



Joint News Release

BASF invests US\$ 4 million in AgVentures II fund managed by SP Ventures

- **Fund focuses on Latin American startups**
- **Aim is to promote promising innovations in the AgFood market**

São Paulo, Brazil, and Ludwigshafen, Germany, November 18, 2019 – BASF Venture Capital is one of the main investors in the first closing of the Brazilian fund AgVentures II having committed US\$ 4 million. The fund is managed by São Paulo-based SP Ventures and focuses on startups from the Latin American agricultural and food (AgFood) sector. The fund aims to support 20 to 25 new companies founded and headquartered in Latin America. Besides BASF, other investors include multinational companies as strategic investors as well as financial investors, international development finance institutions and local family offices. For BASF Venture Capital, this represents the first investment in Brazil.

Agriculture is one of the pillars of the economy in this South American country. Brazil is a leading global exporter of crops such as cereals and corn (maize): Agricultural products account for around half of the country's exports. Yet agricultural growers face particular challenges, for example, due to specific climatic conditions. These include a greater proliferation of pests and crop diseases as well as different soil conditions. Nevertheless, two to three harvests a year are possible in Brazil.

The number of companies working on technologies and business models that fit to the area's unique agronomic conditions has grown considerably in the past two years. Simultaneously, AgTech has become one of the most important sectors for venture capital firms in Brazil. The AgVentures II fund is currently the only fund focusing exclusively on agricultural technology. The challenges in Brazilian agriculture and thus the focus areas for the fund include: agricultural production factors, business management, precision farming, software solutions and livestock management as well as food technologies for innovative food, new ingredients and plant-based proteins, in addition to supply chain technologies, for example, food safety and traceability, logistics and processing technologies. The emergence of a tech-enabled financial services industry focused on the agribusiness segment will also be an important target.

“Cooperation between our businesses and startups has become an important driver of innovation for our customers and growth for BASF in South America. BASF, for example, took an important step by launching AgroStart, an acceleration program that has already registered 420 startups in the AgTech sector since 2016. BASF Venture Capital's investment in the AgVentures II Fund will provide us with the opportunity to further participate in this dynamic, innovative and co-creative environment that can bring valuable solutions to the industry,” says Manfredo Rübens, President BASF South America.

With its investment in the AgVentures II Fund, BASF Venture Capital is taking an important step in supporting the activities of BASF's Agricultural Solutions segment. Markus Solibieda, Managing Director of BASF Venture Capital, states: “We look forward to supporting promising startups and our business colleagues with this investment. As a partner of AgVentures II, we are preparing the ground for our own future direct investment activities in Brazil and Latin America.”

In addition to providing financial and technical support, BASF also plans to collaborate and share know-how and market insights with the young businesses in the SP Ventures

network. “BASF is a unique anchor investor that will make SP Ventures an even better financial investor,” says Francisco Jardim, Managing Director of SP Ventures. “As a partner in our network and with its high profile in our region, BASF will convey institutional credibility with the entire agribusiness economy in Brazil. By tapping into BASF’s technical expertise and market know-how, we will also be able to make more qualified investment decisions. Moreover, BASF’s operating assets are well suited to add value to the fund’s portfolio. The venture-backed AgTech firms in our portfolio and BASF will mutually benefit from information sharing and strategic synergies.”

About SP Ventures

SP Ventures (SPV) was founded in 2007 and is widely regarded as the leader in the agfood tech segment in Latin America. The firm has backed more than 30 tech firms that are transforming agribusiness, guaranteeing global food safety and empowering farmers. SPV is constantly searching for brilliant & passionate founders involved in any cycle of the agribusiness value chain. The partners firmly believe that entrepreneurship is the most effective tool to solve humanity’s gravest challenges. For more information, please visit www.spventures.com.br/en/.

About BASF Venture Capital

BASF Venture Capital GmbH (BVC) was founded in 2001 and has offices in Europe, the U.S., China, India, Brazil and Israel. The aim of BVC is to generate new growth potential for BASF by investing in new companies and funds. The focus of investment is on chemical products and new materials, software and services as well as innovative and digital business models in the broader field of chemistry.

For more information, please visit www.basf-vc.com.

About BASF

At BASF, we create chemistry for a sustainable future. We combine economic success with environmental protection and social responsibility. The approximately 122,000 employees in the BASF Group work on contributing to the success of our customers in nearly all sectors and almost every country in the world. Our portfolio is organized into six segments: Chemicals, Materials, Industrial Solutions, Surface Technologies, Nutrition & Care and Agricultural Solutions. BASF generated sales of around €63 billion in 2018. BASF shares are traded on the stock exchange in Frankfurt (BAS) and as American Depositary Receipts (BASFY) in the U.S. Further information at www.basf.com.

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