assessment the financial statements have been prepared on the going concern basis. Further details are given in note 2 to the financial statements.

Directors' Report for the Year Ended 31 December 2025

Directors' Indemnities
The Company has purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors, subject to the conditions set out in section 236 of the Companies Act 2006.

Employment of disabled persons
The Company is committed to equal opportunities and to creating an inclusive working environment for all employees. Applications for employment by disabled persons are always fully and fairly considered, having regard to the particular aptitudes and abilities of the applicant concerned.

The Company is committed to the continued employment and career development of employees who become disabled during their employment. Appropriate arrangements are made, where practicable, for retraining, career development and making reasonable adjustments to enable employees to continue in their roles.Training, development and promotion opportunities are available to all employees and are provided on the basis of merit and business requirements, taking account of the specific needs of disabled employees where appropriate.

Disclosure of information to the auditor
Each of the persons who is a director at the date of approval of this report confirms that:
• so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
• the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Reappointment of auditor
Deloitte LLP have expressed their willingness to continue in office as auditor and a members written resolution to reappoint them in accordance with the provisions of Section 485 of the Companies Act 2006 will be proposed by the Directors.

Approved and authorised by the Board on 22 May 2026 and signed on its behalf by:

Gabriele Giovannetti (May 22, 2026 12:02:52 GMT+2)
....
G Giovannetti
Director

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Railway Road,
Stockport
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England

BASF plc

Statement of Directors' Responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements

The directors are responsible for preparing the Strategic Report, the Directors Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company’s website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the members of BASF plc

Report on the audit of the financial statements

Opinion
In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2025 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- the related notes 1 to 26.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) ISAs (UK) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council’s (the ‘FRC’s’) Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the directors’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company’s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Independent auditor's report to the members of BASF plc (continued)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

A fuller description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities.

Independent auditor's report to the members of BASF plc (continued)

Extent to which the audit was considered capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. This included UK Companies Act, pensions legislation, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including relevant internal specialists such as Pensions and IT, regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinion on other matter prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and Directors' Report.

Independent auditor's report to the members of BASF plc (continued)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

....

Douglas King FCA
For and on behalf of Deloitte LLP,
Statutory Auditor
100 Embankment
Cathedral Approach
Manchester
M3 7FB

22 May 2026

BASF plc

Profit and Loss Account for the Year Ended 31 December 2025

	Note	2025 Total £ 000	2024 Total £ 000
Turnover	3	726,227	829,270
Cost of sales		(652,270)	(744,786)
Gross profit		73,957	84,484
Distribution costs		(48,740)	(54,034)
Administrative expenses		(32,313)	(30,536)
Other operating income	4	22,353	21,771
Operating profit	5	15,257	21,685
Other interest receivable and similar income	6	434	2,302
Interest payable and similar charges	7	(749)	(1,148)
Other finance income	8	7,073	4,512
		6,758	5,666
Profit before tax		22,015	27,351
Taxation	12	(5,877)	(7,246)
Profit for the financial year		16,138	20,105

The above results were derived from continuing operations.

BASF plc

Statement of Comprehensive Income for the Year Ended 31 December 2025

	2025 £ 000	2024 £ 000
Profit for the year	16,138	20,105
Remeasurement gain on defined benefit pension schemes (gross)	8,972	30,640
Income tax (charge) on remeasurement loss on defined benefit pension schemes	(2,242)	(7,660)
Total comprehensive income for the year	22,868	43,085

BASF plc

(Registration number: 667980)
Balance Sheet as at 31 December 2025

	Note	2025 £ 000	2024 £ 000
Fixed assets			
Intangible assets	13	3,222	3,936
Tangible assets	14	10,134	10,705
Investments	15	10,086	10,086
		23,442	24,727
Current assets			
Stocks	16	17,843	45,553
Debtors falling due within one year	17	135,704	131,788
Debtors falling due after more than one year	18	2,027	2,805
		155,574	180,146
Creditors: Amounts falling due within one year	19	(149,684)	(172,072)
Net current assets		5,890	8,074
Total assets less current liabilities		29,332	32,801
Provisions for liabilities	20	(38,813)	(35,174)
Net liabilities excluding pension asset and post-retirement healthcare scheme		(9,481)	(2,373)
Net pension assets	21	144,347	134,402
Post-retirement healthcare scheme	21	(381)	(307)
Net assets		134,485	131,722
Capital and reserves			
Called up share capital	22	30,750	30,750
Profit and loss account		103,735	100,972
Total equity		134,485	131,722

Approved and authorised by the Board on 22 May 2026 and signed on its behalf by:

Timothy Holstein (May 22, 2026 08:04:45 GMT+1)

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T Holstein
Director

BASF plc

Statement of Changes in Equity for the Year Ended 31 December 2025

	Share capital £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2024	30,750	80,213	110,963
Profit for the year	-	20,105	20,105
Other comprehensive income	-	22,980	22,980
Total comprehensive income	-	43,085	43,085
Dividends	-	(22,326)	(22,326)
At 31 December 2024	30,750	100,972	131,722

	Share capital £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2025	30,750	100,972	131,722
Profit for the year	-	16,138	16,138
Other comprehensive income	-	6,730	6,730
Total comprehensive income	-	22,868	22,868
Dividends	-	(20,105)	(20,105)
At 31 December 2025	30,750	103,735	134,485

1 General information

The company is a private company limited by share capital, incorporated in England. The company's registered office is 4th and 5th floors, 2 Stockport Exchange, Railway Road, Stockport, SK1 3GG.

These financial statements were authorised for issue by the Board on 22 May 2026.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates
The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance
These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ("FRS 102").

Basis of preparation
These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

Summary of disclosure exemptions
The company's ultimate parent undertaking, BASF Societas Europaea (BASF SE) includes the company in its consolidated financial statements. The consolidated financial statements of BASF SE are prepared in accordance with International Financial Reporting Standards as adopted by the EU. In these financial statements, the company is considered to be a qualifying entity (for the purposes of FRS 102) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes; and
- Related Party Transactions
- Disclosures required by Sections 11 and 12 of FRS 102 in relation to financial instruments

The financial statements of BASF SE may be obtained from BASF Societas Europaea, D67056 – Ludwigshafen, Germany.

2 Accounting policies (continued)

Going concern

The financial statements have been prepared on a going concern basis, which the directors consider appropriate for the following reasons:

The directors have prepared cash flow forecasts covering a period of at least 12 months from the date of approval of these financial statements. These forecasts, which include severe but plausible downside scenarios, indicate that the company will have sufficient funds to meet its liabilities as they fall due throughout this period.

A significant portion of BASF plc's operations is conducted under merchandise distribution models or contract manufacturing agreements. Both are governed by formal transfer pricing arrangements with the BASF Group, which provide long-term earnings before Interest and tax protection through the pricing of inputs sourced from, and outputs sold to, group entities.

The potential impact of tariffs has been reassessed and continues to be limited, with only a small proportion of turnover derived from sales invoiced and shipped to the US. Any indirect impacts, such as reduced volumes in merchandise operations, would be mitigated by the guaranteed long-term Earnings before interest and tax under the group's transfer pricing mechanisms.

The directors have also considered the potential impact of ongoing geopolitical tensions, including developments in the Middle East and the risk of further escalation involving Iran. While such events may contribute to volatility in energy prices, supply chains and broader economic conditions, the company's forecasts incorporate severe but plausible downside scenarios to reflect these uncertainties. Based on this assessment, no material adverse impact on the company's ability to continue as a going concern has been identified.

Under a severe but plausible downside scenario where the company does not achieve the minimum earnings before interest and tax in a given year, the terms of the transfer pricing agreements allow for recovery of that earnings before interest and tax over the longer term. This would be achieved through a reduction in future inter-company input prices (for merchandise distribution) or an increase in future output prices (for contract manufacturing).

The primary risks relate to operations not covered by these agreements, namely:

- The Dealburn Road manufacturing site
- Bradford Hub sales of products produced by Solenis
- The Alfreton manufacturing site for production of polyurethane products

Nevertheless, profit before tax is forecast to remain positive for the going concern forecast period, even in downside scenarios. The base case forecasts earnings before interest and tax from the company's covered merchandise business models would be sufficient to support potential losses from the manufacturing sites.

2 Accounting policies (continued)

Going concern (continued)

BASF plc participates in the BASF Group's cash concentration agreement, under which daily surplus cash is swept into (or overdrafts settled from) a central group bank account. This pooled cash is available to all participating entities, including BASF plc. As such, the company can access group liquidity when required to meet its obligations. As at the 2025 year-end, BASF plc is expected maintained a net current asset position, including a material inter-company receivable of £19 million under the cash concentration agreement.

The wider BASF Group continues to generate positive earnings before interest tax depreciation and amortisation and Earnings before interest and tax before special items and remains cash generative.

Having considered the company's forecasts, available liquidity, and the support of the BASF Group, the directors are confident that BASF plc will continue to meet its liabilities as they fall due for at least 12 months from the date of approval of these financial statements. Accordingly, the financial statements have been prepared on a going concern basis.

Exemption from preparing group accounts

The financial statements contain information about BASF plc as an individual company and do not contain consolidated financial information as the parent of a group.

The company is exempt under section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent, BASF Societas Europaea, a company incorporated in Germany.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods..

2 Accounting policies (continued)

Critical accounting judgements

In the course of preparing the financial statements, no critical accounting judgements have been made.

Key sources of estimated uncertainty

The company makes estimates and takes assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimates for pension and other schemes

Employee Benefits, requires that certain assumptions are made in order to determine the amount to be recorded for retirement benefit obligations and pension plan assets, in particular for defined benefit plans. These are mainly actuarial assumptions such as expected future salary increases, long-term increase in health care costs, average life expectancy inflation and discount rates. Substantial changes in the assumed development of any of these variables may significantly change the company's retirement benefit obligation and pension assets (see note 21).

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date.

Tax

Tax on profit or loss for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates that have been enacted or substantively enacted at the balance sheet date, and any adjustments to tax payable in respect of previous years.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the Company.

Deferred tax is measured at the rate that is expected to apply to the reversal of the related difference, using tax rates that have been enacted or substantively enacted at the balance sheet date.
Unrelieved tax losses and other deferred tax assets are recognised only to the extent that is it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

2 Accounting policies (continued)

Tangible assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

The company assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

Asset class	**Depreciation rate**
Buildings	2% - 10% per annum
Leasehold land and Buildings	life of lease
Plant and machinery	10% - 33.3% per annum
Motor vehicles	33.3% per annum
Fixtures, fittings, tools and equipment	10% - 20% per annum
Computer equipment	20% - 50% per annum
Dispensary equipment	50% per annum

Business combinations

Business combinations are accounted for using the purchase method as at the acquisition date, which is the date on which control is transferred to the company.

At the acquisition date, the company recognises goodwill at the acquisition date as:

• the fair value of the consideration (excluding contingent consideration) transferred; plus
• estimated amount of contingent consideration (see below); plus
• the fair value of the equity instruments issued; plus
• directly attributable transaction costs; less
• the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities and contingent liabilities assumed.

Consideration which is contingent on future events is recognised based on the estimated amount if the contingent consideration is probable and can be measured reliably. Any subsequent changes to the amount are treated as an adjustment to the cost of the acquisition.

FRS 102.35 grants certain exemptions from the full requirements of FRS 102 in the transition period. The Company elected not to restate business combinations that took place prior to 1 January 2014. In respect of acquisitions prior to this date, goodwill is included on the basis of its deemed cost, which represents the amount recorded under old UK GAAP. Intangible assets previously included in goodwill, are not recognised separately.

2 Accounting policies (continued)

Intangible assets

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Separately acquired trademarks and licences are shown at historical cost.

Trademarks, licences (including software) and customer-related intangible assets acquired in a business combination are recognised at fair value at the acquisition date.

Trademarks, licences and customer-related intangible assets have a finite useful life and are carried at cost less accumulated amortisation and any accumulated impairment losses.

Development costs relating to internally generated software are capitalised when it can be demonstrated that there are probable future economic benefits, and there is the ability to measure the expenditure reliably.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, by equal instalments over their useful life as follows:

Asset class	Amortisation rate
Goodwill	20 years
Intangible assets other than goodwill	3 - 15 years

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the weighted average method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

2 Accounting policies (continued)

Trade creditors
Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Accounts payable are classified as current liabilities if the Company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Provisions
Provisions are recognised when the company has an obligation at the reporting date as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Leases
Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the profit and loss account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Share capital
Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends
Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

2 Accounting policies (continued)

Defined contribution pension obligation
A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Defined benefit pension obligation
Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The asset recognised in the Balance Sheet in respect of defined benefit pension plans is the present value of the fair value of plan assets minus the defined benefit obligation at the reporting date. The defined benefit asset is measured using the projected unit credit method. The present value of the defined benefit asset is determined by discounting the estimated future payments by reference to market yields at the reporting date on high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension asset.

Actuarial gains and losses for the defined benefit plan are recognised in full, in the period in which the occur in other comprehensive income and are not reclassified to profit or loss in subsequent periods.

The cost of providing benefits under the defined benefit plans is determined using the projected unit credit method, which attributes entitlement to benefits to the current period (to determine current service cost) and to the current and prior periods (to determine the present value of defined benefit obligations) and is based on actuarial advice. When a settlement or a curtailment occur the change in the present value of the scheme liabilities and the fair value of the plan assets reflects the gain or loss which is recognised in the Income Statement during the period in which it occurs.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, at the start of the period taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in Income statement as other finance revenue or cost.

Revenue recognition
Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

The company recognises revenue when:

• the amount of revenue can be reliably measured;
• it is probable that future economic benefits will flow to the entity; and,
• specific criteria have been met for each of the company's activities.

2 Accounting policies (continued)

Investments
Investments in subsidiaries are carried at cost less impairment.

Borrowings
Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

3 Segmental analysis

The analysis of the company's turnover for the year is as follows:

	2025 £ 000	2024 £ 000
Sale of goods	726,227	829,141
Royalties received	-	129
	726,227	829,270

The analysis of the company's turnover for the year by class of business is as follows:

	2025 £ 000	2024 £ 000
Manufacturing	62,612	65,948
Distribution of chemicals, plastics and related products	650,064	735,448
Sales acting as agent, sale of speciality care chemicals and royalties	13,551	27,874
	726,227	829,270

The analysis of the company's Turnover for the year by market is as follows:

	2025 £ 000	2024 £ 000
UK	579,583	662,453
Europe	117,240	134,171
Rest of world	29,404	32,646
	726,227	829,270

4 Other operating income

The analysis of the company's other operating income for the year is as follows:

	2025 £ 000	2024 £ 000
Miscellaneous other operating income	448	1,007
Non trade business recharges	21,905	18,203
Income from non-typical operations	-	2,561
	22,353	21,771

Income from non-typical operations, representing technical and engineering services billed to other group companies, was nil in the current year, following the transfer of the Coatings business to BASF Coatings UK Limited in the prior year.

5 Operating profit

Arrived at after charging/(crediting)

	2025 £ 000	2024 £ 000
Depreciation expense	1,684	2,069
Amortisation expense	714	1,227
Gain from write-down and reversals of stocks to net realisable value	(1,171)	(2,608)
Research and development cost	768	1,379
Operating lease expense - property	600	525
Operating lease expense - plant and machinery	128	62
Operating lease expense - other	1,552	1,508

6 Other interest receivable and similar income

	2025 £ 000	2024 £ 000
Other finance income	127	972
Interest receivable from group undertakings	307	1,330
	434	2,302

Notes to the Financial Statements for the Year Ended 31 December 2025 (continued)

7 Interest payable and similar charges

	2025 £ 000	2024 £ 000
Interest expense on other finance liabilities	742	17
Borrowing costs included in cost of qualifying asset	(1)	1
Gain on foreign exchange	(1,292)	(628)
Interest payable to group undertakings	1,300	1,758
	749	1,148

8 Other net finance (income)/costs

	2025 £ 000	2024 £ 000
Expected return on pension scheme assets	(56,840)	(52,299)
Interest on pension scheme liabilities	49,767	47,787
	(7,073)	(4,512)

9 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2025 £ 000	2024 £ 000
Wages and salaries	29,839	27,753
Social security costs	4,464	4,243
Pension costs, defined contribution scheme	5,310	5,140
Pension costs, defined benefit scheme	2,834	2,835
Other post-employment benefit costs	5	19
	42,452	39,990

9 Staff costs (continued)

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2025 No.	2024 No.
Production	110	110
Sales, marketing, distribution, research and administration	277	332
	387	442

10 Directors' remuneration

The directors' remuneration for the year was as follows:

	2025 £ 000	2024 £ 000
Remuneration	804	739
Contributions paid to money purchase schemes	51	65
	855	804

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2025 No.	2024 No.
Received or were entitled to receive shares under long term incentive schemes	1	1
Accruing benefits under money purchase pension scheme	1	2

In respect of the highest paid director:

	2025 £ 000	2024 £ 000
Remuneration	427	541

11 Auditor's remuneration

	2025 £ 000	2024 £ 000
Audit of the financial statements	356	502

No other fees has been paid to the auditors for non-audit services.

12 Taxation

Tax charged/(credited) in the profit and loss account

	2025 £ 000	2024 £ 000
Current taxation		
UK corporation tax charge	4,952	5,056
UK corporation tax (credit) / expense adjustment to prior periods	(46)	3
	4,906	5,059
Deferred taxation		
Arising from origination and reversal of timing differences	850	2,328
Arising from previously unrecognised tax loss, tax credit or temporary difference of prior periods	121	(141)
Total deferred taxation	971	2,187
Tax expense in the profit and loss account	5,877	7,246

12 Taxation (continued)

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2024 - higher than the standard rate of corporation tax in the UK) of 25% (2024 - 25%).

The differences are reconciled below:

	2025 £ 000	2024 £ 000
Profit before tax	22,015	27,351
Corporation tax at standard rate	5,504	6,838
Effect of revenues exempt from taxation	4	-
Effect of expense not deductible in determining taxable profit	294	546
Deferred tax expense (credit) from unrecognised temporary difference from a prior period	121	(141)
(Decrease) / increase in UK and foreign current tax from adjustment for prior periods	(46)	3
Total tax charge	5,877	7,246

Deferred tax balances at 31 December 2025 have been measured using the corporation tax rate of 25%.

BASF plc falls within the scope of the OECD Pillar Two Model Rules. The UK enacted relevant Pillar Two legislation effective from 1 January 2024. The application of these rules does not give rise to additional top-up taxes, as the applicable UK corporation tax rate is 25%.

BASF plc also applies the exception in FRS 102 whereby no deferred tax assets or liabilities are recognised in connection with Pillar Two income taxes under the OECD Model rules; nor are any disclosures made on the matter.

12 Taxation (continued)

Deferred tax

Deferred tax assets and liabilities

2025	Asset £ 000	Liability £ 000
Accelerated capital allowances	2,027	-
Retirement Benefit obligations	-	35,992
Deferred tax asset on temporary differences	297	-
	2,324	35,992

2024	Asset £ 000	Liability £ 000
Accelerated capital allowances	2,594	-
Retirement Benefit obligations	-	33,524
Deferred tax asset on temporary differences	265	-
Tax losses carried forward	211	-
	3,070	33,524

There are no other future factors at the reporting date that are expected to impact the company’s future tax charge.

13 Intangible assets

	Goodwill £ 000	Trademarks, patents and licenses £ 000	Internally generated software development costs £ 000	Total £ 000
Cost or valuation				
At 1 January 2025	14,192	459	112	14,763
Disposals	-	(459)	-	(459)
At 31 December 2025	14,192	-	112	14,304
Amortisation				
At 1 January 2025	10,266	459	102	10,827
Amortisation charge	709	-	5	714
Amortisation eliminated on disposals	-	(459)	-	(459)
At 31 December 2025	10,975	-	107	11,082
Carrying amount				
At 31 December 2025	3,217	-	5	3,222
At 31 December 2024	3,926	-	10	3,936

The aggregate amount of research and development expenditure recognised as an expense during the period is £768,000 (2024 - £1,379,000).

At the reporting date, the company had no capital commitments (2024: £nil).

Amortisation period of capitalised development costs
The company has not capitalised any development costs during the period and therefore no amortisation period applies (2024: not applicable).

Notes to the Financial Statements for the Year Ended 31 December 2025 (continued)

14 Tangible assets

	Land and buildings £ 000	Motor Vehicles, fittings and equipment £ 000	Assets under construction £ 000	Property, plant and equipment £ 000	Total £ 000
Cost or valuation					
At 1 January 2025	12,653	5,613	1,775	24,504	44,545
Additions	187	126	819	2	1,134
Disposals	(41)	(32)	-	(270)	(343)
Transfers	822	243	(1,205)	140	-
At 31 December 2025	13,621	5,950	1,389	24,376	45,336
Depreciation					
At 1 January 2025	7,385	3,915	-	22,540	33,840
Charge for the year	453	689	-	542	1,684
Eliminated on disposal	(26)	(28)	-	(268)	(322)
At 31 December 2025	7,812	4,576	-	22,814	35,202
Carrying amount					
At 31 December 2025	5,809	1,374	1,389	1,562	10,134
At 31 December 2024	5,268	1,698	1,775	1,964	10,705

Included within the net book value of land and buildings above is £5,809,000 (2024 - £5,268,000) in respect of freehold land and buildings.

At the reporting date, the company had no capital commitments (2024: £nil).

15 Investments in subsidiaries, joint ventures and associates

	2025 £ 000	2024 £ 000
Investments in subsidiaries	10,086	10,086

Subsidiaries	**£ 000**
Cost or valuation	
At 1 January 2025	10,086
At 31 December 2025	10,086
At 31 December 2024	10,086

Details of direct undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held 2025	2024
Subsidiary undertakings				
Nunhems UK Limited	4th and 5th Floors, 2 Stockport Exchange, Railway Road, Stockport, Cheshire, United Kingdom, SK1 3GG England	Ordinary	100%	100%
BASF Agricultural Solutions UK Limited	4th and 5th Floors, 2 Stockport Exchange, Railway Road, Stockport, Cheshire, United Kingdom, SK1 3GG England	Ordinary	100%	100%
BASF Pensions Trustee Limited	4th and 5th Floors, 2 Stockport Exchange, Railway Road, Stockport, Cheshire, United Kingdom, SK1 3GG England	Ordinary	100%	100%

15 Investments in subsidiaries, joint ventures and associates (continued)

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
BASF Coatings UK Limited	4th and 5th Floors, 2 Stockport Exchange, Railway Road, Stockport, Cheshire, United Kingdom, SK1 3GG England	Ordinary	100%	100%

Subsidiary undertakings

Nunhems UK Limited

The principal activity of Nunhems UK Limited is the sale and distribution of vegetable seeds.

BASF Agricultural Solutions UK Limited

The principal activity of BASF Agricultural Solutions UK Limited is the sale and distribution of agricultural products.

BASF Pensions Trustee Limited

The principal activity of BASF Pensions Trustee Limited is a pension company.

BASF Coatings UK Limited

The principal activity of BASF Coatings UK Limited is sale and distribution of chemical coating products to the automotive industry.

16 Stocks

	2025 £ 000	2024 £ 000
Raw materials and consumables	3,616	4,746
Merchandise	10,395	36,882
Finished goods and goods for resale	3,832	3,925
	17,843	45,553

Raw materials, consumables and changes in finished goods and work in progress recognised as cost of sales in the year amounted to £652,270,000 (2024: £747,394,000). The write-down of stocks to net realisable value and aged stock provision amounted to a gain of £1,170,740 (2024: gain £2,607,917), and have adjusted gross stocks to the carrying amount above.

17 Debtors falling due within one year

Current	Note	2025 £ 000	2024 £ 000
Trade debtors		92,063	91,070
Amounts owed by group undertakings	25	36,558	35,630
Other debtors		2,036	2,128
Prepayments		2,613	821
Deferred tax assets	12	297	265
Corporation tax	12	2,137	1,874
		135,704	131,788

Amounts owed from group undertakings relate to trading balances and the deposit of short-term working capital in the form of In-House bank balances. In-House bank balances are interest bearing and receive interest calculated daily which fluctuates in line with market interest rates.

18 Debtors falling due after more than one year

	Note	2025 £ 000	2024 £ 000
Deferred tax assets	12	2,027	2,805
Total other debtors		2,027	2,805

19 Creditors

	Note	2025 £ 000	2024 £ 000
Due within one year			
Trade creditors		6,510	6,549
Amounts owed to group undertakings	25	114,796	140,726
Social security and other taxes		1,013	933
Other payables*		6,322	8,577
Accrued expenses		20,927	14,879
Other financial liabilities		85	344
Deferred income		31	64
		149,684	172,072

* Other payables relates predominantly to VAT

Amounts owed to group undertakings all relate to trading balances which are non-interest bearing.

20 Deferred tax and other provisions

	Onerous contracts and plant closure £ 000	Employee benefits £ 000	Deferred tax £ 000	Other provisions £ 000	Total £ 000
At 1 January 2025	507	48	33,524	1,095	35,174
Additional provisions	109	43	2,468	1,651	4,271
Provisions used	(19)	-	-	(403)	(422)
Unused provision reversed	(1)	(1)	-	(193)	(195)
(Decrease) from transfers and other changes	-	(15)	-	-	(15)
At 31 December 2025	596	75	35,992	2,150	38,813

Other provisions consist of provisions for contaminated sites, environmental measures, restructuring provisions, dilapidation provisions, and on-going employee claims against the company.

21 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £5,310,237 (2024 - £5,139,870).

Defined benefit pension schemes

The BASF pension scheme includes three sections, the Group section, the BPP Section and the Chemetall Section. The Chemetall section is separately identifiable and is accounted for by Chemetall Limited. BASF Pensions Trustees Limited and its board of directors governs and directs the activities of the scheme. The UK pensions market is regulated by the Pensions Regulator whose statutory objectives and regulatory powers are described on its website, www.thepensionregulator.gov.uk.

The weighted average duration of the scheme is 11.5 years (12.2 years for the BPP section and 10.2 years for the Group section). This weighted average duration for the scheme as a whole has been used to determine the financial assumptions. This has decreased from the overall duration used last year of 12.4 years.

The surplus for the BPP and Group Sections have increased since last year, with assets falling less than the defined benefit obligation. The end of year calculations are based on an update of full liability calculations as at 31 December 2023 based on membership data being used for the formal actuarial valuation at that date. The beginning of year liabilities were based on the membership data used for the 31 December 2020 actuarial valuation. The impact of allowing for this updated data has been a decrease in the defined benefit obligation.

Future levels of long-term inflation expectations have also reduced over the period causing the defined benefit obligation to fall. Given the level of hedging, the assets have fallen by a similar magnitude to the fall in the defined benefit obligation. This has been slightly offset by an update in the demographic assumptions which has caused an increase in life expectancies and inflation being higher than assumed over the year which have both contributed to an increase in the defined benefit obligation.

The deficit for Ex-Gratia has increased since last year due to an increase in the defined benefit obligation caused by an increase in the life expectancy assumption.

Under paragraph 28.22 of FRS102, a surplus can be recognised to the extent that it can offset contributions for future service, or where it forms part of a potential refund of surplus. The company's interpretation of the Trust Deed and Rules is that the company would potentially be entitled to a refund of surplus on wind-up. Therefore, where a surplus arises in either the Group Section or the BPP Section, this will be recognised in full, which is consistent with the policies that have been applied for the purpose of the parent company’s disclosures under IFRS.

21 Pension and other schemes (continued)

The Company is aware of the 'Virgin Media v NTL Pension Trustees Ltd and others' case which ruled certain historical amendments for contracted out defined benefit schemes will be void unless the scheme actuary had confirmed, when the amendment was made, that the pension scheme would continue to satisfy the statutory standard for contracted-out schemes, originally ruled in 2023 and then upheld in the High Court in 2024. The company continues to monitor developments in this area of the law with the help of its advisors and has considered the extent to which the defined benefit schemes are exposed to the outcomes of this case. The Company deems that the resulting change in pension obligations, if any, is not anticipated to be material. The Company is therefore satisfied that it remains appropriate to make no adjustment to the financial statements on this basis but will keep the matter under review.

Group Section BASF PLC UK Group Pension Scheme

The Group section of the BASF UK Group Pension scheme is a funded defined benefit scheme which is closed to new members and closed to future accrual, on 31 March 2012. From this date active members of the Scheme are termed 'Continuing members', retaining a link to final pensionable salary. The Trustee and the company have agreed that no contributions are required for the Group section, as the Group Section was in surplus at the most recent actuarial valuation, dated 31 December 2020.

The date of the most recent comprehensive actuarial valuation was 31 December 2020. The most recent comprehensive actuarial valuation was carried out by the Trustee of the Scheme as at 31 December 2020 for funding purposes. The 31 December 2023 triennial valuation was completed in December 2024 but due to proximity to filing of the accounts there was insufficient time to update member data based on this latest valuation.

Reconciliation of scheme assets and liabilities to assets and liabilities recognised

The amounts recognised in the Balance Sheet are as follows:

	2025 £ 000	2024 £ 000
Fair value of scheme assets	407,015	418,308
Present value of defined benefit obligation	(326,657)	(345,627)
Defined benefit pension scheme surplus	80,358	72,681

Defined benefit obligation

Changes in the defined benefit obligation are as follows:

	2025 £ 000	2024 £ 000
Present value at start of year	345,627	395,110
Administration costs	1,400	1,414
Interest cost	17,981	17,195
Remeasurement: actuarial (gains)	(11,643)	(40,698)
Benefits paid	(26,708)	(27,394)
Present value at end of year	326,657	345,627

21 Pension and other schemes (continued)

Fair value of scheme assets

Changes in the fair value of scheme assets are as follows:

	2025 £ 000	2024 £ 000
Fair value at start of year	418,308	452,136
Interest income	21,780	19,730
Return on plan assets, excluding amounts included in interest income	(3,095)	(26,164)
Benefits paid	(26,708)	(27,394)
Disbursements - DC contributions	(3,270)	-
Fair value at end of year	407,015	418,308

During the year, DC employer contributions were funded directly from the DB pension scheme surplus, with no impact on pension expense and a corresponding reduction in the recognised pension surplus.

Analysis of assets

The major categories of scheme assets are as follows:

	2025 £ 000	2024 £ 000
Cash and cash equivalents	4,875	7,738
Debt instruments	341,435	343,182
Government Debt	60,705	67,388
	407,015	418,308

The LDI portfolio consists of assets, including gilts and index-linked gilts and money market funds, of the value of £157.2m (2024: £158.3m) and associated repurchase agreements and swaps of (£98.6))m (2024: (£89.6)m).

Return on scheme assets

	2025 £ 000	2024 £ 000
Return on scheme assets	18,685	(6,434)

The pension scheme has not invested in any of the company's own financial instruments or in properties or other assets used by the company.

21 Pension and other schemes (continued)

Principal actuarial assumptions

The principal actuarial assumptions at the balance sheet date are as follows:

	2025 %	2024 %
Discount rate	5.40	5.40
Future salary increases	2.90	3.80
Future pension increases for deferred benefits RPI linked	2.50	2.80
Future pension increases CPI-linked	.80	.80
pension increases LPI 5%	2.80	3.10
pension increases LPI 2.5%	2.00	2.10

Post retirement mortality assumptions

	2025 Years	2024 Years
Current UK pensioners at retirement age - male	21.50	21.20
Current UK pensioners at retirement age - female	22.40	23.10
Future UK pensioners at retirement age - male	23.20	22.10
Future UK pensioners at retirement age - female	24.20	24.10

Sensitivity Analysis

The defined benefit obligation of the Group Scheme is sensitive to changes in key financial assumptions, in particular the discount rate and price inflation.

A sensitivity analysis has been performed to illustrate the impact of a reasonably possible change in these assumptions at the reporting date. A 0.5% increase in the discount rate is estimated to reduce the Scheme's defined benefit obligation by approximately £14.0m (4.3%), while a 0.5% decrease would increase the obligation by approximately £15.2m (4.7%).

A 0.5% increase in price inflation is estimated to increase the defined benefit obligation by approximately £8.6m (2.6%), while a 0.5% decrease would reduce the obligation by approximately £8.2m (2.5%).

The sensitivities have been calculated by varying each assumption in isolation, with all other assumptions held constant. In practice, changes in assumptions may be interrelated. The methods and assumptions used are consistent with those applied in measuring the defined benefit obligation.

21 Pension and other schemes (continued)

BPP Section of the BASF UK Group Pension Scheme

The BPP section of the BASF UK group Pension scheme is a funded defined benefit scheme which is closed to new members and closed to future accrual with effect from 31 December 2015. It was agreed at the 31 December 2020 valuation that no further contributions would be made. The 31 December 2020 valuation was completed on 18 February 2022.

The date of the most recent comprehensive actuarial valuation was 31 December 2020. The most recent comprehensive actuarial valuation was carried out by the Trustee of the Scheme as at 31 December 2020 for funding purposes. The 31 December 2023 triennial valuation was completed in December 2024 but due to proximity to filing of the accounts there was insufficient time to update member data based on this latest valuation.

Reconciliation of scheme assets and liabilities to assets and liabilities recognised

The amounts recognised in the Balance Sheet are as follows:

	2025 £ 000	2024 £ 000
Fair value of scheme assets	654,641	668,142
Present value of defined benefit obligation	(590,094)	(605,804)
Defined benefit pension scheme surplus	64,547	62,338

Defined benefit obligation

Changes in the defined benefit obligation are as follows:

	2025 £ 000	2024 £ 000
Present value at start of year	605,804	696,055
Administration costs	1,434	1,421
Interest cost	31,739	30,550
Remeasurement: actuarial (gains)	(11,341)	(86,439)
Benefits paid	(37,542)	(35,783)
Present value at end of year	590,094	605,804

21 Pension and other schemes (continued)

Fair value of scheme assets

Changes in the fair value of scheme assets are as follows:

	2025 £ 000	2024 £ 000
Fair value at start of year	668,142	741,652
Interest income	35,060	32,569
Return on plan assets, excluding amounts included in interest income	(10,788)	(70,296)
Benefits paid	(37,542)	(35,783)
Disbursements - DC contributions	(231)	-
Fair value at end of year	654,641	668,142

During the year, DC employer contributions were funded directly from the DB pension scheme surplus, with no impact on pension expense and a corresponding reduction in the recognised pension surplus.

Analysis of assets

The major categories of scheme assets are as follows:

	2025 £ 000	2024 £ 000
Cash and cash equivalents	10,487	21,702
Government Debt	175,916	157,180
Debt instruments	468,238	489,260
	654,641	668,142

The LDI portfolio consists of assets, including gilts and index-linked gilts and money market funds, of the value of £389.7m (2024: £391.7m) and associated repurchase agreements and swaps of £(212.9)m (2024: £(231.2)m).

Return on scheme assets

	2025 £ 000	2024 £ 000
Return on scheme assets	24,272	(37,727)

The pension scheme has not invested in any of the company's own financial instruments or in properties or other assets used by the company.

21 Pension and other schemes (continued)

Principal actuarial assumptions

The principal actuarial assumptions at the Balance Sheet date are as follows:

	2025 %	2024 %
Discount rate	5.40	5.40
Future salary increases	2.80	3.10
Future pension increases for deferred benefits RPI linked	2.90	3.30
Future pension increases CPI-linked	2.80	2.80
pension increases LPI 5%	2.80	3.10
pension increases LPI 2.5%	2.00	2.10

Post retirement mortality assumptions

	2025 Years	2024 Years
Current UK pensioners at retirement age - male	21.10	20.80
Current UK pensioners at retirement age - female	22.00	22.40
Future UK pensioners at retirement age - male	22.50	21.60
Future UK pensioners at retirement age - female	23.60	23.50

Sensitivity Analysis

The defined benefit obligation of the BPP Scheme is sensitive to changes in key financial assumptions, in particular the discount rate and price inflation.

A sensitivity analysis has been performed to illustrate the impact of a reasonably possible change in these assumptions at the reporting date. A 0.5% increase in the discount rate is estimated to reduce the Scheme's defined benefit obligation by approximately £30.2m (5.1%), while a 0.5% decrease would increase the obligation by approximately £33.2m (5.6%).

A 0.5% increase in price inflation is estimated to increase the defined benefit obligation by approximately £22.0m (3.7%), while a 0.5% decrease would reduce the obligation by approximately £21.3m (3.6%).

The sensitivities have been calculated by varying each assumption in isolation, with all other assumptions held constant. In practice, changes in assumptions may be interrelated. The methods and assumptions used are consistent with those applied in measuring the defined benefit obligation.

21 Pension and other schemes (continued)

Ex-Gratia Scheme

Ex-Gratia Scheme is an unfunded pension arrangement that provides retirement income to members administered by Legal & General.

The date of the most recent comprehensive actuarial valuation is not applicable to the Ex-Gratia Scheme.

Reconciliation of scheme assets and liabilities to assets and liabilities recognised

The amounts recognised in the balance sheet are as follows:

	2025 £ 000	2024 £ 000
Present value of defined benefit obligation	(558)	(617)

Defined benefit obligation

Changes in the defined benefit obligation are as follows:

	2025 £ 000	2024 £ 000
Present value at start of year	617	747
Interest cost	32	32
Remeasurement: actuarial losses/(gains)	7	(66)
Benefits paid	(98)	(96)
Present value at end of year	558	617

Principal actuarial assumptions

The principal actuarial assumptions at the balance sheet date are as follows:

	2025 %	2024 %
Discount rate	5.40	5.40
Inflation	2.90	3.30
Future pension increases CPI-linked	2.80	3.10

21 Pension and other schemes (continued)

Sensitivity Analysis

The defined benefit obligation of the Ex-gratia Scheme is sensitive to changes in key financial assumptions, in particular the discount rate and price inflation.

A sensitivity analysis has been performed to illustrate the impact of a reasonably possible change in these assumptions at the reporting date. A 0.5% increase in the discount rate is estimated to reduce the Scheme's defined benefit obligation by approximately £9k (1.6%), while a 0.5% decrease would increase the obligation by approximately £10k (1.8%).

A 0.5% increase in price inflation is estimated to increase the defined benefit obligation by approximately £5k (0.9%), while a 0.5% decrease would reduce the obligation by approximately £7k (1.3%).

The sensitivities have been calculated by varying each assumption in isolation, with all other assumptions held constant. In practice, changes in assumptions may be interrelated. The methods and assumptions used are consistent with those applied in measuring the defined benefit obligation.

Post retirement medical benefit

The plan is a post retirement medical benefit plan in the UK.

The date of the most recent comprehensive actuarial valuation is not applicable for the post retirement medical benefit.

Reconciliation of scheme assets and liabilities to assets and liabilities recognised

The amounts recognised in the Balance Sheet are as follows:

	2025 £ 000	2024 £ 000
	(381)	(307)

Defined benefit obligation

Changes in the defined benefit obligation are as follows:

	2025 £ 000	2024 £ 000
Present value at start of year	307	243
Interest cost	15	10
Actuarial gains and losses	122	103
Benefits paid	(63)	(49)
Present value at end of year	381	307

21 Pension and other schemes (continued)

Principal actuarial assumptions

The principal actuarial assumptions at the Balance Sheet date are as follows:

	2025	**2024**
	%	**%**
Discount rate	5.40	5.40
Initial medical trend	6.40	6.30
Ultimate medical trend	6.40	6.30

Post retirement mortality assumptions

	2025	**2024**
	Years	**Years**
Current UK pensioners at retirement age - male	21.00	21.00
Current UK pensioners at retirement age - female	23.00	22.00

22 Share capital

Allotted, called up and fully paid shares

	2025		**2024**	
	No. 000	**£ 000**	**No. 000**	**£ 000**
Ordinary shares of £1 each	30,750	30,750	30,750	30,750

23 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

	2025 £ 000	2024 £ 000
Not later than one year	1,900	1,585
Later than one year and not later than five years	4,286	2,977
Later than five years	886	807
	7,072	5,369

The amount of non-cancellable operating lease payments recognised as an expense during the year was £2,280,000 (2024 - £2,095,000).

24 Contingent liabilities

Professional assessments are undertaken to identify the environmental financial provisions required for the Bradford site every three years. As a result of the last assessment carried out in 2024, contingent liabilities totalling £628,970 were identified. The directors have been advised that it is possible, but not probable, the liability will arise and accordingly no provision for any liability has been made in these financial statements.

25 Related party transactions

All material transactions with related parties during the current and prior year have been with the company's immediate parent, fellow subsidiaries and other group undertakings. As such, the company has taken advantage of the exemption allowed under FRS 102.33.1A not to disclose such transaction. Related party balances outstanding at the balance sheet date are disclosed in total under the relevant notes above.

26 Parent and ultimate parent undertaking

The company's immediate parent is BASF UK Holdings Limited, incorporated in England.

The ultimate parent is BASF Societas Europaea, incorporated in Germany.

The most senior parent entity producing publicly available financial statements is BASF Societas Europaea. These financial statements are available upon request from BASF Societas Europaea, D67056 – Ludwigshafen, Germany.

BASF SE is the largest and smallest group preparing consolidated group financial statements.

The ultimate controlling party is BASF Societas Europaea.