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 139 to 147 of the BASF Report 2019. BASF does not assume any obligation to update the forward-looking statements contained in this presentation above and beyond the legal requirements.
<table>
<thead>
<tr>
<th>Agenda</th>
<th>1</th>
<th>2</th>
<th>3</th>
</tr>
</thead>
<tbody>
<tr>
<td>At a glance</td>
<td>Strategy implementation in full swing</td>
<td>Unique position to capture growth in Asia</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>5</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Battery materials driving electromobility and future growth</td>
<td>Pushing the transition to a sustainable economy</td>
<td>Reporting</td>
<td></td>
</tr>
</tbody>
</table>
What is driving BASF’s future growth?

Global trends provide tremendous opportunities for growth in the chemical industry

<table>
<thead>
<tr>
<th>Demographic change:</th>
<th>+100%</th>
<th>Digitalization:</th>
<th>456 zettabytes in 2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share of population aged 60 and over worldwide</td>
<td>2020 to 2050</td>
<td>Rapid growth in volume of data</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Population growth:</th>
<th>+25%</th>
<th>Climate change:</th>
<th>-70% by 2050</th>
</tr>
</thead>
<tbody>
<tr>
<td>Driven by the emerging markets</td>
<td>2020 to 2050</td>
<td>Required reduction of greenhouse gas emissions to achieve the 2°C goal</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>China the largest market:</th>
<th>~50%</th>
<th>Electromobility:</th>
<th>+25% per year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share of global chemical market</td>
<td>by 2030</td>
<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>▪ €2.2 billion R&amp;D expenditures in 2019</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>▪ 361 additional production sites worldwide</td>
<td>▪ ~11,000 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 €3.30 per share for 2019</td>
</tr>
<tr>
<td>▪ 6.4 million metric tons of CO₂ prevented globally in 2019</td>
<td>▪ Sales of ~€10 billion in 2019 with products launched during last 5 years</td>
<td>▪ ~€14.2 billion&lt;sup&gt;1&lt;/sup&gt; sales in 2019</td>
<td>▪ Achieve €22 billion in Accelerator sales by 2025 (2019: €15.0 billion)</td>
<td></td>
</tr>
</tbody>
</table>

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

- Grow sales volumes faster than global chemical production every year
- Increase EBITDA before special items by 3% to 5% per year
- Grow CO₂-neutrally until 2030 (compared with baseline 2018)
- Achieve a return on capital employed (ROCE)\(^1\) considerably above the cost of capital percentage every year
- Increase the dividend per share every year based on a strong free cash flow
- Achieve €22 billion in Accelerator sales\(^2\) by 2025

---

\(^1\) 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

Reduce worldwide process safety incidents per 200,000 working hours to ≤ 0.1 by 2025

Introduce sustainable water management at all production sites in water stress areas and at all Verbund sites by 2030

Increase the proportion of women in leadership positions with disciplinary responsibility to 30% by 2030

Reduce the worldwide lost-time injury rate per 200,000 working hours to ≤ 0.1 by 2025

More than 80% of our employees feel that at BASF, they can thrive and perform at their best

Cover 90% of our relevant spend\(^1\) with sustainability evaluations by 2025

Have 80% of our suppliers improve their sustainability performance upon re-evaluation

\(^1\) We understand relevant spend as procurement volumes with relevant suppliers.
BASF’s diversified portfolio with market-oriented segment structure provides resilience and supports customer orientation.

Since the signing of a divestment agreement, Construction Chemicals is reported as a discontinued operation and the respective assets are reported under Other.
# 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 2019¹</td>
<td>16%</td>
<td>20%</td>
<td>14%</td>
<td>22%</td>
<td>10%</td>
<td>13%</td>
</tr>
<tr>
<td>EBIT bsi 2019¹</td>
<td>€0.8 billion</td>
<td>€1.0 billion</td>
<td>€0.8 billion</td>
<td>€0.7 billion</td>
<td>€0.8 billion</td>
<td>€1.1 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</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></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>M&amp;A relevance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></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 2019: €2.9 billion, EBIT bsi 2019: €(581) 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
- 6.4 million metric tons of CO₂ emissions prevented globally in 2019
- Ensure competitive supply of key raw materials and products to all segments
- Leverage technological advantages and innovation across all segments
- Harvest the advantages offered by digitalization across BASF
- Create customer relevance through size and broad portfolio
We operate close to our customers in all regions worldwide

North America

Sales (million €) 15,948
EBIT (million €) 692
Employees 19,355

Europe

Sales (million €) 23,827
EBIT (million €) 2,125
Employees 72,153

Asia Pacific

Sales (million €) 14,203
EBIT (million €) 1,082
Employees 18,634

South America, Africa, Middle East

Sales (million €) 5,338
EBIT (million €) 302
Employees 7,486

BASF sales by industry 2019

<table>
<thead>
<tr>
<th>Direct customers</th>
<th>Chemicals and plastics</th>
<th>Agriculture</th>
<th>Consumer goods</th>
<th>Transportation</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt; 20%</td>
<td></td>
<td>10–20%†</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10%</td>
<td></td>
<td>1%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; 10%†</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Sales 2019 by location of customer; EBIT 2019 by location of company. The 2019 EBIT figures have been restated to reflect the reclassification of income from non-integral companies accounted for using the equity method to net income from shareholdings.

† In each case
Guidance on the use of cash – clear priorities

- **Organic growth**
  - ~€23.6 billion capex budget 2020-2024
  - Around €2.1 billion R&D expenditures annually

- **Progressive dividend**
  - Aim to increase dividend per share every year
  - Strong balance sheet supports dividend policy in times of slower free cash flow generation driven by weak macro environment

- **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
Investments in organic growth – planned capex for 2020 reduced from €3.4 billion to €2.8 billion

Capex budget 2020–2024: €23.6 billion

By segment
- 34% Chemicals
- 12% Surface Technologies
- 9% Nutrition & Care
- 5% Agricultural Solutions
- 5% Industrial Solutions
- 13% Materials
- 22% Other (Infrastructure, R&D)

By region
- 41% Asia Pacific
- 34% Europe
- 19% North America
- 5% Other
- 1% South America, Africa
- 1% Middle East

By type of investment
- 35% Growth projects in Asia Pacific and battery materials
- 65% Investments in ongoing business

Footnotes:
1 Alternative sites currently being investigated
2 Verbund site Guangdong, China; chemical production complex Mundra, India
Industry-leading innovation platform

R&D expenditures 2019

- Corporate research: 19%
- Agricultural Solutions: 41%
- Chemicals: 5%
- Materials: 9%
- Industrial Solutions: 9%
- Surface Technologies: 10%
- Nutrition & Care: 7%

€2,158 million

Key facts

- €2.2 billion R&D expenditures in 2019
- R&D expense to sales ratio ~4%
- ~11,000 employees in R&D
- ~1,000 new patents filed in 2019
- Research Verbund: Our 8 Academic Research Alliances are complemented by cooperations with ~300 universities and research institutes
- 2019: Sales of ~€10 billion with products launched during last 5 years
- Achieve €22 billion in Accelerator sales\(^1\) by 2025
- Peak sales potential of BASF’s Agricultural Solutions innovation pipeline of >€7.5 billion between 2019 and 2029

\(^1\) Accelerator products are products that make a substantial sustainability contribution in the value chain.
BASF with increased dividend for 2019

Dividend per share

€


Yield¹ 3.7% 4.6% 3.7% 3.5% 4.0% 4.1% 3.4% 3.4% 5.3% 4.9%

Dividend policy

- Aim to increase the dividend per share every year

Key facts 2019

- Dividend of €3.30 per share, an increase of 10 euro cents compared to 2018
- Total dividend payment of €3.0 billion fully covered by free cash flow of €3.7 billion
- Dividend yield of 4.9% based on the share price at year end

¹ Dividend yield based on share price at year end
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
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 with ~8,800 employees was established**
- **Regions with strengthened customer focus, supporting and enabling the businesses locally**
- **Simplification measures on track: currently >180 projects ongoing, thereof >100 implemented**
- **Empowering and incentivizing employees to take ownership in their area of expertise**
The customer is at the center of all our activities – our teams go above and beyond for our customers

- 3M is increasing its global output of key products to support increased demand due to COVID-19
- Demand for BASF products that are key components of 3M products increased significantly
- A global, cross-divisional BASF team pushed supply chains to the limits with BASF products being produced in the US, Germany and Mexico in support of 3M
- These tremendous efforts and 3M’s commitment to health care workers across the world will put critical products in the hands of those who need it for months and years to come
The customer is at the center of all our activities – our teams go above and beyond for our customers

- Due to COVID-19, Unilever experienced significant demand for personal and health care products
- BASF’s Care Chemicals division was asked to deliver unplanned quantities of one of the ingredients for handwash soap to serve the demand in Indonesia, Vietnam and India
- Lockdowns in Malaysia and Indonesia resulted in capacity restrictions; within three days after the customer request, a great team effort allowed to arrange production slots at BASF’s plant in Thailand
- The team demonstrated customer focus, ownership, agility and team spirit, resulting in a great experience for our customer and a benefit to society
We have consistently refocused our portfolio towards innovative growth businesses¹

**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

**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

~€26.0 billion sales in businesses with decreased differentiation potential

¹ Selected, closed transactions 2010–today
Portfolio measures expected to be closed in 2020

Lone Star Funds to acquire BASF’s construction chemicals business

- Sales 2019: ~€2.6 billion
- BASF and Lone Star Funds signed agreement for the acquisition of BASF’s construction chemicals business in December 2019
- Purchase price of €3.17 billion\(^1\)
- Closing is expected in Q3 2020\(^2\)

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 Q4 2020\(^2\)

\(^1\) On a cash and debt-free basis;  \(^2\) Subject to the approval of the relevant 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
Excellence Program 2019 – 2021: On track to achieve the targeted annual EBITDA contribution

<table>
<thead>
<tr>
<th>Category</th>
<th>2019 actual</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual EBITDA contribution(^1)</td>
<td>€0.6 billion</td>
<td>€1.3 – €1.5 billion</td>
<td>€2.0 billion</td>
</tr>
<tr>
<td>One-time costs(^2)</td>
<td>€0.5 billion</td>
<td>€0.3 – €0.4 billion</td>
<td>€0.05 – €0.15 billion</td>
</tr>
</tbody>
</table>

**Category**

- **Operational excellence**: Measures focused on production, logistics and planning
- **Leaner structures**: Personnel cost savings; reduction of 6,000 positions targeted globally by end of 2020
- **Innovation**: R&D cost reduction via focusing budgets
- **Simplification**: Increased process efficiency, e.g., in procurement

\(^1\) Run rate; \(^2\) One-time costs in the respective year
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$

<table>
<thead>
<tr>
<th>Region</th>
<th>2019: ~4,000</th>
<th>2030: ~5,500</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greater China</td>
<td>43%</td>
<td></td>
</tr>
<tr>
<td>Rest of Asia Pacific</td>
<td>15%</td>
<td></td>
</tr>
<tr>
<td>North America</td>
<td>16%</td>
<td></td>
</tr>
<tr>
<td>South America</td>
<td>3%</td>
<td></td>
</tr>
<tr>
<td>Middle East, Africa</td>
<td>4%</td>
<td>4% (CAGR +3%)</td>
</tr>
<tr>
<td>Europe</td>
<td>17%</td>
<td>15% (CAGR +1%)</td>
</tr>
<tr>
<td>South America</td>
<td>2%</td>
<td>2% (CAGR +2%)</td>
</tr>
<tr>
<td>Middle East, Africa</td>
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<td>South America</td>
<td>2%</td>
<td>2% (CAGR +2%)</td>
</tr>
</tbody>
</table>

Source: BASF ¹ Real chemical production excluding pharmaceuticals; as of April 2020.
BASF is active in Asia Pacific since 1885 and has a unique position to capture growth in the region

BASF Group in Asia Pacific (2019)

- BASF is present in 19 markets
- >100 production sites\(^1\)
- ~125 sales offices\(^2\)
- 18,634 employees\(^3\)
- ~€14.2 billion sales\(^4\)
- ~€1.1 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, 2019
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 2019: €14.2 billion

- 12% Chemicals
- 25% Materials
- 25% Surface Technologies
- 17% Industrial Solutions
- 11% Nutrition & Care
- 5% Agricultural Solutions
- 5% Other

Sales¹ by sub-region in 2019: €14.2 billion

- 52% Greater China
- 13% ASEAN
- 13% Japan
- 11% South Asia
- 9% South Korea
- 2% Australia, New Zealand

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.

ASEAN: Singapore, Philippines, Vietnam, Thailand, Indonesia, Malaysia, Myanmar, Cambodia, Laos
South Asia: India, Pakistan, Bangladesh, Sri Lanka, Nepal
South Korea: Includes Mongolia
Strong earnings development of BASF in Greater China over the past years

BASF’s sales volumes outgrew Greater China’s chemical production during the last five years

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Global chemical production</th>
<th>Chemical production Greater China</th>
<th>Sales volumes of BASF in Greater China</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>2</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>2016</td>
<td>4</td>
<td>6</td>
<td>8</td>
</tr>
<tr>
<td>2017</td>
<td>6</td>
<td>8</td>
<td>10</td>
</tr>
<tr>
<td>2018</td>
<td>8</td>
<td>10</td>
<td>12</td>
</tr>
<tr>
<td>2019</td>
<td>10</td>
<td>12</td>
<td>14</td>
</tr>
</tbody>
</table>

\(^1\) Source: BASF, real chemical production excluding pharmaceuticals (base year 2015)

BASF’s sales volumes outgrew Greater China’s chemical production during the last five years.

Strong earnings development of BASF in Greater China

EBITDA before special items million €

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales volumes of BASF in Greater China</td>
<td>500</td>
<td>1,000</td>
<td>1,500</td>
<td>2,000</td>
<td>2,500</td>
</tr>
</tbody>
</table>

EBITDA margin before special items %

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales volumes of BASF in Greater China</td>
<td>5%</td>
<td>10%</td>
<td>15%</td>
<td>20%</td>
<td>25%</td>
</tr>
</tbody>
</table>

\(^{+30\%\, CAGR}\)
Guangdong is home of key customers from fast-growing industries

**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

**Strongly growing industrial base**

<table>
<thead>
<tr>
<th>Year</th>
<th>Value (billion US$)</th>
<th>CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>~661</td>
<td>~6.2% CAGR</td>
</tr>
</tbody>
</table>

**Largest automotive production, China**

<table>
<thead>
<tr>
<th>Year</th>
<th>Value (1,000)</th>
<th>CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>3,120</td>
<td>~6.8% CAGR</td>
</tr>
</tbody>
</table>

**Large chemical production**

<table>
<thead>
<tr>
<th>Year</th>
<th>Value (billion US$)</th>
<th>CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>~161</td>
<td>~3.9% CAGR</td>
</tr>
</tbody>
</table>

**Steady increase of private consumption**

<table>
<thead>
<tr>
<th>Year</th>
<th>Value (billion US$)</th>
<th>CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>~560</td>
<td>~5.4% CAGR</td>
</tr>
</tbody>
</table>
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
India is a fast growing economy with domestic undersupply of chemicals

**Strong GDP growth**
- Billion US$ (base year 2015)
  - 2019: 2,772
  - CAGR: ~6.6%

**Growing Industrial base**
- Billion US$ (base year 2015)
  - 2019: 704
  - CAGR: ~4.8%

**Strong demand for chemicals**
- Million US$ (base year 2015)
  - 2019: 126
  - CAGR: ~7.3%

**Market characteristics**
- Population: >1.3 billion; 5th largest economy
- Key customer industries: transportation, consumer goods, home and personal care
- Indian chemical industry will grow much faster than the global chemical industry
- India will remain a net importer of chemicals for the mid to long term

---

1 Real chemical production, excluding pharmaceuticals. Base year 2015, BASF estimates
BASF’s project scope – building the C3 industry value chain

CO₂ neutral

Mundra Port, Gujarat – designated site for the world’s first green chemical complex

- Envisaged as a partnership based investment by BASF, Adani, ADNOC¹ and Borealis in chemical production complex
- PDH unit to be established as basis for acrylics value chain and polypropylene production
- Project is currently in the feasibility phase
- First CO₂-neutral site worldwide to be 100% powered by renewable energy

Produced by third-parties

Propane Dehydrogenation (PDH) → Propylene

- Polypropylene
- Polyols
- Propylene Oxide
- Propylene Glycol
- Toluene
- Polyurethane
- Cumene
- Acetone
- Phenol
- Polycarbonate
- Butyl Acrylate
- Polyethylene
- Butyl Acrylate
- Oxy-C4 Alcohols
- Acrylic Acid
- Acrylonitrile
- Acrylonitrile
- Phenol
- Polycarbonate
- Acrylic Acid
- Acrylonitrile
- Phenol
- Polycarbonate

¹ Abu Dhabi National Oil 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
Rise of e-mobility is net positive for chemicals demand per car

<table>
<thead>
<tr>
<th>Internal Combustion Engine (ICE)</th>
<th>Battery Electric Vehicle (BEV)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Emissions control and power generation</strong></td>
<td><strong>Cathode Active Material (CAM)</strong></td>
</tr>
<tr>
<td>Catalysts</td>
<td>+</td>
</tr>
<tr>
<td><strong>Engineering plastics</strong></td>
<td><strong>+</strong></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Coolants</strong></td>
<td><strong>=</strong></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Coatings</strong></td>
<td><strong>=</strong></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Higher demand:**
Growth in battery materials more than compensates some catalyst replacement

**Higher demand:**
Growth drivers: Flame retardant plastics, battery housings and cable sheathing

**Comparable demand:**
Growth areas: Flame retardant plastics, battery housings and cable sheathing

**Comparable demand:**
Growth areas: E-coolants and specialty fluids for e-mobility and autonomous driving

**Comparable demand:**
Growth areas: coatings for battery housings and passive vehicle-temperature management
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>
<th>Components</th>
<th>BASF materials</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electric motor</td>
<td>Cellasto®</td>
</tr>
<tr>
<td>Power electronics</td>
<td>Ultradur®, 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>
</thead>
<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®, Ultradur®</td>
</tr>
<tr>
<td>Battery bearings</td>
<td>Cellasto®</td>
</tr>
<tr>
<td>Battery cooling</td>
<td>Glysantin®, Ultradur®</td>
</tr>
<tr>
<td>High-voltage plugs</td>
<td>Ultradur® HR, Ultradur®</td>
</tr>
</tbody>
</table>

Charging infrastructure

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

<table>
<thead>
<tr>
<th>Components</th>
<th>BASF materials</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charging stations</td>
<td>Ultradur®, Ultradur®</td>
</tr>
<tr>
<td>Charging cables</td>
<td>Elastollan®</td>
</tr>
<tr>
<td>Charging plugs</td>
<td>Ultradur®</td>
</tr>
<tr>
<td>Charging inlet</td>
<td>Ultradur®</td>
</tr>
</tbody>
</table>
BEVs and hybrids create superior growth opportunities in battery materials

Global vehicle production by engine type

- Million units

Market projections for 2030:
- ~25 million electric vehicles built per year
- 1,500-2,500 kt of CAM in electromobility
- €45-60 billion CAM market size
BASF is well-positioned in the value chain with strategic partnerships to secure high-purity raw materials.

<table>
<thead>
<tr>
<th>Mining</th>
<th>Metal refinery</th>
<th>BASF Battery Materials</th>
<th>Systems and applications</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metal ore mining and upgrading</td>
<td>Metal salt solution and cast</td>
<td>CAM and precursors</td>
<td>Cells batteries</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>OEMs</td>
</tr>
</tbody>
</table>

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 is a leading battery materials supplier with global production

- **2012**: First CAM production facility in Elyria, Ohio
- **2018**: Second CAM production facility in Battle Creek, Michigan; merged with Elyria, Ohio into BASF TODA America (BTA)
- **2022**: CAM precursor production planned in Harjavalta, Finland
- **2022**: CAM production planned in Schwarzheide, Germany
- **2015**: Foundation of BASF TODA Battery Materials (BTBM), Japan
- **2017**: Tripled capacity at BTBM in Onoda, Japan

Targeted position in China
BASF is active and investing in battery materials

October 2018

- BASF’s announced precursor plant will be constructed in Harjavalta, Finland enabling 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

BASF and Nornickel join forces to supply the battery materials market

February 2020

- 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

BASF further invests in Europe to strengthen position in battery materials for electric vehicles

March 2020

- BASF intends to use recycled materials from processes developed by the cooperating companies in its planned Harjavalta, Finland facility
- The parties will foster production and use of responsibly produced recycled raw materials in the battery market

Fortum, BASF, and Nornickel sign cooperation agreement on battery recycling
BASF Battery Materials in pole position

- Broadest 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
Agenda

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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 6.4 million metric tons of CO₂e emissions in 2019
- 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 equivalents¹
- 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 our production volumes and cut our GHG emissions in halves; the emission intensity thus decreased by 75%, from 2.2 tons of CO₂e per ton of product to 0.6 tons of CO₂e.

- 20 million tons of CO₂e emissions by BASF Group in 2019
- Low-hanging fruits have been harvested; fundamentally new technologies are needed to reduce emissions on a large scale
- We will grow our production volumes without adding further CO₂e emissions until 2030 (intensity to be reduced by 30%)
- BASF is committed to the Paris agreement for climate protection

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
Emissions 2019 in million tons CO₂e

<table>
<thead>
<tr>
<th>Upstream Verbund</th>
<th>3.3</th>
</tr>
</thead>
<tbody>
<tr>
<td>steam cracker</td>
<td></td>
</tr>
<tr>
<td>ammonia</td>
<td></td>
</tr>
<tr>
<td>hydrogen</td>
<td></td>
</tr>
<tr>
<td>+14 other plants</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Downstream Verbund</th>
<th>0.3</th>
</tr>
</thead>
<tbody>
<tr>
<td>~190 plants</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Power / Steam</th>
<th>3.9</th>
</tr>
</thead>
<tbody>
<tr>
<td>incineration, sewage plant</td>
<td>0.5</td>
</tr>
<tr>
<td>+3.4 other plants</td>
<td></td>
</tr>
</tbody>
</table>

- Carbon management research program:
  - breakthrough technologies for the most energy consuming basic chemicals (accounting for approximately 70% of the CO₂ emissions of the chemical industry in Europe)
  - electrification and fundamentally new synthesis pathways
  - moving towards low-carbon chemical value chains
Increasing importance of renewable energy

- In 2019, internally generated power in the BASF Group had a carbon footprint of around 0.26 tons of CO₂ per MWh of electricity and was below the national grid factor at most BASF Group locations (purchased electricity: around 0.46 tons of CO₂ per MWh)

- In 2019, 23 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 (2019: 6.2 TWh) to fully implement the new production processes

- Availability and price of renewable power as critical success factors

- BASF is investigating different options for renewable power supply
Product Carbon Footprints create transparency for customers – digital solution to calculate greenhouse gas emissions for all BASF products

- Digital solution calculates cradle-to-gate Product Carbon Footprints
- Based on the total of direct process CO₂ emissions, energy demand and scope 3 upstream CO₂ emissions
- Carbon footprints for 45,000 BASF products in the global portfolio available in the course of 2021
From a linear to a more circular economy – BASF contribution: ChemCycling™

- In 2019, BASF invested €20 million in Quantafuel (pyrolysis of mixed plastic waste and purification of the resulting oil)
- BASF providing technical support in the startup of Quantafuel’s commercial plant in Skive, Denmark

ChemCycling™
- can handle mixed plastic waste
- produces virgin-like raw materials
- replaces virgin fossil resources

Plastic waste is converted into liquid feedstock and fed into BASF’s value chains
Alliance to End Plastic Waste (AEPW)
– take action, develop solutions and catalyze investment

- Founded in 2019, BASF is a founding member of the AEPW
- 46 members from entire plastics value chain
- Commitment to spend US$1.5 billion over five years for infrastructure development, innovation, education, engagement and clean-up
- Example: collaboration with non-profit initiative RenewOceans in Varanasi, India (Ganges river)
  - ReFence technology to collect plastic from waterways
  - Waste management strategy for university campus
  - Strategy for scaling and franchising of the existing model
Around 30% of BASF Group sales from sustainable solutions – leveraging our innovation power

- Portfolio segmentation: >50,000 specific product applications analyzed by 2019 (€51.9 billion in sales, 96.3% of relevant portfolio¹)

- >12,000 Accelerators across all business segments

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

- Goal: €22 billion of sales with Accelerator products by 2025 (2019: €15.0 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
Accelerator examples – innovations for a sustainable future

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
### Value balancing alliance – consistent assessment in monetary terms of the impact of business activities on the well-being of people

<table>
<thead>
<tr>
<th>Stakeholders</th>
<th>Companies</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Member companies</strong></td>
<td><img src="image1" alt="BASF" /> <img src="image2" alt="BOSCH" /> <img src="image3" alt="Deutsche Bank" /> <img src="image4" alt="Lufthansa" /> <img src="image5" alt="Mitsubishi Chemical" /> <img src="image6" alt="Novartis" /></td>
</tr>
<tr>
<td><strong>Policy advisors</strong></td>
<td><img src="image7" alt="OECD" /> <img src="image8" alt="Volkswagen" /> <img src="image9" alt="SAP" /> <img src="image10" alt="SK" /></td>
</tr>
<tr>
<td><strong>Pro-bono consultants</strong></td>
<td><img src="image11" alt="Deloitte" /> <img src="image12" alt="EY" /> <img src="image13" alt="KPMG" /> <img src="image14" alt="PwC" /></td>
</tr>
<tr>
<td><strong>Support from politics, financial markets, academia, business, standard setters, civil society</strong></td>
<td><img src="image15" alt="European Commission" /> <img src="image16" alt="World Economic Forum" /> <img src="image17" alt="The World Bank" /></td>
</tr>
</tbody>
</table>

- Founded in June 2019, BASF is a founding member of the value balancing alliance.
- From traditional reporting of input and output (e.g., raw materials, CO2 emissions) to impact valuation (e.g., climate change mitigation costs).
- Holistic view along the entire value chain.
- Increase transparency by:
  - standardizing calculations for comparable results
  - piloting in management accounting
  - making outcomes publicly available
- Ambition: transform business from maximizing profits to optimizing value creation.
BASF in sustainability ratings and rankings

CDP
In 2019, BASF achieved a score of A– in the climate category, thus attaining leadership status again; 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 2019, receiving the highest ESG rating score in the chemical industry.
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Chemical production in China with a V-shaped recovery, recovery in North America and Europe still with question mark

Source: BASF, data: IHS, Feri, NBS China, FED, Eurostat, LMC. Asia: China, India, Japan, South Korea, Taiwan, Thailand. Data partly estimated.
BASF Group Q2 2020: Sales volumes in Greater China significantly above prior-year months

Sales volumes development by region¹
April/May/June 2020 vs. April/May/June 2019%

<table>
<thead>
<tr>
<th>Region</th>
<th>April 2020</th>
<th>May 2020</th>
<th>June 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>BASF Group</td>
<td>(12)</td>
<td>(21)</td>
<td>(19)</td>
</tr>
<tr>
<td>Europe</td>
<td>(19)</td>
<td>(27)</td>
<td>(7)</td>
</tr>
<tr>
<td>North America</td>
<td>(12)</td>
<td>(27)</td>
<td></td>
</tr>
<tr>
<td>Greater China</td>
<td>9</td>
<td>13</td>
<td>28</td>
</tr>
</tbody>
</table>

¹ Location of customer
The pandemic is impacting key customer industries differently

Sales volumes development of key customer industries\(^1\)
Q1/Q2 2020 vs. Q1/Q2 2019

\[
\begin{array}{ccccccccc}
\text{Automotive} & \text{Energy and resources} & \text{Consumer goods} & \text{Construction} & \text{Electronics} & \text{Health and Nutrition} \\
(22) & (2) & (7) & (4) & (8) & 2 & 0 \\
(45) & (7) & (8) & (6) & 0 & 0 \\
\end{array}
\]

of which:

\[
\begin{array}{cccc}
\text{Semiconductor} & 4 & 2 \\
\end{array}
\]

\(^1\) Source: IHS, LMC; \(^2\) Source: Semiconductor Industry Association (nominal sales growth, April and May 2020)
The gap in BASF’s average daily order entry is slowly closing, but visibility remains low

Gap between average daily order entry
April/May/June/July¹ 2020 vs. April/May/June/July¹ 2019

%  

<table>
<thead>
<tr>
<th></th>
<th>April 2020</th>
<th>May 2020</th>
<th>June 2020</th>
<th>July¹ 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(9)</td>
</tr>
<tr>
<td>(10)</td>
<td>(27)</td>
<td>(16)</td>
<td>(11)</td>
<td></td>
</tr>
<tr>
<td>(20)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(30)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

¹ Until July 26, 2020
**BASF Group Q2 2020: COVID-19 leads to lower volumes, mainly due to lower demand from the automotive industry**

Sales volumes development by segment
Q2 2020 vs. Q2 2019
absolute (million €) terms

<table>
<thead>
<tr>
<th>Segment</th>
<th>Q2 2020 vs. Q2 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chemicals</td>
<td>155 (680)</td>
</tr>
<tr>
<td>Materials</td>
<td>(680)</td>
</tr>
<tr>
<td>Industrial Solutions</td>
<td>(234)</td>
</tr>
<tr>
<td>Surface Technologies</td>
<td>(804)</td>
</tr>
<tr>
<td>Nutrition &amp; Care</td>
<td>96</td>
</tr>
<tr>
<td>Agricultural Solutions</td>
<td>45</td>
</tr>
<tr>
<td>Other</td>
<td>(216)</td>
</tr>
<tr>
<td>Overall change</td>
<td>(1,638)</td>
</tr>
</tbody>
</table>

Relative (%) terms:
- Chemicals: 7%
- Materials: 23%
- Industrial Solutions: 11%
- Surface Technologies: 26%
- Nutrition & Care: 7%
- Agricultural Solutions: 2%
- Other: 29%
- Overall change: 11%
BASF Group Q2 2020: Sales and earnings decline on account of lower demand from key customer industries

Sales bridge Q2 2020 vs. Q2 2019

<table>
<thead>
<tr>
<th></th>
<th>Q2 2019</th>
<th>Volumes</th>
<th>Prices</th>
<th>Portfolio</th>
<th>Currencies</th>
<th>Q2 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>14,478</td>
<td>(1,638)</td>
<td>(130)</td>
<td>114</td>
<td>(144)</td>
<td>12,680</td>
</tr>
</tbody>
</table>

EBIT before special items by segment Q2 2020 vs. Q2 2019

<table>
<thead>
<tr>
<th>Segment</th>
<th>Q2 2019</th>
<th>Q2 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural Solutions</td>
<td>(1)</td>
<td>226</td>
</tr>
<tr>
<td>Nutrition &amp; Care</td>
<td>36</td>
<td></td>
</tr>
<tr>
<td>Industrial Solutions</td>
<td>(80)</td>
<td></td>
</tr>
<tr>
<td>Surface Technologies</td>
<td>(280)</td>
<td></td>
</tr>
<tr>
<td>Materials</td>
<td>(414)</td>
<td></td>
</tr>
<tr>
<td>Chemicals</td>
<td>(121)</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>91</td>
<td></td>
</tr>
</tbody>
</table>

Sales development

Q2 2020 vs. Q2 2019:
- Volumes: (11%)
- Prices: (1%)
- Portfolio: 1%
- Currencies: (1%)
## BASF Group Q2 2020: Key financial figures

<table>
<thead>
<tr>
<th></th>
<th>Q2 2020</th>
<th>Q2 2019</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>€</td>
<td>€</td>
<td>%</td>
</tr>
<tr>
<td>Sales</td>
<td>12,680 million</td>
<td>14,478 million</td>
<td>(12)</td>
</tr>
<tr>
<td>EBITDA before special items</td>
<td>1,229 million</td>
<td>1,885 million</td>
<td>(35)</td>
</tr>
<tr>
<td>EBITDA</td>
<td>1,070 million</td>
<td>1,546 million</td>
<td>(31)</td>
</tr>
<tr>
<td>EBIT before special items</td>
<td>226 million</td>
<td>995 million</td>
<td>(77)</td>
</tr>
<tr>
<td>EBIT</td>
<td>59 million</td>
<td>507 million</td>
<td>(88)</td>
</tr>
<tr>
<td>Net income</td>
<td>(878) million</td>
<td>5,954 million</td>
<td>.</td>
</tr>
<tr>
<td>Reported EPS</td>
<td>(0.95)</td>
<td>6.48</td>
<td>.</td>
</tr>
<tr>
<td>Adjusted EPS</td>
<td>0.25</td>
<td>0.83</td>
<td>(70)</td>
</tr>
<tr>
<td>Cash flows from operating activities</td>
<td>2,242 million</td>
<td>1,946 million</td>
<td>15</td>
</tr>
</tbody>
</table>

### Sales development

<table>
<thead>
<tr>
<th></th>
<th>Volumes</th>
<th>Prices</th>
<th>Portfolio</th>
<th>Currencies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2 2020 vs. Q2 2019</td>
<td>↓ (11%)</td>
<td>↓ (1%)</td>
<td>↑ 1%</td>
<td>↓ (1%)</td>
</tr>
</tbody>
</table>
### Strong balance sheet

**Balance sheet June 30, 2020 vs. December 31, 2019**

<table>
<thead>
<tr>
<th></th>
<th>June 30, 2020</th>
<th>Dec. 31, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Noncurrent assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inventories</td>
<td>10.8</td>
<td>11.2</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>9.4</td>
<td>9.1</td>
</tr>
<tr>
<td>Other assets</td>
<td>4.7</td>
<td>3.8</td>
</tr>
<tr>
<td>Disposal groups¹</td>
<td>4.7</td>
<td>4.0</td>
</tr>
<tr>
<td>Liquid funds</td>
<td>5.6</td>
<td>2.9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>55.2</td>
<td>56.0</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td>87.0</td>
<td>87.0</td>
</tr>
<tr>
<td>Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liabilities of disposal groups¹</td>
<td>24.7</td>
<td>25.2</td>
</tr>
<tr>
<td>Financial debt</td>
<td>38.4</td>
<td>18.4</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td>90.4</td>
<td>90.4</td>
</tr>
</tbody>
</table>

- Total assets increased by €3.4 billion to €90.4 billion
- Current assets up by €4.2 billion, mainly due to higher cash and cash equivalents and other receivables
- Net debt increased by €5.0 billion to €20.5 billion, mainly due to the dividend payment in Q2 2020 and the acquisition of Solvay’s polyamide business in Q1 2020
- Equity ratio on June 30, 2020: 42.5%

¹ BASF’s pigments business and construction chemicals business
Qualitative statements on further business development in 2020 provided in the Half-Year Financial Report 2020

- Given the continued high level of uncertainty surrounding economic developments due to the effects of the pandemic and the low visibility, it is still not possible to make any concrete statements on the development of sales and earnings for the full-year 2020.

- For the second half of 2020, we anticipate a high level of uncertainty due to the ongoing corona pandemic.

- For the third quarter of 2020, we currently do not expect EBIT before special items to improve significantly compared with the second quarter of 2020, in part due to the generally lower demand in August and the seasonality of the Agricultural Solutions business.
Sales Q2 2020 vs. Q2 2019

<table>
<thead>
<tr>
<th>Sales development</th>
<th>Volumes</th>
<th>Prices</th>
<th>Portfolio</th>
<th>Currencies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2 2020 vs. Q2 2019</td>
<td>↑ 7%</td>
<td>↓ (25%)</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

EBIT before special items

- Petrochemicals: €1,791 million (18%)
- Intermediates: €618 million (14%)

Q2 2020:
- Intermediates: €618 million (14%)
- Petrochemicals: €1,173 million (20%)

Q3 2019:
- Intermediates: €618 million (14%)
- Petrochemicals: €1,214 million (20%)

Q4 2019:
- Intermediates: €618 million (14%)
- Petrochemicals: €1,155 million (19%)

Q1 2020:
- Intermediates: €618 million (14%)
- Petrochemicals: €1,155 million (19%)

Q2 2020:
- Intermediates: €618 million (14%)
- Petrochemicals: €1,173 million (20%)
Sales Q2 2020 vs. Q2 2019

Sales development

Q2 2020 vs. Q2 2019

Volumes

(23%)

Prices

(8%)

Portfolio

4%

Currencies

(1%)

Materials

EBIT before special items

Performance Materials

1,071

(31%)

Monomers

1,072

(23%)

€2,143

(28%)

€2,143

(28%)
Industrial Solutions

Sales Q2 2020 vs. Q2 2019

Performance
Chemicals
646
(20%)

Dispersions & Pigments
1,173
(12%)

€1,819
(15%)

Sales development

Q2 2020 vs. Q2 2019

Volumes

(down 11%)

Prices

(down 4%)

Portfolio

0%

Currencies

0%

EBIT before special items

million €

Q2 Q3 Q4 Q1 Q2

2019 2020

243 205 108 273 163

0

100

200

300
Surface Technologies

Sales Q2 2020 vs. Q2 2019

Sales Q2 2020 vs. Q2 2019 (million €)

<table>
<thead>
<tr>
<th>Coatings</th>
<th>Catalysts</th>
</tr>
</thead>
<tbody>
<tr>
<td>550 (41%)</td>
<td>2,549 +15%</td>
</tr>
</tbody>
</table>

€3,099 (2%)

EBIT before special items

EBIT before special items (million €)

<table>
<thead>
<tr>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Q1</th>
<th>Q2 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>129</td>
<td>206</td>
<td>236</td>
<td>220</td>
<td>(151)</td>
</tr>
</tbody>
</table>

Sales development

Sales development:

<table>
<thead>
<tr>
<th>Q2 2020 vs. Q2 2019</th>
<th>Volumes</th>
<th>Prices</th>
<th>Portfolio</th>
<th>Currencies</th>
</tr>
</thead>
<tbody>
<tr>
<td>(26%)</td>
<td>(24%)</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>
## Nutrition & Care

### Sales Q2 2020 vs. Q2 2019

<table>
<thead>
<tr>
<th></th>
<th>Sales Q2 2020 vs. Q2 2019</th>
<th>Volumes</th>
<th>Prices</th>
<th>Portfolio</th>
<th>Currencies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2 2020 vs. Q2 2019</td>
<td></td>
<td>↑ 7%</td>
<td>↓ (1%)</td>
<td>0%</td>
<td>↓ (2%)</td>
</tr>
</tbody>
</table>

### EBIT before special items

<table>
<thead>
<tr>
<th></th>
<th>EBIT before special items</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2</td>
<td>220</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q3</td>
<td>225</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q4</td>
<td>126</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q1</td>
<td>254</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q2</td>
<td>256</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Nutrition & Health

- Nutrition & Health: 548 million €, +12%
- Care Chemicals: 1,007 million €, 0%

Total: €1,555 million €, +4%
Agricultural Solutions

Sales H1 2020 vs. H1 2019

<table>
<thead>
<tr>
<th>Category</th>
<th>Sales H1 2020</th>
<th>Sales H1 2019</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seeds &amp; Traits</td>
<td>1,017</td>
<td>1,017</td>
<td>(2%)</td>
</tr>
<tr>
<td>Herbicides</td>
<td>1,636</td>
<td>1,636</td>
<td>+7%</td>
</tr>
<tr>
<td>Seed Treatment</td>
<td>249</td>
<td>249</td>
<td>(3%)</td>
</tr>
<tr>
<td>Fungicides</td>
<td>1,274</td>
<td>1,274</td>
<td>+3%</td>
</tr>
<tr>
<td>Insecticides</td>
<td>409</td>
<td>409</td>
<td>+7%</td>
</tr>
<tr>
<td>Seeds &amp; Traits</td>
<td>1,017</td>
<td>1,017</td>
<td>(2%)</td>
</tr>
<tr>
<td>Herbicides</td>
<td>1,636</td>
<td>1,636</td>
<td>+7%</td>
</tr>
<tr>
<td>Seed Treatment</td>
<td>249</td>
<td>249</td>
<td>(3%)</td>
</tr>
<tr>
<td>Fungicides</td>
<td>1,274</td>
<td>1,274</td>
<td>+3%</td>
</tr>
<tr>
<td>Insecticides</td>
<td>409</td>
<td>409</td>
<td>+7%</td>
</tr>
</tbody>
</table>

€4,585 +3%

EBIT before special items Q2 2020 vs. Q2 2019 and H1 2020 vs. H1 2019

<table>
<thead>
<tr>
<th>Quarter</th>
<th>EBIT before special items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2 2020</td>
<td>120 million €</td>
</tr>
<tr>
<td>Q2 2019</td>
<td>121 million €</td>
</tr>
<tr>
<td>H1 2020</td>
<td>929 million €</td>
</tr>
<tr>
<td>H1 2019</td>
<td>861 million €</td>
</tr>
</tbody>
</table>

Sales development

<table>
<thead>
<tr>
<th>Period</th>
<th>Sales Development</th>
<th>Volumes</th>
<th>Prices</th>
<th>Portfolio</th>
<th>Currencies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2 2020 vs. Q2 2019</td>
<td>↑ 2%</td>
<td>↑ 1%</td>
<td>0%</td>
<td></td>
<td>↓ (5%)</td>
</tr>
<tr>
<td>H1 2020 vs. H1 2019</td>
<td>↑ 5%</td>
<td>0%</td>
<td>0%</td>
<td></td>
<td>↓ (2%)</td>
</tr>
</tbody>
</table>
### Review of “Other”

<table>
<thead>
<tr>
<th>Financial figures</th>
<th>Q2 2020 million €</th>
<th>Q2 2019 million €</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>507</td>
<td>744</td>
</tr>
<tr>
<td><strong>EBIT before special items</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Thereof</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Costs of corporate research</td>
<td>(81)</td>
<td>(99)</td>
</tr>
<tr>
<td>Costs of corporate headquarters</td>
<td>(57)</td>
<td>(66)</td>
</tr>
<tr>
<td>Foreign currency results, hedging and other measurement effects</td>
<td>(49)</td>
<td>(12)</td>
</tr>
<tr>
<td>Other businesses</td>
<td>24</td>
<td>48</td>
</tr>
<tr>
<td><strong>Special items</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(48)</td>
<td>(193)</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td><strong>(128)</strong></td>
<td><strong>(364)</strong></td>
</tr>
</tbody>
</table>