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 151 to 160 of the BASF Report 2021. BASF does not assume any obligation to update the forward-looking statements contained in this presentation above and beyond the legal requirements.
Snapshot of the current market environment

- The macroeconomic environment is characterized by a high degree of uncertainty regarding the short- and mid-term economic development.

- In Q2 2022, demand from customer industries remained generally solid, except for automotive.

- Supply shortages continue to limit automotive production; in Q2 2022, global automotive production remained on the level of Q2 2021 and declined by 6.0% compared with Q1 2022.

- China’s economic growth was negatively impacted by the zero-COVID strategy and the related lockdowns in the second quarter of 2022.

- Given the inflationary environment, central banks started to raise interest rates, which in turn will dampen consumer spending.
Global chemical production increased by 1.3% in Q2 2022

Chemical production Q2 2022 compared with prior-year quarter\(^1\)

%  

<table>
<thead>
<tr>
<th>Region</th>
<th>Q2 2021</th>
<th>Q2 2022</th>
<th>2022 - 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>6.4</td>
<td>2.6</td>
<td>-3.8</td>
</tr>
<tr>
<td>EU 27</td>
<td>13.4</td>
<td>-2.6</td>
<td>-16.0</td>
</tr>
<tr>
<td>China</td>
<td>8.1</td>
<td>3.1</td>
<td>-5.0</td>
</tr>
<tr>
<td>Asia excl. China</td>
<td>15.0</td>
<td>-0.8</td>
<td>-15.8</td>
</tr>
</tbody>
</table>

Growth rates

<table>
<thead>
<tr>
<th></th>
<th>Q2 2022</th>
<th>Q2 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global GDP</td>
<td>2.2</td>
<td>11.6</td>
</tr>
<tr>
<td>Global industrial production</td>
<td>2.5</td>
<td>17.5</td>
</tr>
<tr>
<td>Global chemical production</td>
<td>1.3</td>
<td>9.9</td>
</tr>
</tbody>
</table>

\(^1\) Source: BASF, Q2 2022 partly based on estimates. Data sources: IHS, NBS China, Feri, Fed, Eurostat, METI, ONS. All data subject to statistical revision.
Q2 2022: BASF again with strong earnings despite continued high prices for raw materials and energy

- BASF’s upstream and downstream businesses implemented further price increases to pass on higher prices for raw materials and energy.
- Due to the corona-related lockdowns in China, sales volumes in the country declined in Q2 2022, mainly driven by lower volumes in April.
- In Q2 2022, EBIT before special items reached the level of the prior-year quarter and amounted to €2.3 billion.
- The strong earnings performance in Q2 2022 was driven by the Agricultural Solutions, Nutrition & Care and Industrial Solutions segments; Other also contributed.

![EBIT before special items](chart)

EBIT before special items
Million €

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2</td>
<td>2,355</td>
<td>2,339</td>
</tr>
<tr>
<td>Q3</td>
<td>1,865</td>
<td></td>
</tr>
<tr>
<td>Q4</td>
<td>1,227</td>
<td></td>
</tr>
<tr>
<td>Q1</td>
<td>2,818</td>
<td></td>
</tr>
<tr>
<td>Q2</td>
<td>2,339</td>
<td></td>
</tr>
</tbody>
</table>

-0.7%
Emergency Plan for Gas of the German government

Stage 2 comprises four key measures that leave responsibilities and market mechanisms intact:

1. All market participants are obliged to take coordinated action to avoid temporary and regional gaps in supply in Germany and to achieve the target storage fill level of 85% on October 1, 2022. To this end, the market area manager Trading Hub Europe has received an additional credit line of €15 billion from the federal government to purchase gas.

2. Market participants are obliged to participate in a crisis team that must report to the Federal Ministry for Economic Affairs.

3. The German government is taking legal measures to restart coal-fired power plants in Germany.

4. The Federal Network Agency wants to open a market platform where gas that is not required by companies can be auctioned.

At present, natural gas is supplied to all of BASF’s European sites as required
Update on mitigation measures to reduce natural gas demand

BASF’s natural gas demand in Ludwigshafen 2021

- BASF’s natural gas demand in Europe 2021
  - ~48 TWh, thereof Ludwigshafen ~37 TWh
  - ~60% used for power/steam production and ~40% as feedstock

Mitigation measures

- Where technically feasible, preparations to substitute natural gas (e.g., by fuel oil) are progressing well and technical optimizations are in place
- Proactive scenario development to optimize our production at European sites (utilization rate reduction of specific plants) as needed
- Continued operation at the Ludwigshafen site is ensured down to 50% of BASF’s maximum natural gas demand

1 Verbund site Ludwigshafen: 50% of natural gas used for power/steam production; 50% as feedstock
2 Precondition is the sufficient availability of fuel oil
Natural gas prices in Europe remained at a very high level

Compared with Q1 2022, natural gas prices declined slightly in Q2 2022 but remained at a very high level.

Natural gas price burden for European BASF sites:
- Additional costs of ~€0.8 billion in Q2 2022 compared with Q2 2021
- Additional costs of ~€1.0 billion in Q2 2022 compared with Q2 2020
**Q2 2022: Sales volumes declined by 4.4% but were almost stable excluding precious metal volumes**

<table>
<thead>
<tr>
<th>Volume development by segment</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>
<th>Overall volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2 2022 vs. Q2 2021</td>
<td>Absolute (million €) terms</td>
<td>-133</td>
<td>-68</td>
<td>-47</td>
<td>-839</td>
<td>101</td>
<td>109</td>
<td>-872</td>
</tr>
</tbody>
</table>

Relative (% terms)

<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>
<th>Other</th>
<th>Overall volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>-3.9%</td>
<td>-1.8%</td>
<td>-2.0%</td>
<td>-14.2%</td>
<td>0.3%</td>
<td>5</td>
<td>101</td>
<td>109</td>
<td>-4.4%</td>
</tr>
</tbody>
</table>

Thereof 99% related to precious metals sales volumes
**Q2 2022: Sales increased considerably; EBIT before special items at the high level of the prior-year quarter**

<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>
<th>BASF Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Q2 2022 vs. Q2 2021 Million €</td>
<td>19,753</td>
<td>930</td>
<td>1,119</td>
<td>284</td>
<td>-446</td>
<td>490</td>
<td>496</td>
<td>349</td>
</tr>
<tr>
<td>Sales by segment Million € Q2 2021</td>
<td>4,349</td>
<td>4,862</td>
<td>2,643</td>
<td>5,446</td>
<td>2,074</td>
<td>2,459</td>
<td>1,142</td>
<td>Q2 2022</td>
</tr>
<tr>
<td>EBIT before special items Q2 2022 vs. Q2 2021 Million €</td>
<td>2,355</td>
<td>-164</td>
<td>-124</td>
<td>16</td>
<td>-62</td>
<td>75</td>
<td>148</td>
<td>95</td>
</tr>
<tr>
<td>EBIT before special items by segment Million € Q2 2021</td>
<td>853</td>
<td>668</td>
<td>323</td>
<td>227</td>
<td>213</td>
<td>223</td>
<td>-168</td>
<td>Q2 2022</td>
</tr>
</tbody>
</table>
Lower sales and earnings in Surface Technologies in Q2 2022

- **Sales** declined due to lower volumes and prices; positive currency and portfolio effects had an offsetting effect.
- **EBIT before special items** declined considerably on account of lower earnings in the Coatings division.

Increased transparency regarding precious metals

- As of Q2 2022, sales in the Surface Technologies segment are broken down to reflect sales excluding precious metal trading and precious metal sales in the mobile emissions catalysts business.

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**Sales, million €**

- **Q2 2021**
  - Catalysts: 5,892
  - Coatings: 5,049
  - Total: 10,941

- **Q2 2022**
  - Catalysts: 5,446
  - Coatings: 4,422
  - Total: 9,868

**Sales development**

- **Q2 2022 vs. Q2 2021**
  - Total: -14.2%
  - Catalysts: -14.3%
  - Coatings: -14.2%

- **H1 2022 vs. H1 2021**
  - Total: -14.3%
  - Catalysts: -14.3%
  - Coatings: -14.2%

**EBIT before special items, million €**

- **Q2 2022**
  - Catalysts: 289
  - Coatings: 227
  - Total: 516

- **Q2 2022**
  - Catalysts: 493
  - Coatings: 446
  - Total: 939

**EBIT before special items**

- **Q2 2022**
  - Catalysts: 289
  - Coatings: 227
  - Total: 516
  - Margin: 6.7%

- **H1 2022**
  - Catalysts: 493
  - Coatings: 446
  - Total: 939
  - Margin: 16.8%

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1 For more information, see BASF’s Half-Year Financial Report, page 49
Considerable sales and earnings growth in the Nutrition & Care segment in Q2 2022

- **Strong sales** growth in Care Chemicals and Nutrition & Health, mainly driven by significantly higher prices to compensate for higher raw materials and energy costs; currency tailwind and slightly higher volumes also contributed.

- **EBIT before special items** increased considerably due to significantly higher earnings in the Care Chemicals division.

**Focus on ingredients in nutrition, flavor and fragrance in the Nutrition & Health division**

- Going forward, Nutrition & Health will consist of three focused global business units for nutrition ingredients, aroma ingredients and pharma solutions.
Nutrition & Health will have three pillars – nutrition, aroma, pharma – with a focus on key ingredients

**Nutrition Ingredients**
- Act as a strong ingredients partner to the animal and human nutrition industries
- Strengthen core product platforms deeply rooted in BASF Verbund
- Step up growth investments in vitamins and feed enzymes
- Evaluate strategic options for food & health performance ingredients produced at the Illertissen site

**Aroma Ingredients**
- Build on strong ingredients position to address sustainability trends in flavor and fragrance industries
- Step up growth investments in citral value chain
- Focus innovation on sustainability and biotechnology platform

**Pharma Solutions**
- Offer broad portfolio of excipients based on core value chains and selected active ingredients
- Focus on growth and innovation in biopharmaceuticals
- Partner customers in developing formulations, leverage digital solutions
Agricultural Solutions

Sales, million €

<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 2022 vs. Q2 2021</td>
<td>+5.2%</td>
<td>+11.4%</td>
<td>-0.6%</td>
<td>+9.3%</td>
</tr>
<tr>
<td>H1 2022 vs. H1 2021</td>
<td>+7.9%</td>
<td>+8.6%</td>
<td>-0.4%</td>
<td>+5.7%</td>
</tr>
</tbody>
</table>

EBIT before special items, million €

Strong performance of Agricultural Solutions in Q2 2022

- Significantly higher prices in all regions, paired with favorable FX effects and higher volumes led to positive sales development – reflecting an overall strong demand in the northern hemisphere
- EBIT before special items increased considerably, mainly attributable to higher sales overcompensating higher costs

The agricultural market environment remains dynamic

- Global agricultural markets continue to be healthy with robust commodity prices
- Challenges for the industry mainly result from global raw material and transportation capacity shortages and inflationary cost increases
- The outlook for the second half is positive – mainly building on the upcoming season in South America and strong fundamentals
### BASF Group Q2 2022 and H1 2022: Financial figures

<table>
<thead>
<tr>
<th>Financial figures</th>
<th>Q2 2022</th>
<th>Change</th>
<th>H1 2022</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Million €</td>
<td>%</td>
<td>Million €</td>
<td>%</td>
</tr>
<tr>
<td>Sales</td>
<td>22,974</td>
<td>16.3</td>
<td>46,058</td>
<td>17.6</td>
</tr>
<tr>
<td>EBITDA before special items</td>
<td>3,293</td>
<td>2.4</td>
<td>7,036</td>
<td>10.0</td>
</tr>
<tr>
<td>EBITDA</td>
<td>3,396</td>
<td>6.2</td>
<td>7,105</td>
<td>11.4</td>
</tr>
<tr>
<td>EBIT before special items</td>
<td>2,339</td>
<td>-0.7</td>
<td>5,157</td>
<td>10.3</td>
</tr>
<tr>
<td>EBIT</td>
<td>2,350</td>
<td>1.5</td>
<td>5,135</td>
<td>11.0</td>
</tr>
<tr>
<td>Net income from shareholdings</td>
<td>433</td>
<td>.</td>
<td>-364</td>
<td>.</td>
</tr>
<tr>
<td>Net income</td>
<td>2,090</td>
<td>26.3</td>
<td>3,311</td>
<td>-1.8</td>
</tr>
</tbody>
</table>
Cash flow development in Q2 2022 and H1 2022

Q2 2022

<table>
<thead>
<tr>
<th>Cash flows from operating activities</th>
<th>Capex</th>
<th>Free cash flow Q2 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Million €</td>
<td></td>
<td>€1,228</td>
</tr>
<tr>
<td></td>
<td></td>
<td>-892</td>
</tr>
<tr>
<td></td>
<td></td>
<td>€336</td>
</tr>
</tbody>
</table>

H1 2022

<table>
<thead>
<tr>
<th>Cash flows from operating activities</th>
<th>Capex</th>
<th>Free cash flow H1 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Million €</td>
<td></td>
<td>€938</td>
</tr>
<tr>
<td></td>
<td></td>
<td>-1,495</td>
</tr>
<tr>
<td></td>
<td></td>
<td>-557</td>
</tr>
</tbody>
</table>

Q2 2022 vs. Q2 2021

- Cash flows from operating activities decreased by €1.3 billion to €1.2 billion
- Changes in net working capital led to a cash outflow of €1.7 billion
- Cash flows from investing activities amounted to -€639 million compared with €323 million. Payments made for property, plant and equipment and intangible assets rose by 16% to €892 million
- Free cash flow decreased by €1.4 billion to €336 million

Free cash flow: cash flows from operating activities minus payments made for property, plant and equipment and intangible assets
### Strong balance sheet

#### Balance sheet June 30, 2022, vs. Dec. 31, 2021
Billion €

<table>
<thead>
<tr>
<th>Category</th>
<th>June 30, 2022</th>
<th>Dec. 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Noncurrent assets</strong></td>
<td>53.6</td>
<td>52.3</td>
</tr>
<tr>
<td>Inventories</td>
<td>16.0</td>
<td>13.9</td>
</tr>
<tr>
<td>Accounts receivable, trade</td>
<td>15.8</td>
<td>11.9</td>
</tr>
<tr>
<td>Other assets</td>
<td>7.6</td>
<td>6.5</td>
</tr>
<tr>
<td>Liquid funds</td>
<td>4.0</td>
<td>2.8</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>97.0</td>
<td>87.4</td>
</tr>
</tbody>
</table>

- **Total assets** increased by €9.6 billion to €97.0 billion
- **Noncurrent assets** amounted to €53.6 billion, an increase of €1.3 billion
- **Current assets** increased by €8.3 billion to €43.4 billion, mainly due to higher trade accounts receivable. In addition, higher inventories, other receivables and miscellaneous assets and cash and cash equivalents contributed to the increase
- **Net debt** increased by €5.2 billion to €19.5 billion
- **Equity ratio**: 47.8% (December 31, 2021: 48.2%)
Main construction phases of the new Verbund site in Zhanjiang, China – stepwise approach

Initial phase on stream: 2022–2023

- **First downstream plants:** Performance Materials for automotive and consumer industries

Phase 1 start-up: as of 2025

- **Heart of the Verbund:** Petrochemicals plus further downstream plants

- **Engineering plastics and thermoplastic polyurethanes**

Phase 2 start-up: as of 2028

- **Verbund expansion and diversification**

Update on progress

- First downstream plant is currently starting up
- Construction of phase 1 plants started following final approval
- Stepwise construction approach allows for flexibility, especially with regard to phase 2

- Additional downstream plants

- Backward integrated into world-scale upstream plants to achieve Verbund synergies in downstream value chains
Outlook 2022 for BASF Group

<table>
<thead>
<tr>
<th>Outlook 2022</th>
<th>Revised forecast</th>
<th>Previous forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>€86 billion – €89 billion</td>
<td>€74 billion – €77 billion</td>
</tr>
<tr>
<td>EBIT before special items</td>
<td>€6.8 billion – €7.2 billion</td>
<td>€6.6 billion – €7.2 billion</td>
</tr>
<tr>
<td>ROCE</td>
<td>10.5% – 11.0%</td>
<td>11.4% – 12.6%</td>
</tr>
<tr>
<td>CO₂ emissions</td>
<td>18.4 – 19.4 million metric tons</td>
<td>19.6 – 20.6 million metric tons</td>
</tr>
</tbody>
</table>

Underlying assumptions (previous assumptions in parentheses)

- Growth in gross domestic product: 2.5% (3.8%)
- Growth in industrial production: 3.0% (3.8%)
- Growth in chemical production: 2.5% (3.5%)
- Average euro/dollar exchange rate: $1.07 per euro ($1.15 per euro)
- Average annual oil price (Brent crude): $110 per barrel ($75 per barrel)