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.
Agenda

1. At a glance
2. Strategy implementation in full swing
3. Unique position to capture growth in Asia
4. Battery materials driving electromobility and future growth
5. Pushing the transition to a sustainable economy
6. Reporting
What is driving BASF’s future growth?

Global trends provide opportunities for growth in the chemical industry

<table>
<thead>
<tr>
<th>Population growth:</th>
<th>+25%</th>
<th>2020 to 2050</th>
</tr>
</thead>
<tbody>
<tr>
<td>Driven by the emerging markets</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>China the largest market:</th>
<th>~50%</th>
<th>by 2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share of global chemical market</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Circular economy:</th>
<th>~200 million metric tons per year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-recycled plastics worldwide</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Digitalization:</th>
<th>456 zettabytes in 2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rapid growth in volume of data</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Climate change:</th>
<th>~70% by 2050 (baseline 1990)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Required reduction of greenhouse gas emissions to achieve the 2°C goal</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Electromobility:</th>
<th>~25% per year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growing demand for battery materials until 2030</td>
<td></td>
</tr>
</tbody>
</table>

Sources: UN, IEA, UBS Foresight, BASF
### Unique position to deliver long-term value

<table>
<thead>
<tr>
<th>Unique Verbund concept</th>
<th>Industry-leading innovation platform</th>
<th>Strong and expanding local presence in fast growing Asian market</th>
<th>Creating value to society and contributing to a sustainable development</th>
<th>Progressive dividend policy</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ 6 Verbund sites globally</td>
<td>▪ <strong>€2.1</strong> billion R&amp;D expenditures in 2020</td>
<td>▪ 2 Verbund sites already</td>
<td>▪ Target CO₂-neutral growth until 2030</td>
<td>▪ Aim to increase the dividend per share every year</td>
</tr>
<tr>
<td>▪ <strong>241</strong> additional production sites worldwide</td>
<td>▪ ~10,000 employees in R&amp;D</td>
<td>▪ &gt;100 production sites</td>
<td>▪ Carbon management bundles measures to reduce greenhouse gas emissions</td>
<td>▪ Dividend of <strong>€3.30</strong> per share for 2020</td>
</tr>
<tr>
<td>▪ <strong>6.2</strong> million metric tons of CO₂ avoided globally in 2020</td>
<td>▪ Sales of ~<strong>€10</strong> billion in 2020 with products launched during last 5 years</td>
<td>▪ <strong>€15.4</strong> billion¹ sales in 2020</td>
<td>▪ Achieve <strong>€22</strong> billion in Accelerator sales by 2025 (2020: <strong>€16.7</strong> billion)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>▪ <strong>Strong volume and earnings development</strong> of BASF in Greater China</td>
<td>▪ Double circular sales to <strong>€17</strong> billion by 2030</td>
<td></td>
</tr>
</tbody>
</table>

¹ Sales by location of customer. Only includes sales from BASF entities fully consolidated according to IFRS 10/11
## Our ambitious financial and nonfinancial corporate targets

<table>
<thead>
<tr>
<th>Profitable growth</th>
<th>Target</th>
<th>2020 status</th>
<th>SDG</th>
<th>Profitable growth</th>
<th>Target</th>
<th>2020 status</th>
<th>SDG</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grow sales volumes faster than global chemical production every year</td>
<td>&gt;-0.4%</td>
<td>-0.5%</td>
<td></td>
<td>Achieve a return on capital employed (ROCE)(^1) considerably above the cost of capital percentage every year</td>
<td>&gt; 9%</td>
<td>1.7%</td>
<td></td>
</tr>
<tr>
<td>Increase EBITDA before special items by 3% to 5% per year</td>
<td>+3–5%</td>
<td>-10.7%</td>
<td></td>
<td>Increase the dividend per share every year based on a strong free cash flow</td>
<td>&gt; €3.30</td>
<td>€3.30</td>
<td></td>
</tr>
</tbody>
</table>

### Effective climate protection

- Grow CO\(_2\)-neutrally until 2030 (Development of carbon emissions compared with baseline 2018)
- \(\leq 21.9\) million metric tons
- \(20.8\) million metric tons

### Sustainable product portfolio

- Achieve €22 billion in Accelerator sales\(^2\) by 2025
- \(\€22.0\) billion
- \(\€16.7\) billion

---

1. Return on capital employed (ROCE) is a measure of the profitability of our operations. We calculate this indicator as the EBIT generated by the segments as a percentage of the average cost of capital basis.
2. Accelerator products are products that make a substantial sustainability contribution in the value chain.
## Further nonfinancial targets

<table>
<thead>
<tr>
<th>Resource efficiency and safe production</th>
<th>Target</th>
<th>2020 status</th>
<th>SDG</th>
<th>Employee engagement and diversity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduce worldwide process safety incidents per 200,000 working hours to ≤ 0.1 by 2025</td>
<td>≤ 0.1</td>
<td>0.3</td>
<td></td>
<td>Increase the proportion of women in leadership positions with disciplinary responsibility to 30% by 2030</td>
</tr>
<tr>
<td>Reduce the worldwide lost-time injury rate per 200,000 working hours to ≤ 0.1 by 2025</td>
<td>≤ 0.1</td>
<td>0.3</td>
<td></td>
<td>More than 80% of our employees feel that at BASF, they can thrive and perform at their best</td>
</tr>
<tr>
<td>Introduce sustainable water management at our production sites in water stress areas and at our Verbund sites by 2030</td>
<td>100%</td>
<td>46.2%</td>
<td></td>
<td>Cover 90% of our relevant spend(^1) with sustainability evaluations by 2025</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Have 80% of our suppliers improve their sustainability performance upon re-evaluation</td>
</tr>
</tbody>
</table>

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\(^1\) We understand relevant spend as procurement volumes with relevant suppliers.
BASF has further strengthened its position in sustainability

**Carbon Management**
- Completed construction of methane pyrolysis pilot reactor for CO₂-free hydrogen
- Secured renewable energy supply for manufacturing sites in Freeport, Texas, and Pasadena, Texas, through power-purchasing agreements
- Pursuing more than 5,000 operational effectiveness measures, of which ~25% related to carbon management
- Ongoing roll-out of product carbon footprints for 45,000 BASF products – to be completed in 2021

**Circular Economy**
- Successful marketing of first commercial volumes of Ccycled™ material
- Supported our partner Quantafuel in start-up of their plant for chemical recycling of mixed plastic waste
- Broadened raw material base to waste tires: Investment into Pyrum, supply agreement with New Energy
- Established circular economy program with ambitious target: double circular sales to €17 billion by 2030
### BASF Group: Strong finish to the year in Q4 2020

#### EBIT before special items by segment  
**Q4 2020 vs. Q4 2019**  
<table>
<thead>
<tr>
<th>Segment</th>
<th>2019</th>
<th>2020</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Materials</td>
<td>842</td>
<td>1,113</td>
<td>511%</td>
</tr>
<tr>
<td>Agricultural Solutions</td>
<td>85%</td>
<td>91%</td>
<td>-9%</td>
</tr>
<tr>
<td>Nutrition &amp; Care</td>
<td>-5%</td>
<td>-5%</td>
<td></td>
</tr>
<tr>
<td>Surface Technologies</td>
<td>-9%</td>
<td>-9%</td>
<td></td>
</tr>
<tr>
<td>Industrial Solutions</td>
<td>1,113</td>
<td>85%</td>
<td></td>
</tr>
<tr>
<td>Chemicals</td>
<td>-1,000</td>
<td>-91%</td>
<td>-91%</td>
</tr>
<tr>
<td>Other</td>
<td>-200</td>
<td>-200</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2019</td>
<td>2020</td>
<td></td>
</tr>
</tbody>
</table>

#### EBIT before special items by segment  
**2020 vs. 2019**  
<table>
<thead>
<tr>
<th>Segment</th>
<th>2019</th>
<th>2020</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Materials</td>
<td>511</td>
<td>4,643</td>
<td>-17%</td>
</tr>
<tr>
<td>Agricultural Solutions</td>
<td>-11%</td>
<td>-11%</td>
<td></td>
</tr>
<tr>
<td>Nutrition &amp; Care</td>
<td>-3%</td>
<td>-3%</td>
<td></td>
</tr>
<tr>
<td>Surface Technologies</td>
<td>-33%</td>
<td>-33%</td>
<td></td>
</tr>
<tr>
<td>Industrial Solutions</td>
<td>0%</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>Chemicals</td>
<td>-44%</td>
<td>-44%</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>-32%</td>
<td>-32%</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2019</td>
<td>2020</td>
<td></td>
</tr>
</tbody>
</table>
BASF’s diversified portfolio with market-oriented segment structure provides resilience and supports customer orientation.
Each segment has a clear and compelling path forward

<table>
<thead>
<tr>
<th></th>
<th>Chemicals</th>
<th>Materials</th>
<th>Industrial Solutions</th>
<th>Surface Technologies</th>
<th>Nutrition &amp; Care</th>
<th>Agricultural Solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of sales 2020¹</td>
<td>14%</td>
<td>18%</td>
<td>13%</td>
<td>28%</td>
<td>10%</td>
<td>13%</td>
</tr>
<tr>
<td>EBITDA bsi 2020¹</td>
<td>1.3 billion</td>
<td>€1.7 billion</td>
<td>€1.2 billion</td>
<td>€1.0 billion</td>
<td>€1.2 billion</td>
<td>€1.7 billion</td>
</tr>
<tr>
<td>Core theme</td>
<td>Verbund</td>
<td>Advanced materials</td>
<td>Additives platform</td>
<td>Surface modification platform</td>
<td>Consumer ingredients</td>
<td>Integrated offering of crop protection, seeds &amp; traits, digital solutions</td>
</tr>
<tr>
<td>Innovation focus</td>
<td>Improved or new processes</td>
<td>Applications, biomaterials</td>
<td>Formulations</td>
<td>Battery materials, surface effects</td>
<td>Biotechnology, formulations</td>
<td>Crop protection, seeds &amp; traits, digital farming</td>
</tr>
<tr>
<td>Capex relevance</td>
<td></td>
<td></td>
<td><img src="image" alt="Capex" /></td>
<td><img src="image" alt="Capex" /></td>
<td><img src="image" alt="Capex" /></td>
<td><img src="image" alt="Capex" /></td>
</tr>
<tr>
<td>M&amp;A relevance</td>
<td></td>
<td></td>
<td><img src="image" alt="M&amp;A" /></td>
<td><img src="image" alt="M&amp;A" /></td>
<td><img src="image" alt="M&amp;A" /></td>
<td><img src="image" alt="M&amp;A" /></td>
</tr>
<tr>
<td>Sustainability</td>
<td>ChemCycling™</td>
<td>Bio-based materials</td>
<td>More from less</td>
<td>Low-emission mobility</td>
<td>Bio-based and natural, traceability</td>
<td>Better with less</td>
</tr>
</tbody>
</table>

¹ Other (sales 2020: €2.4 billion, EBITDA bsi 2020: –€609 million) not depicted on this slide
Our unique Verbund concept is one of BASF’s greatest assets with multiple benefits strengthening the portfolio

- 6 integrated Verbund sites worldwide
- 6.2 million metric tons of CO₂ emissions avoided globally in 2020

Production

Value Chains

- Ensure competitive supply of key raw materials and products to all segments

Technologies

- Leverage technological advantages and innovation across all segments

Digitalization

- Harvest the advantages offered by digitalization across BASF

Markets

- Create customer relevance through size and broad portfolio
We operate close to our customers in all regions worldwide

North America
Sales (million €) 15,709
Employees 16,948

Asia Pacific
Sales (million €) 15,406
Employees 17,753

South America, Africa, Middle East
Sales (million €) 4,905
Employees 6,752

Europe
Sales (million €) 23,129
Employees 68,849

BASF sales by industry 2020
Direct customers
> 20%1 Chemicals and plastics | Transportation
10–20%1 Agriculture | Consumer goods
< 10%1 Construction | Electronics | Energy and resources | Health and nutrition

1 In each case
Guidance on the use of cash – clear focus on long-term shareholder value

- **Organic growth**
  - €22.9 billion capex budget 2021–2025
  - Proceeds from divestitures to support BASF’s major growth projects
  - Around €2.0 billion R&D expenses per year

- **Progressive dividend**
  - Aim to increase dividend per share every year
  - Solid balance sheet and strong free cash flow generation support dividend policy

- **Portfolio upgrading**
  - Strengthen portfolio by selective M&A opportunities while maintaining price discipline
  - Focus the portfolio through continued pruning measures

- **Share buybacks**
  - Share buybacks are part of our toolbox but are currently not being considered
High capex discipline in ongoing business leads to lower capex budget in five-year planning period

Capex budget 2021–2025: €22.9 billion (2020–2024: €23.6 billion), thereof €3.6 billion in 2021

By segment:
- 30% Chemicals
- 14% Surface Technologies
- 13% Nutrition & Care
- 4% Agricultural Solutions
- 4% Industrial Solutions
- 10% Materials
- 25% Other (Infrastructure, R&D)

By region:
- 39% Europe
- 41% Asia Pacific
- 18% North America
- 1% Other
  - 1% South America, Africa, Middle East

1 Alternative sites currently being investigated
BASF’s industry-leading innovation platform ensures long-term organic growth

R&D expenses 2020

Corporate research 18%
Agricultural Solutions 40%

Key facts 2020

- R&D expenses to sales ratio ~3.5%
- Long-term commitment to R&D with annual spending of ~€2.0 billion
- ~10,000 employees in R&D
- ~950 new patents filed in 2020
- Research Verbund: 8 Academic Research Alliances are complemented by cooperations with ~250 universities and research institutes
- ~€10 billion sales generated from R&D activities with products launched during last 5 years
- Accelerator sales1 of €16.7 billion in 2020; €22 billion in Accelerator sales targeted by 2025
- Peak sales potential of BASF’s Agricultural Solutions innovation pipeline of >€7.5 billion between 2020 and 2030
Attractive shareholder return – also in challenging times

**Key facts 2020**

- Dividend proposal at Annual Shareholders’ Meeting of €3.30 per share
- In total, we would pay out €3.0 billion
- Dividend yield of 5.1% based on the share price of €64.72 at year end 2020

**Dividend per share**

<table>
<thead>
<tr>
<th>Year</th>
<th>Dividend per Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>€1.95</td>
</tr>
<tr>
<td>2009</td>
<td>€1.70</td>
</tr>
<tr>
<td>2010</td>
<td>€2.20</td>
</tr>
<tr>
<td>2011</td>
<td>€2.50</td>
</tr>
<tr>
<td>2012</td>
<td>€2.60</td>
</tr>
<tr>
<td>2013</td>
<td>€2.70</td>
</tr>
<tr>
<td>2014</td>
<td>€2.80</td>
</tr>
<tr>
<td>2015</td>
<td>€2.90</td>
</tr>
<tr>
<td>2016</td>
<td>€3.00</td>
</tr>
<tr>
<td>2017</td>
<td>€3.10</td>
</tr>
<tr>
<td>2018</td>
<td>€3.20</td>
</tr>
<tr>
<td>2019</td>
<td>€3.30</td>
</tr>
<tr>
<td>2020</td>
<td>€3.30</td>
</tr>
</tbody>
</table>

**Yield**

<table>
<thead>
<tr>
<th>Year</th>
<th>Yield (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>7.0%</td>
</tr>
<tr>
<td>2009</td>
<td>3.9%</td>
</tr>
<tr>
<td>2010</td>
<td>3.7%</td>
</tr>
<tr>
<td>2011</td>
<td>4.6%</td>
</tr>
<tr>
<td>2012</td>
<td>3.7%</td>
</tr>
<tr>
<td>2013</td>
<td>3.5%</td>
</tr>
<tr>
<td>2014</td>
<td>4.0%</td>
</tr>
<tr>
<td>2015</td>
<td>4.1%</td>
</tr>
<tr>
<td>2016</td>
<td>3.4%</td>
</tr>
<tr>
<td>2017</td>
<td>3.4%</td>
</tr>
<tr>
<td>2018</td>
<td>5.3%</td>
</tr>
<tr>
<td>2019</td>
<td>4.9%</td>
</tr>
<tr>
<td>2020</td>
<td>5.1%</td>
</tr>
</tbody>
</table>

¹ Dividend yield based on share price at year end
## Outlook 2021 for BASF Group

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td>€61 billion – €64 billion</td>
<td></td>
</tr>
<tr>
<td><strong>EBIT before special items</strong></td>
<td>€4.1 billion – €5.0 billion</td>
<td></td>
</tr>
<tr>
<td><strong>ROCE</strong></td>
<td>8.0% – 9.2%</td>
<td></td>
</tr>
<tr>
<td><strong>Accelerator sales</strong></td>
<td>€18 billion – €19 billion</td>
<td></td>
</tr>
<tr>
<td><strong>CO₂ emissions</strong></td>
<td>20.5 – 21.5 million metric tons</td>
<td></td>
</tr>
</tbody>
</table>

### Underlying assumptions (prior-year figures in parentheses)
- Growth in gross domestic product: 4.3% (-3.7%)
- Growth in industrial production: 4.4% (-4.0%)
- Growth in chemical production: 4.4% (-0.4%)
- Average euro/dollar exchange rate: $1.18 per euro ($1.14 per euro)
- Average annual oil price (Brent crude): $50 per barrel ($42 per barrel)
### Outlook 2021 by segment

<table>
<thead>
<tr>
<th>Segment</th>
<th>Sales 2020 (million €)</th>
<th>Forecast 2021</th>
<th>EBIT before special items 2020 (million €)</th>
<th>Forecast 2021</th>
<th>ROCE 2020</th>
<th>Forecast 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chemicals</td>
<td>8,071</td>
<td>slight increase</td>
<td>445</td>
<td>considerable increase</td>
<td>-2.2%</td>
<td>considerable increase</td>
</tr>
<tr>
<td>Materials</td>
<td>10,736</td>
<td>considerable increase</td>
<td>835</td>
<td>considerable increase</td>
<td>-1.1%</td>
<td>considerable increase</td>
</tr>
<tr>
<td>Industrial Solutions</td>
<td>7,644</td>
<td>slight decline</td>
<td>822</td>
<td>slight decline</td>
<td>9.3%</td>
<td>considerable increase</td>
</tr>
<tr>
<td>Surface Technologies</td>
<td>16,659</td>
<td>slight increase</td>
<td>484</td>
<td>considerable increase</td>
<td>-4.8%</td>
<td>considerable increase</td>
</tr>
<tr>
<td>Nutrition &amp; Care</td>
<td>6,019</td>
<td>slight increase</td>
<td>773</td>
<td>slight increase</td>
<td>10.6%</td>
<td>considerable increase</td>
</tr>
<tr>
<td>Agricultural Solutions</td>
<td>7,660</td>
<td>slight increase</td>
<td>970</td>
<td>slight increase</td>
<td>3.6%</td>
<td>considerable increase</td>
</tr>
<tr>
<td>Other</td>
<td>2,360</td>
<td>considerable increase</td>
<td>-769</td>
<td>considerable increase</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>BASF Group</strong></td>
<td><strong>59,149</strong></td>
<td><strong>€61 – €64 billion</strong></td>
<td><strong>3,560</strong></td>
<td><strong>€4.1 – €5.0 billion</strong></td>
<td><strong>1.7%</strong></td>
<td><strong>8.0% – 9.2%</strong></td>
</tr>
</tbody>
</table>

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1 For sales, "slight" represents a change of 1–5%, while "considerable" applies to changes of 6% and higher. "At prior-year level" indicates no change (+/-0 %).

For earnings, "slight" means a change of 1–10%, while "considerable" is used for changes of 11% and higher. "At prior-year level" indicates no change (+/-0 %).

At a cost of capital percentage of 9% for 2021, we define a change in ROCE of 0.1 to 1.0 percentage points as "slight," a change of more than 1.0 percentage points as "considerable" and no change (+/-0 percentage points) as "at prior-year level."
BASF in excellent position to benefit from market recovery – priorities 2021

1. Further implement strategic measures and transformation into a more agile and customer-focused company

2. Push positioning in growth markets in Asia and battery materials

3. Actively drive sustainability and innovation with our focused Carbon Management and Circular Economy programs

4. Execute portfolio measures: Close pigments transaction and start IPO of Wintershall Dea in 2021, subject to market conditions

5. Focus on strict capital discipline, cost control and operational excellence by completing BASF’s Excellence Program

The customer is at the center of all our activities
# Agenda

1. At a glance
2. Strategy implementation in full swing
3. Unique position to capture growth in Asia
4. Battery materials driving electromobility and future growth
5. Pushing the transition to a sustainable economy
6. Reporting
We create chemistry for a sustainable future and aspire to be the leading chemical company for our customers

- Innovation – with impact
- Sustainability – live our purpose
- Operations – be the leader
- Digitalization – leverage across the company
- Portfolio – businesses with customer relevance
- People – drive high performance

Our customers will experience a new BASF
Transforming into an agile and customer-focused organization

Action fields

- **Embedding** to bring services closer to customers
- Streamlined headquarters and services
- Regions with sharpened roles to increase customer focus
- Simplification of process landscape
- People working in an entrepreneurial performance culture

Progress report

- On October 1, 2019, we completed the embedding of around 20,000 employees
- Since January 1, 2020, the lean corporate center with ~1,000 employees is operating. In addition, the Global Business Services unit was established
- Regions with strengthened customer focus, supporting and enabling the businesses locally
- Simplification measures on track: currently >200 projects ongoing, thereof ~200 implemented
- Empowering and incentivizing employees to take ownership in their area of expertise
Excellence Program 2019–2021: On track to achieve the targeted annual EBITDA contribution

Key measures:

- Operational excellence with focus on production, logistics and planning
- Organizational development targeting leaner structures in the areas of services, headquarters and R&D
  - Personnel cost savings: reduction of ~5,600 positions globally achieved by the end of 2020; around 7% of the personnel reduction delayed into 2021
  - Increased process efficiency, e.g., in procurement
  - R&D cost reduction via focusing budgets
# Realignment of BASF’s Global Business Services unit

– expected annual cost savings of >€200 million from 2023 onwards

<table>
<thead>
<tr>
<th>About BASF’s Global Business Services unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ In January 2020, the unit was formed as part of the implementation of the corporate strategy.</td>
</tr>
<tr>
<td>▪ ~8,400 employees transferred to the unit to become a global, flexible and demand-driven service division that strengthens the competitiveness of the operating divisions and provides services in areas such as finance, HR, environmental protection, health and safety, intellectual property, communications, supply chain and consulting.</td>
</tr>
<tr>
<td>▪ Following the bundling of services and the implementation of a wide-ranging digitalization strategy, the number of employees in this unit will decline by up to 2,000 by the end of 2022.</td>
</tr>
<tr>
<td>▪ Annual cost savings of over €200 million expected from 2023 onwards.</td>
</tr>
<tr>
<td>▪ In 2023, the unit will be a fully dedicated service division with the sole purpose of providing solutions for BASF Group with the best possible cost-to-serve offer:</td>
</tr>
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<td>- Simpler end-to-end processes offering more flexibility</td>
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<td>- Bundling of tasks in central hubs</td>
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</table>
We have consistently refocused our portfolio towards innovative growth businesses

Acquisitions

- Functional crop care
- Personal care and food ingredients
- Omega-3 fatty acids
- Enzymes
- Battery materials
- Specialty plastics
- Refinish coatings
- Surface treatment
- Seeds and crop protection
- Polyamide business

~€8.8 billion sales in emerging and innovation-driven businesses

BASF core business
Selected transactions 2010–today

Divestitures

- Styrenics
- Fertilizers
- Natural gas trading and storage
- Custom synthesis business
- Textile chemicals
- Polyolefin catalysts
- Industrial coatings
- Leather chemicals
- Water and paper chemicals
- Oil & gas
- Construction chemicals

~€28.7 billion sales in businesses with decreased differentiation potential

1 Selected, closed transactions 2010–today
Major portfolio measures in 2020 and 2021

BASF closed acquisition of polyamide business from Solvay

- Sales 2018: ~€1 billion
- BASF acquired the global, non-European PA6.6 business from Solvay including its 50% share in Butachimie’s adipodinitrile (ADN) production
- Purchase price of €1.3 billion\(^1\)
- Closing took place on January 31, 2020

Lone Star Funds acquired BASF’s construction chemicals business

- Sales 2019: ~€2.6 billion
- BASF and Lone Star Funds signed agreement in December 2019
- Purchase price of €3.17 billion\(^1\)
- Transaction closed on September 30, 2020

DIC to acquire BASF’s pigments business

- Sales 2018: ~€1 billion
- BASF and DIC reached an agreement on the acquisition of BASF’s pigments business in August 2019
- Purchase price of €1.15 billion\(^1\)
- Closing is expected in H1 2021\(^2\)

Initial public offering (IPO) of Wintershall Dea

- Sales 2020: ~€3.6 billion
- Merger took place on May 1, 2019
- Realization of synergies on track, integration completed
- IPO planned for 2021, subject to market conditions

\(^1\) On a cash and debt-free basis; \(^2\) Subject to the approval of the U.S. competition authorities
Clear acquisition criteria

**Strategic acquisition criteria**

We want to acquire businesses which …

- create more value as part of BASF’s Verbund
- help achieve relevant market positions
- drive innovation or technological differentiation
- enable new and sustainable business models

**Financial acquisition criteria**

We want to acquire businesses which …

- provide a return on capital employed above the WACC after full integration into BASF Group
- are EPS accretive by year three at the latest
- contribute to growth of EBITDA before special items
Agenda

1. At a glance
2. Strategy implementation in full swing
3. Unique position to capture growth in Asia
4. Battery materials driving electromobility and future growth
5. Pushing the transition to a sustainable economy
6. Reporting
Asia Pacific is the growth region for global chemical production with China as the major driver

Real chemical production excluding pharmaceuticals
billion US$

Greater China: 47%

2020: ~4,100

CAGR\(^1\) +3.1%

Global GDP CAGR +3.1%

2030: ~5,600

Greater China:
~53% (CAGR +4%)

Rest of Asia Pacific: 14%

North America: 15%

South America: 3%

Europe: 17%

Middle East, Africa: 4%

Rest of Asia Pacific: 14%

Rest of Asia Pacific: 14%

Source: BASF

\(^1\) Real chemical production excluding pharmaceuticals.
BASF is active in Asia Pacific since 1885 and has a unique position to capture growth in the region.

BASF Group in Asia Pacific (2020)

- BASF is present in **19** markets
- >70 production sites\(^1\)
- ~100 sales offices\(^2\)
- **17,753** employees\(^3\)
- ~€15.4 billion sales\(^4\)
- ~€0.8 billion EBIT

---

\(^1\) BASF investigates establishment of a second Verbund site in China

\(^2\) Only selected sites and offices are depicted on this chart. Site and office numbers refer to companies of significant size where BASF holds a stake greater than 50%

\(^3\) As of December 31, 2020

\(^4\) Sales by location of customer. Only includes sales from BASF entities fully consolidated according to IFRS 10/11
BASF in Asia Pacific – a balanced portfolio

Sales¹ by segment in 2020: €15.4 billion

- 4% Other
- 5% Agricultural Solutions
- 10% Nutrition & Care
- 32% Surface Technologies
- 15% Industrial Solutions
- 23% Materials
- 11% Chemicals

Sales¹ by sub-region in 2020: €15.4 billion

- 2% Australia, New Zealand
- 9% South Korea
- 11% ASEAN
- 11% Japan
- 12% South Asia
- 55% Greater China

¹ Sales to third parties by location of customer; figures do not include sales of joint ventures consolidated at equity such as BASF-YPC Ltd., Nanjing, China
BASF is uniquely positioned to capture further growth in China – proven track record of strong earnings development in the region

**BASF’s sales volumes outgrew Greater China’s chemical production**

Real chemical production growth\(^1\) (CAGR 2015–2019)

<table>
<thead>
<tr>
<th>%</th>
<th>Global chemical production</th>
<th>Chemical production Greater China</th>
<th>Volume growth BASF Greater China(^2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1</td>
<td>4.7</td>
<td>7.5</td>
<td></td>
</tr>
</tbody>
</table>

**Strong earnings development of BASF in Greater China**

EBITDA\(^2\) before special items (CAGR 2015–2019)

<table>
<thead>
<tr>
<th>million €</th>
<th>0</th>
<th>500</th>
<th>1,000</th>
<th>1,500</th>
<th>2,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>2016</td>
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<td>2017</td>
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<td>2018</td>
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<td></td>
</tr>
<tr>
<td>2019</td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

CAGR = +28%\

**Volume-growth strategy with focus on Asian markets**

Real chemical production growth\(^3\) (CAGR 2020–2030)

<table>
<thead>
<tr>
<th>%</th>
<th>Global GDP growth</th>
<th>Global chemical production</th>
<th>Chemical production Greater China</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1</td>
<td>3.1</td>
<td>4.3</td>
<td></td>
</tr>
</tbody>
</table>

U.S. and Europe: ~1.5%

**Figures 2020 vs. 2019**

<table>
<thead>
<tr>
<th>%</th>
<th>Figures 2020 vs. 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.4%</td>
<td>3.2%</td>
</tr>
<tr>
<td>12%</td>
<td></td>
</tr>
</tbody>
</table>

**Figures 2020**

<table>
<thead>
<tr>
<th></th>
<th>€1.3 billion EBITDA bsi</th>
<th>16% EBITDA bsi margin</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1 Source: BASF, real chemical production excluding pharmaceuticals (base year 2015); as of February 2021
2 Restated figures due to reporting of construction chemicals as discontinued operation. Not included: BASF-YPC Company Limited as BASF’s share is accounted for at-equity
3 Source: BASF, real GDP growth and real chemical production excluding pharmaceuticals (base year 2015); as of November 2020
Guangdong is home of key customers from fast-growing industries

**Strongly growing industrial base**¹
billion US$ (base year 2015)

- ~6.2% CAGR

**Largest automotive production, China**
# of motor vehicles built in Guangdong (1,000) (base year 2015)

- ~6.8% CAGR

**Large chemical production**²
billion US$ (base year 2015)

- ~3.9% CAGR

**Steady increase of private consumption**³
billion US$ (base year 2015)

- ~5.4% CAGR

**Market characteristics**

- Around 115 million residents in Guangdong province (2019)
- GDP Guangdong (2019): ~US$1,560 billion (to reach GDP of South Korea soon)
- GDP growth until 2035: 5-6% p.a.
- Key customer industries: transportation, consumer goods, home and personal care, electronics
- Chemical products are generally undersupplied from local production

¹ Real value added, manufacturing Guangdong
² Real chemical production Guangdong; inferred by gross output/value added ratio for China
³ Real private consumption Guangdong; 2018 and 2019 IHS forecast
BASF intends to build a world-class Verbund site in South China to serve fast-growing customer industries in the region

Key facts

- Wholly owned and operated by BASF
- Project is currently in the feasibility phase
- First plants expected to be operational in 2022
- US$10 billion capital expenditures to be implemented in phases until 2030
- Most advanced Verbund site with smart manufacturing concepts
Agenda

1. At a glance

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4. Battery materials driving electromobility and future growth

5. Pushing the transition to a sustainable economy

6. Reporting
Rise of e-mobility is net positive for chemicals demand per car

**Internal Combustion Engine (ICE)**

**Emissions control and power generation**
- **Higher demand:** Growth in battery materials more than compensates some catalyst replacement
- **Engineering plastics**
  - **Higher demand:** Growth drivers: Flame retardant plastics, battery housings and cable sheathing
- **Coolants**
  - **Comparable demand:** Growth areas: E-coolants and specialty fluids for e-mobility and autonomous driving
- **Coatings**
  - **Comparable demand:** Growth areas: Coatings for battery housings and passive vehicle-temperature management

**Battery Electric Vehicle (BEV)**

- **Cathode Active Material (CAM)**
- **Glyssantin**
- **Battery**

= 

+ 

=
BASF addresses the needs of the fast-growing e-mobility market

Heat management

Effective heat management can increase the range of electric cars, as it reduces the energy drawn from the battery to heat and cool the vehicle.

<table>
<thead>
<tr>
<th>Components</th>
<th>BASF materials</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chassis coatings</td>
<td>Chromacool®</td>
</tr>
</tbody>
</table>

Electric powertrain

The electric motor and power electronics are core components of an electric vehicle. BASF materials help customers to reduce weight, increase design flexibility and enable components and functions to be integrated safely.

<table>
<thead>
<tr>
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<th>BASF materials</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electric motor</td>
<td>Cellasto®</td>
</tr>
<tr>
<td>Power electronics</td>
<td>Ultramid®, Ultradur®</td>
</tr>
</tbody>
</table>

Battery

The battery pack is the heart of an electric car. To support next-generation battery technology, BASF is continuously improving its portfolio with new solutions.

<table>
<thead>
<tr>
<th>Components</th>
<th>BASF materials</th>
</tr>
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<tbody>
<tr>
<td>Battery cells</td>
<td>CAM¹ (HED™ product family), N-methylpyrrolidone (NMP), Ethylene carbonate</td>
</tr>
<tr>
<td>Battery housing</td>
<td>Oxsilan®, CathoGuard®, Ultramid®</td>
</tr>
<tr>
<td>Battery bearings</td>
<td>Cellasto®</td>
</tr>
<tr>
<td>Battery cooling</td>
<td>Glysantin®, Ultramid®</td>
</tr>
<tr>
<td>High-voltage plugs</td>
<td>Ultradur® HR, Ultramid®</td>
</tr>
</tbody>
</table>

Charging infrastructure

Safe and easy-to-use charging devices are vital if electromobility is to become widespread.

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<td>Ultramid®, Ultradur®</td>
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<tr>
<td>Charging cables</td>
<td>Elastollan®</td>
</tr>
<tr>
<td>Charging plugs</td>
<td>Ultramid®</td>
</tr>
<tr>
<td>Charging inlet</td>
<td>Ultramid®</td>
</tr>
</tbody>
</table>

¹ CAM – Cathode Active Materials
BEVs and hybrids create superior growth opportunities in battery materials

Global vehicle production by engine type

- Million units

Market projections for 2030:
- ~28 million electric vehicles built per year
- >2,500 kt of CAM in electromobility
- €50-65 billion CAM market size
BASF is well-positioned in the value chain with strategic partnerships to secure high-purity raw materials and develop closed loops.

The chemistry of cathode active materials is key to addressing electromobility challenges.
BASF is a leading supplier for high energy density cathode active materials to the automotive industry

**CAM drive battery performance**
- HED™ Nickel Cobalt Manganese Oxide (NCM) & Nickel Cobalt Aluminum Oxide (NCA)
- Own precursor and cathode active materials manufacturing
- Global footprint, R&D, technology centers and production sites
- Comprehensive IP portfolio and close relationship with automotive industry

**BASF’s targets and approach**
- **Double the range** of a midsize car to 600 km
- **Double the battery lifetime**
- **Halve the size of the battery**
- **Reduce the charging time** to 15 minutes
- **Balance chemical composition**
- **Optimize production process**
BASF combines battery-materials production and recycling with the goal of closing the loop in the circular economy

Battery materials circular economy

Metal mining & refining → Cathode active material → Battery cell → Lithium-ion battery → Electric car → Collection & dismantling end-of-life battery packs → Metal extraction

Key facts

- Regulation drives demand for recycling
- OEMs will need recycling partners to establish closed loop approaches
- Recycling provides sustainable and cost-efficient access to metals
- BASF has proprietary and differentiating technology along with expertise in recycling
BASF becomes cathode active materials supplier with capacities in all three regions

2012
- First CAM production facility in Elyria, Ohio

2015
- Foundation of BASF TODA Battery Materials (BTBM), Japan, with R&D center in Onoda, Japan

2017
- Tripled capacity at BTBM in Onoda, Japan

2018
- Second CAM production facility in Battle Creek, Michigan; merged with Elyria, Ohio into BASF TODA America (BTA)

2020
- BASF and Eramet to assess nickel-cobalt refining complex in a feasibility study in Weda Bay, Indonesia

2022
- CAM precursor production in Harjavalta, Finland planned
- CAM production and recycling pilot plant planned in Schwarzheide, Germany
- Europe greenfield production under construction

Production sites
- R&D center in Beachwood, Ohio
- R&D center in Ludwigshafen, Germany
- R&D center in Shanghai, China
- R&D center in Schwarzheide, Germany
- CAM precursor production in Harjavalta, Finland
- CAM production and recycling pilot plant planned in Schwarzheide, Germany
- Europe greenfield production under construction

Research & development hubs
- Production sites
- Research & development hubs
BASF is active and investing in battery materials

**October 2018**

- **BASF and Nornickel join forces to supply the battery materials market**
  - BASF’s announced precursor plant will be constructed in Harjavalta, Finland enabling a secure supply of locally-sourced nickel and cobalt
  - The new plant will utilize locally generated renewable energy sources, including hydro, wind and biomass
  - Start-up planned for 2022

**February 2020**

- **BASF further invests in Europe to strengthen position in battery materials for electric vehicles**
  - Schwarzheide, Germany as location for CAM production in Europe enabling the supply of ~400,000 electric vehicles per year
  - Production plant to use industry-leading energy mix lowering CO₂ footprint
  - Part of BASF’s plans to establish a global presence with battery materials supply
  - Start-up planned for 2022

**December 2020**

- **BASF and Eramet partner to assess the development of a nickel-cobalt refining complex to supply growing EV market**
  - Parties to jointly assess the development of a state-of-the-art nickel and cobalt hydrometallurgical refining complex in Weda Bay, Indonesia
  - Planned development will provide BASF access to an additional secure and sustainable source of nickel and cobalt
  - Start-up planned for mid-2020s
BASF’s unique value proposition with leading sustainability offering

- Short and reliable supply chain
- Sustainable sourcing
- Best in class CO₂ footprint
- Battery recycling
- Global production
  - Sizeable and expandable capacity in Europe starting 2022
  - First CAM producer in all three regions
- Secured metal sourcing
  - Secured high-purity metal through partnerships
  - Reduced supply risk and logistics efforts
- Low carbon footprint
  - Highly energy efficient manufacturing process technology
  - Utilization of low CO₂ / renewable energy
- Battery recycling
  - Closed loop recycling offering
  - Proprietary technology
BASF Battery Materials in pole position

- Broad **high energy density CAM portfolio**
- **Tailored solutions** to strong customer base
- Established **manufacturing know-how**
- **Strong innovation** and growth pipeline
- **Global presence** and secure supply chain
- Long-standing **strategic partnerships**
- **Leading raw material** and sustainability position
1. At a glance
2. Strategy implementation in full swing
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Resource efficiency – BASF’s Verbund is ideal for CO₂ emission reduction

- Combined heat and power plants and integrated energy Verbund prevented 6.2 million metric tons of CO₂e emissions in 2020
- Synergies in logistics and infrastructure, minimization of waste
- BASF uses fossil raw materials responsibly: 75% of carbon converted to products, 25% consumed for process energy and converted to CO₂ equivalents\(^1\)
- European emissions trading benchmarks show that BASF’s chemical plants operate at above-average energy efficiency

\(^1\) BASF carbon mass balance calculation (2019, non-audited, without oil and gas business)
BASF has a strong track record of CO₂ emission reduction – our goal: CO₂-neutral growth until 2030

- Since 1990, we have doubled production volumes and cut GHG emissions by half; emission intensity decreased by 72%
- We will grow production volumes without adding further CO₂ emissions until 2030 (intensity to be reduced by up to one third)
- BASF is committed to the Paris agreement for climate protection

Development of BASF greenhouse gas emissions¹
Schematic overview, scope 1 and 2, million metric tons of CO₂ equivalents

- 2020: 20.8 million tons of CO₂e emissions
- 2030 target: CO₂-neutral growth
- Without active carbon management: Estimated emissions from planned production growth

1 BASF operations excluding the discontinued oil and gas business; includes other greenhouse gases according to the Greenhouse Gas Protocol, which are converted into CO₂ equivalents
BASF’s Carbon Management – our focus to reduce emissions

Potential CO₂ reduction

- We have established a carbon management that involves
  - a research program to develop CO₂-reduced breakthrough technologies
  - shifting our energy mix towards renewable energies
  - continued operational excellence measures

- BASF co-founded the World Economic Forum’s initiative on Collaborative Innovation for Low-Carbon Emitting Technologies in the Chemical Industry

- BASF further enhances transparency: We support the recommendations of the Task Force for Climate-related Financial Disclosure and participated in the “TCFD Preparer Forum for Chemicals” in 2019
BASF’s CO₂ reduction efforts are focused on main emitters

Example: Verbund site Ludwigshafen
Annual CO₂e emissions in million tons¹

<table>
<thead>
<tr>
<th>Upstream</th>
<th>Downstream</th>
<th>Power / Steam</th>
</tr>
</thead>
<tbody>
<tr>
<td>Verbund</td>
<td>Verbund</td>
<td></td>
</tr>
<tr>
<td>Steam cracker</td>
<td>~190 plants</td>
<td></td>
</tr>
<tr>
<td>Ammonia</td>
<td>Incineration, sewage plant</td>
<td>0.5</td>
</tr>
<tr>
<td>Hydrogen</td>
<td></td>
<td>0.4</td>
</tr>
<tr>
<td>+14 other plants</td>
<td></td>
<td>3.2</td>
</tr>
</tbody>
</table>

3.3

- Carbon management research and development program:
  - breakthrough technologies to mitigate high CO₂ emissions during the production of basic chemicals (accounting for approximately 70% of the CO₂ emissions of the chemical industry in Europe)
  - key role of electrification and fundamentally new synthesis pathways
  - moving towards low-carbon chemical value chains

¹ Schematic breakdown of 2020 emissions, rounded
Increasing importance of renewable energy

- In 2020, internally generated power in the BASF Group had a carbon footprint of around 0.24 tons of CO\textsubscript{2} per MWh of electricity and was below the national grid factor at most BASF Group locations (purchased electricity: around 0.41 tons of CO\textsubscript{2} per MWh)

- In 2020, 19 BASF sites were partially or fully powered by emission-free electricity

- Demand for electricity from renewable sources will increase sharply with new, low-carbon electricity-based production processes

- At the Ludwigshafen site in Germany, we would need to roughly triple or quadruple our current electricity use (2020: 6.0 TWh) to fully implement the new production processes

- Availability and price of renewable power are critical success factors

- BASF is investigating different options for renewable power supply
Hydrogen – a key element for CO\textsubscript{2}-free chemistry

Methods of H\textsubscript{2} production:

- **Water electrolysis** (CO\textsubscript{2}-free, 55 MWh)
- **Methane pyrolysis** (CO\textsubscript{2}-free, ~10 MWh)
- **Steam reforming** (10 metric tons CO\textsubscript{2}, ~6 MWh\textsuperscript{1})

\textsuperscript{1} for the chemical reaction

- **One key challenge** in cutting major emission sources in the BASF production Verbund is access to low cost, energy-efficient CO\textsubscript{2}-free hydrogen.

- **Steam reforming** requires only ~6 MWh for the chemical reaction but emits approximately 10 metric tons of CO\textsubscript{2} per metric ton of hydrogen.

- **Water electrolysis** is CO\textsubscript{2}-free but requires ~55 MWh of green electricity per ton of hydrogen produced for the entire process.

- **Methane pyrolysis** combines low emissions and low energy demand; it could yield CO\textsubscript{2}-free hydrogen while only consuming ~10 MWh of green electricity for the entire process.
Methane pyrolysis – producing CO$_2$-free hydrogen with less electricity

- We are continuously optimizing processes, gradually replacing fossil fuels with renewable energy and developing new low-emission technologies to further reduce our overall CO$_2$ footprint.

- Methane pyrolysis is a low-emission technology. Electricity is used to heat methane and split it into its components: hydrogen gas and solid carbon.

- Methane pyrolysis requires around 80% less electricity than the alternative method of producing hydrogen using water electrolysis.

- If this energy comes from renewable sources, the process could be made carbon-free.
BASF’s Circular Economy Program: Targets

- 250,000 metric tons of circular feedstock by 2025
- Double circular sales to €17 billion by 2030
- Prioritize related capex, M&A, R&D
From a linear to a more circular economy – BASF contribution: ChemCycling™

- Investments into Quantafuel (pyrolysis of mixed plastic waste) and Pyrum (pyrolysis of end-of-life tires) and uptake supply agreements with both companies
- Agreement with New Energy for uptake of pyrolysis oil derived from end-of-life tires and for a joint feasibility study for adaption of technology to other plastic waste streams

Plastic waste and end-of-life tires are converted into liquid feedstock and fed into BASF’s value chains

ChemCycling™

- can handle mixed plastic waste
- produces virgin grade raw materials
- replaces virgin fossil resources
- \( CO_2 \) emissions prevented\(^1\)

\(^1\) Compared to conventional plastic production and incineration of plastic waste
Next steps in BASF’s partnerships for ChemCycling

2020

Establishing partnerships
- Start up of Quantafuel's plant in Skive/Denmark. Test second-generation approaches
- Investment into tire pyrolysis specialist Pyrum, Germany
- Agreement for a feasibility study with New Energy, Hungary

2021

Further development of processes
- Test second-generation approaches in pilot scale with Quantafuel
- Start of construction of two additional production lines in Pyrum’s existing site in Dillingen
- Trials with mixed plastic waste in New Energy's plant in Dunaharaszti

2022 & beyond

Capacity building
- Start construction of second-generation plant with Quantafuel
- Build-up of additional capacities with Pyrum and further partners

ChemCycling™ is a key contributor to BASF's commitment to use 250,000 metric tons of recycled feedstock annually by 2025.
Product Carbon Footprints create transparency for customers

**20,000**
raw materials
Scope 3

**10 TWh/a**
energy
Scope 2

**700**
production plants
Scope 1

**CO₂**

Product Carbon Footprints of
~45,000 sales products

Cradle-to-gate Product Carbon Footprint for BASF’s portfolio available by end of 2021 based on process emissions, energy demand and upstream emissions.
Product-specific carbon footprints allow combining profitable growth with transformation

CO$_2$ emissions – illustrative example
per 1 kg product

We are creating a toolbox that will enable differentiated carbon footprints for our sales products.
€16.7 billion of BASF Group sales from sustainable solutions – leveraging our innovation power

- Portfolio segmentation: >57,000 specific product applications analyzed by 2020 (€54.1 billion in sales, 98.4% of relevant portfolio\(^1\))

- Accelerator margins on average ~6 percentage points above the rest of assessed portfolio

- Goal: €22 billion of sales with Accelerator products by 2025 (2020: €16.7 billion)

- Stronger integration in R&D pipeline, business strategies and M&A projects

- We will stop selling Challenged products within maximum five years after classification

\(^1\) The product portfolio acquired from Bayer has been partially assessed
Innovations for a sustainable future – Accelerator examples

- **SLENTEX®** – high-performance flexible insulation material
- **Formic acid** – ecoefficient runway and road deicing
- **Acronal® MB** – from biomass to dispersions
- **ecovio®** – compostable cling film for fresh-food packaging
- **Inscalis®** – insecticide with unique mode of action
- **Synative® ES TMP** – biodegradable marine lubricants
Circular Economy and Carbon Management Programs – BASF’s way to drive sustainability

We are providing drop-in products with new sustainability characteristics for customers in all industries.
BASF in sustainability ratings and rankings

CDP
In 2020, BASF achieved a score of A- in the climate category, thus attaining leadership status again. As a first-time participant, BASF achieved a score of A- in the forest category. BASF was included in the “Water A list” of leading companies for sustainable water management.

MSCI ESG Research
In 2020, BASF was again rated AA and ranks third in “Diversified Chemicals”

Sustainalytics
BASF is “Outperformer” in the overall ESG rating 2020 with strong ratings in social and governance categories.

FTSE4Good Global Index
BASF was included again in the FTSE4Good Global Index 2020, with a rank in the top ten of the chemical industry.

2020 CSR Award of the German federal government
BASF was recognized for an outstanding and long-term CSR commitment and a holistic CSR strategy which addresses all areas of the company.
Agenda

1. At a glance
2. Strategy implementation in full swing
3. Unique position to capture growth in Asia
4. Battery materials driving electromobility and future growth
5. Pushing the transition to a sustainable economy
6. Reporting
Strong performance in Q4 2020 due to higher volumes and prices; EBIT before special items of €3.6 billion in 2020

- **BASF benefitted from economic recovery in Q4 2020:**
  - Volume growth across all regions, Greater China with double-digit growth rates
  - Volume increase across almost all segments
  - Margin expansion in some commodity lines, e.g., isocyanates
  - Lower fixed costs supporting BASF’s strong earnings growth

- **Measures to tackle the pandemic continued:**
  - Safety and health of our employees as well as safe operations are the top priority
  - Focus on cash generation, cost control and reduction of capex
  - High liquidity and unrestricted access to debt markets thanks to strong balance sheet and good credit ratings
Broad recovery of chemical production in all major regions in second half of 2020

Chemical production compared with prior-year quarter

Growth rates 2020 vs. 2019

- Global GDP: -3.7%
- Global industrial production: -4.0%
- Global chemical production: -0.4%

Source: BASF, data: IHS, Feri, NBS China, FED, Eurostat, LMC. Asia: India, Japan, South Korea, Taiwan, Thailand.
BASF Group: Volume growth across all regions in Q4 2020

Sales volumes development by region\(^1\)
quarters 2020 vs. quarters 2019
%

<table>
<thead>
<tr>
<th>BASF Group</th>
<th>Europe</th>
<th>North America</th>
<th>Greater China</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2020</td>
<td>4</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td>Q2 2020</td>
<td>-11</td>
<td>-18</td>
<td>16</td>
</tr>
<tr>
<td>Q3 2020</td>
<td>-12</td>
<td>-4</td>
<td>17</td>
</tr>
<tr>
<td>Q4 2020</td>
<td>7</td>
<td>-13</td>
<td>12</td>
</tr>
</tbody>
</table>

\(^1\) Location of customer
BASF Group: Volume growth across almost all segments in Q4 2020

Sales volumes development by segment Q4 2020 vs. Q4 2019 absolute (million €) terms

<table>
<thead>
<tr>
<th>BASF Group</th>
<th>Chemicals</th>
<th>Materials</th>
<th>Industrial Solutions</th>
<th>Surface Technologies</th>
<th>Nutrition &amp; Care</th>
<th>Agricultural Solutions</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,049</td>
<td>89</td>
<td>264</td>
<td>142</td>
<td>425</td>
<td>44</td>
<td>-4</td>
<td>89</td>
</tr>
<tr>
<td><strong>7%</strong></td>
<td><strong>4%</strong></td>
<td><strong>10%</strong></td>
<td><strong>7%</strong></td>
<td><strong>12%</strong></td>
<td><strong>3%</strong></td>
<td></td>
<td><strong>12%</strong></td>
</tr>
</tbody>
</table>

relative (%) terms

Sales volumes development by segment 2020 vs. 2019 absolute (million €) terms

<table>
<thead>
<tr>
<th>BASF Group</th>
<th>Chemicals</th>
<th>Materials</th>
<th>Industrial Solutions</th>
<th>Surface Technologies</th>
<th>Nutrition &amp; Care</th>
<th>Agricultural Solutions</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>-298</td>
<td>-9</td>
<td>-569</td>
<td>-140</td>
<td>-72</td>
<td>207</td>
<td>404</td>
<td>-119</td>
</tr>
<tr>
<td><strong>-1%</strong></td>
<td>0%</td>
<td><strong>-5%</strong></td>
<td><strong>-2%</strong></td>
<td><strong>-1%</strong></td>
<td><strong>3%</strong></td>
<td><strong>5%</strong></td>
<td><strong>-4%</strong></td>
</tr>
</tbody>
</table>

relative (%) terms
### BASF Group: Q4 and full year 2020

#### Financial figures

<table>
<thead>
<tr>
<th></th>
<th>Q4 2020</th>
<th>Change vs. Q4 2019</th>
<th>FY 2020</th>
<th>Change vs. FY 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td>€15,905 million</td>
<td>8%</td>
<td>€59,149 million</td>
<td>0%</td>
</tr>
<tr>
<td>EBITDA before special items</td>
<td>€2,085 million</td>
<td>15%</td>
<td>€7,435 million</td>
<td>-11%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>€1,952 million</td>
<td>21%</td>
<td>€6,494 million</td>
<td>-21%</td>
</tr>
<tr>
<td>EBIT before special items</td>
<td>€1,113 million</td>
<td>32%</td>
<td>€3,560 million</td>
<td>-23%</td>
</tr>
</tbody>
</table>
| EBIT                   | €932 million | 61% | -€191 million | .%
| Net income             | €1,055 million | .% | -€1,060 million | .%
| Reported EPS           | 1.15     | .% | -1.15           | .%
| Adjusted EPS           | 1.10     | 72% | 3.21            | -20% |
| Cash flows from operating activities | §2,101 million | -33% | §5,413 million | -28% |

#### Sales development

<table>
<thead>
<tr>
<th></th>
<th>Volumes</th>
<th>Prices</th>
<th>Portfolio</th>
<th>Currencies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4 2020 vs. Q4 2019</td>
<td>↑ 7%</td>
<td>↑ 7%</td>
<td>↑ 1%</td>
<td>↓ -7%</td>
</tr>
<tr>
<td>FY 2020 vs. FY 2019</td>
<td>↓ -1%</td>
<td>↑ 3%</td>
<td>↑ 1%</td>
<td>↓ -3%</td>
</tr>
</tbody>
</table>
## Cash flow development in 2020

<table>
<thead>
<tr>
<th>Category</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from operating activities</strong></td>
<td>5,413</td>
<td>7,474</td>
</tr>
<tr>
<td>Thereof Changes in net working capital</td>
<td>-400</td>
<td>1,410</td>
</tr>
<tr>
<td>Miscellaneous items</td>
<td>122</td>
<td>-6,575</td>
</tr>
<tr>
<td><strong>Cash flows from investing activities</strong></td>
<td>-1,904</td>
<td>-1,190</td>
</tr>
<tr>
<td>Thereof Payments made for property, plant and equipment and intangible assets</td>
<td>-3,129</td>
<td>-3,824</td>
</tr>
<tr>
<td>Acquisitions / divestitures</td>
<td>1,280</td>
<td>2,361</td>
</tr>
<tr>
<td><strong>Cash flows from financing activities</strong></td>
<td>-1,556</td>
<td>-6,405</td>
</tr>
<tr>
<td>Thereof Changes in financial and similar liabilities</td>
<td>1,580</td>
<td>-3,342</td>
</tr>
<tr>
<td>Dividends</td>
<td>-3,139</td>
<td>-3,064</td>
</tr>
<tr>
<td><strong>Free cash flow</strong></td>
<td>2,284</td>
<td>3,650</td>
</tr>
</tbody>
</table>
Strong balance sheet: High liquidity and solid equity ratio

Balance sheet 2020 vs. 2019

<table>
<thead>
<tr>
<th></th>
<th>Dec. 31, 2020</th>
<th>Dec. 31, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Noncurrent assets</td>
<td>80.3 billion</td>
<td>87.0 billion</td>
</tr>
<tr>
<td>Liabilities</td>
<td>50.4</td>
<td>56.0</td>
</tr>
<tr>
<td>Inventories</td>
<td>10.0</td>
<td>11.2</td>
</tr>
<tr>
<td>Accounts receivable, trade</td>
<td>9.5</td>
<td>9.1</td>
</tr>
<tr>
<td>Other assets</td>
<td>0.3</td>
<td>1.0</td>
</tr>
<tr>
<td>Disposal groups¹</td>
<td>4.7</td>
<td>4.0</td>
</tr>
<tr>
<td>Liquid funds</td>
<td>4.5</td>
<td>2.9</td>
</tr>
<tr>
<td>Equity</td>
<td>80.3</td>
<td>87.0</td>
</tr>
<tr>
<td>Financial debt</td>
<td>34.4</td>
<td>42.4</td>
</tr>
<tr>
<td>Liabilities of disposal groups¹</td>
<td>0.3</td>
<td>1.0</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>26.4</td>
<td>25.2</td>
</tr>
</tbody>
</table>

- Total assets decreased by €6.7 billion to €80.3 billion
- Noncurrent assets declined by €5.5 billion to €50.4 billion, mainly due to non-cash-effective impairments and currency effects
- Net debt decreased by €829 million to €14.7 billion
- Equity ratio: 42.8% (Dec. 31, 2020)

¹ End of 2020, disposal groups consisted of the pigments business. End of 2019, disposal groups consisted of the construction chemicals business and the pigments business.
Chemicals

Sales Q4 2020 vs. Q4 2019

<table>
<thead>
<tr>
<th></th>
<th>Q4 2020 vs. Q4 2019</th>
<th>FY 2020 vs. FY 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volumes</td>
<td>↑ 4%</td>
<td>0%</td>
</tr>
<tr>
<td>Prices</td>
<td>↓ -9%</td>
<td>↓ -13%</td>
</tr>
<tr>
<td>Portfolio</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Currencies</td>
<td>↓ -5%</td>
<td>↓ -2%</td>
</tr>
</tbody>
</table>

EBIT before special items

- Petrochemicals: +97% (FY 2020 vs. FY 2019)
- Intermediates: -14% (Q4 2020 vs. Q4 2019)

Sales development

- Q4 2020 vs. Q4 2019: €2,147 million, -10%
- FY 2020 vs. FY 2019: €1,000 million, 0%
Materials

Sales Q4 2020 vs. Q4 2019

Sales Q4 2020 vs. Q4 2019 (million €)

- Monomers: €1,439, 17%
- Performance Materials: €1,623, 12%
- Total: €3,062, 14%

EBIT before special items

EBIT before special items (million €)

- Q4 2020: €489
- Q4 2019: €80
- FY 2020: €835
- FY 2019: €1,003

Sales development

<table>
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<tr>
<td>Q4 2020 vs. Q4 2019</td>
<td>↑ 10%</td>
<td>↑ 3%</td>
<td>↑ 6%</td>
<td>↓ -5%</td>
</tr>
<tr>
<td>FY 2020 vs. FY 2019</td>
<td>↓ -5%</td>
<td>↓ -5%</td>
<td>↑ 6%</td>
<td>↓ -2%</td>
</tr>
</tbody>
</table>
Industrial Solutions

Sales Q4 2020 vs. Q4 2019
million €

- Performance Chemicals 688 -8%
- Dispersions & Pigments 1,195 1%
- €1,883 -3%

Sales development

<table>
<thead>
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<td>↓ -1%</td>
<td>↓ -4%</td>
</tr>
<tr>
<td>FY 2020 vs. FY 2019</td>
<td>↓ -2%</td>
<td>↓ -4%</td>
<td>↓ -1%</td>
<td>↓ -2%</td>
</tr>
</tbody>
</table>

EBIT before special items
million €

<table>
<thead>
<tr>
<th></th>
<th>Q4 2020</th>
<th>Q4 2019</th>
<th>FY 2020</th>
<th>FY 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>200</td>
<td>108</td>
<td>822</td>
<td>820</td>
</tr>
<tr>
<td>FY 2020</td>
<td>85%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

March 2021 | BASF Capital Market Story
Surface Technologies

Sales Q4 2020 vs. Q4 2019

€5,090

40%

Catalysts

4,179

57%

Coatings

911

-6%

Sales development

Volumes

Prices

Portfolio

Currencies

Q4 2020 vs. Q4 2019

12%

37%

0%

0%

FY 2020 vs. FY 2019

-1%

32%

0%

-9%

EBIT before special items

million €

Q4 2020 vs. Q4 2019

-9%

FY 2020 vs. FY 2019

-33%

-9%
**Nutrition & Care**

**Sales Q4 2020 vs. Q4 2019**

- **Nutrition & Health**: 499 million €, -1% change
- **Care Chemicals**: 956 million €, -4% change

Total: 1,455 million €, -3% change

**EBIT before special items**

- **Q4 2020**: 120 million €, -5% change
- **Q4 2019**: 126 million €

- **FY 2020**: 773 million €, -3% change
- **FY 2019**: 793 million €

**Sales development**

<table>
<thead>
<tr>
<th>Period</th>
<th>Volumes</th>
<th>Prices</th>
<th>Portfolio</th>
<th>Currencies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4 2020 vs. Q4 2019</td>
<td>↑ 3%</td>
<td>0%</td>
<td>0%</td>
<td>↓ -6%</td>
</tr>
<tr>
<td>FY 2020 vs. FY 2019</td>
<td>↑ 3%</td>
<td>↓ -1%</td>
<td>0%</td>
<td>↓ -3%</td>
</tr>
</tbody>
</table>
Agricultural Solutions

Sales 2020 vs. 2019 million €

- Seeds & Traits: 1,495 (3%)
- Herbicides: 2,464 (-6%)

€7,660 -2%

EBIT before special items million €

- Fungicides: 2,267 (-2%)
- Seed Treatment: 609 (-5%)
- Insecticides: 825 (+3%)

Sales development

- Q4 2020 vs. Q4 2019: Volumes 0%, Prices 6%, Portfolio 0%
- FY 2020 vs. FY 2019: Volumes 5%, Prices 2%, Portfolio 0%

Currencies

- FY 2020: -11%
- FY 2019: -9%
## Review of “Other”

<table>
<thead>
<tr>
<th>Financial figures</th>
<th>Q4 2020</th>
<th>Q4 2019</th>
<th>FY 2020</th>
<th>FY 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>million €</td>
<td>million €</td>
<td>million €</td>
<td>million €</td>
</tr>
<tr>
<td>Sales</td>
<td>667</td>
<td>757</td>
<td>2,360</td>
<td>2,898</td>
</tr>
<tr>
<td>EBIT before special items</td>
<td>-153</td>
<td>16</td>
<td>-769</td>
<td>-581</td>
</tr>
<tr>
<td>Thereof Costs of corporate research</td>
<td>-113</td>
<td>-109</td>
<td>-364</td>
<td>-397</td>
</tr>
<tr>
<td>Costs of corporate headquarters</td>
<td>-50</td>
<td>-50</td>
<td>-214</td>
<td>-231</td>
</tr>
<tr>
<td>Foreign currency results, hedging and other measurement effects</td>
<td>-56</td>
<td>-43</td>
<td>-58</td>
<td>-89</td>
</tr>
<tr>
<td>Other businesses</td>
<td>71</td>
<td>40</td>
<td>143</td>
<td>179</td>
</tr>
<tr>
<td>Special items</td>
<td>44</td>
<td>-39</td>
<td>-434</td>
<td>63</td>
</tr>
<tr>
<td>EBIT</td>
<td>-109</td>
<td>-23</td>
<td>-1,203</td>
<td>-518</td>
</tr>
</tbody>
</table>