Cautionary note regarding forward-looking statements

This presentation contains forward-looking statements. These statements are based on current estimates and projections of the Board of Executive Directors and currently available information. Forward-looking statements are not guarantees of the future developments and results outlined therein. These are dependent on a number of factors; they involve various risks and uncertainties; and they are based on assumptions that may not prove to be accurate. Such risk factors include those discussed in Opportunities and Risks on pages 158 to 166 of the BASF Report 2020. BASF does not assume any obligation to update the forward-looking statements contained in this presentation above and beyond the legal requirements.
We provide solutions for the market trends that drive our customers

**Environmental awareness**
- Waterborne solutions for more sustainable offerings
- Healthier, low-emission products
- Use of renewable resources with biomass balance products
- Products based on circular solutions to enable recycling
- Anode binder solutions to support e-mobility

**Digitalization**
- Electronic materials for new-generation semiconductors
- Increased online purchasing requiring printing and packaging materials
- Digitalization as a lever to improve operational efficiency and ensure competitiveness
- Digital collaboration tools to connect with our customers
Dispersions & Pigments:¹ Our products add value to multiple industrial applications

Main applications
- Adhesives
- Architectural, construction, paper coatings
- Nonwovens

Key customer examples
- Behr, Sika

Main applications
- Automotive, industrial coatings
- Furniture and flooring
- Printing and packaging

Key customer examples
- PPG, Sun Chemical/DIC Group

Main applications
- Adhesives
- Architectural, paper, industrial, automotive and wood coatings
- Printing and packaging

Key customer examples
- Akzo Nobel, Henkel

Main applications
- No. 1 position in ultra-pure materials for semiconductors
- Displays
- Metal powder injection molding

Key customer examples
- TSMC, Intel, Samsung

¹ On August 29, 2019, BASF and DIC reached an agreement on the acquisition of BASF’s global pigments business. The transaction is expected to close in H1 2021, subject to the approval of the U.S. competition authorities.

² Percentage of the division’s sales 2020, excluding the pigments business.
We have a strong presence across major markets and target industries

Sales by region\(^1\) 2020

- South America, Africa, Middle East: 5%
- North America: 26%
- Asia Pacific: 31%

Sales by direct customer industry 2020

- Paints and coatings: 33%
- Electronic materials: 15%
- Others: 7%
- Plastics: 6%
- Printing and packaging: 8%
- Adhesives: 8%
- Paper coatings: 8%
- Construction: 15%

\(^1\) By location of customer
We are a consistent and stable earnings contributor for the BASF Group

- Steady profitability and capital efficiency, with continual portfolio optimization
- Volume growth in core businesses
  - 2020: 3%, despite the pandemic
  - 2015 to 2019 (CAGR): 2%
- Business development linked to GDP; inbuilt resilience due to broad range of customer industries
We are close to our customers
We invest selectively where it matters for long-term growth

On August 29, 2019, BASF and DIC reached an agreement on the acquisition of BASF’s global pigments business. The transaction is expected to close in H1 2021, subject to the approval of the U.S. competition authorities.
We strive for profitable growth through customer focus, efficient operations and sustainable innovations

Sustainability
We promote waterborne solutions to reduce emissions

Innovation
We have strong R&D expertise and application know-how to serve customer needs

Digitalization
We continually improve efficiency and collaboration models

Asia Pacific
We are a locally present partner to capture growth momentum

Collaboration
We leverage close cooperation and partnerships for long-term growth
Our waterborne product portfolio enables emission reductions

- **Waterborne solutions** across our portfolio provide significant sustainability benefits such as **low VOC**\(^1\), a healthier and safer working environment as well as a **reduced carbon footprint**

- Our high-performance waterborne **resins for industrial coatings** provide additional benefits: **durability, light weight, special effects and high definition**

- Our **additives portfolio enables enhanced processing** of waterborne formulations

- Our semi-aqueous cleaning **mixtures for semiconductors** provide superior performance and **reduction of waste**, both resulting in **improved cost-in-use**
Acronal® 6292: Converting challenges into solutions

- **Acronal® 6292** is a styrene-acrylic binder, containing low volatile organic compounds. Its increased pigment binding power makes it a cost-competitive alternative to vinyl acetate ethylene emulsions.

- A biomass balance version, **Acronal® MB 6492** from renewable feedstock uses less fossil-based resources and reduces the carbon footprint by up to 90% with no change in performance or customer formulation.

- Acronal® 6292 facilitates the manufacture of biocide-free paints tested and certified by independent agencies.

- Paints based on Acronal® 6292 provide superior indoor air quality. They are a growing part of product portfolios of major paint manufacturers.

- The use of Acronal® 6292 provides a broad latitude for paint formulations.
We innovate with and for our customers

Global R&D drives more sustainable solutions such as
- Waterborne and low-emission solutions
- Recyclability of end products
- Enablers for lower energy consumption
- Bio-based and biodegradable solutions

and provides efficient innovation through
- Dedicated platforms for major customer industries
- Effective leverage of the power of digitalization

9 major R&D sites across all regions 20% of sales from recent innovation\(^1\)

\(^1\) Sales with new products launched in last 5 years
Catamold® PANACEA: Innovative solutions enable next-generation smart devices

More than 30 million smartphones with Catamold® PANACEA inside

- Process-ready, high-quality granulate for metal injection molding technology
- Enables lightweight metal parts with complex geometries
- Provides excellent surface quality as well as resistance to scratches and corrosion
- Supports new solutions for smartphones, tablets and wearable devices, e.g., camera frames for triple camera systems
- Helps device manufacturers to reduce their material costs by up to 30%
We optimize for efficiency and reliability through digitalization

Digitalization in R&D

- Robotic application testing of adhesives, including evaluation of failure mode, data management and automated cleaning, processing 100 samples per day
- Automated, standardized application testing of resins for mechanical and optical properties, processing 200 samples per day

Digitalization in operations

- Rapid product scale-up to meet urgent customer demand
- Adapted waterborne polymer dispersion production in Cengkareng, Indonesia, to set up parallel production in Pasir Gudang, Malaysia, using kinetic modelling
- Significant efficiency gains from testing and feedback, precise parameter guidance to scale up recipes
We foster customer partnerships in our key growth markets

Global headquarters in Hong Kong

- Strong support for **customers in Asia Pacific** with
  - ~1,600 employees; strong local talent pipeline
  - 17 major sites in proximity to local customers
  - R&D and technical centers in China, India, Korea and Indonesia
  - global innovation centers for construction at Shanghai innovation campus

- **Enabling** customers to
  - expand their operations in other regions
  - transition toward eco-friendly, premium products
  - enhance their products with advanced electronic materials
We help customers to capture business opportunities

“We’ve been incredibly impressed with BASF through these challenging times… The transparency and collaboration between our team members has been superb and has helped us get back in stock quickly.”

Behr President Jeff Filley

Behr and BASF have established a strategic partnership over more than 20 years of collaboration

- BASF supports new product development for architectural coatings
- Behr has recognized BASF’s contributions, for example, with multiple “Supplier Excellence” awards

BASF worked closely with Behr to meet surging demand during the pandemic with reliable supplies

- Rising demand for DIY paints during lockdowns required a rapid ramp-up of production at Behr
- BASF was able to leverage its operational flexibility to meet Behr’s increased need for raw materials
We actively optimize our portfolio, operations and customer relationships for profitable growth

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<td>Waterborne solutions for better health, safety and environment</td>
<td>Dedicated R&amp;D platforms in all regions with strong application know-how</td>
<td>Efficiency gains in all aspects of our business, to reduce cost-to-serve</td>
<td>Strong asset base and R&amp;D set-up to capture growth</td>
<td>Customers are at the center of everything we do</td>
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<td>Reduced carbon footprint with mass balance products</td>
<td>Focus on performance, cost and sustainability</td>
<td>New interfaces for more effective customer engagement</td>
<td>Preferred partner for our local customers to expand their global reach</td>
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BASF
We create chemistry