

## Disclosures on BASF SE in Accordance with the German Commercial Code (HGB)

The Management's Report of BASF SE is combined with the Management's Report of the BASF Group. As the publicly listed parent company in the BASF Group, BASF SE takes a central position: Directly or indirectly, it holds the shares in the companies belonging to the BASF Group and is also one of the largest operating companies. A complete overview of BASF SE's operating business is provided by the Consolidated Financial Statements of the BASF Group.

### Corporate Structure

BASF SE operates the BASF Group's largest Verbund site in Ludwigshafen, Germany, and is therefore one of the most important operating companies of the BASF Group. In addition to marketing its own production to third parties, BASF SE supplies its products to other BASF Group companies, which process them in downstream production or sell them on the local market. BASF SE also distributes products from other BASF Group companies. All divisions, with the exception of Coatings, were active within BASF SE in 2024. As the parent company, BASF SE is also responsible for various central tasks, such as Group management and large parts of the Corporate Center. In addition, extensive research activities are bundled here.

As the top parent company, BASF SE directly or indirectly holds the shares in the companies belonging to the BASF Group. This is reflected above all in the financial assets and the financial result.

Due to this distinct integration into the BASF Group, BASF SE is managed within the framework of the BASF Group's Steering Concept and has not implemented a separate steering concept. Income from operations is the most suitable indicator for assessing business performance and is therefore BASF SE's most important financial key performance indicator.

The Financial Statements of BASF SE are prepared in accordance with section 61 of the Council Regulation (EC) No 2157/2001 of October 8, 2001, on the Statute for a European company (SE) and the applicable regulations for public limited-liability companies in the Member State in which it has its registered office, i.e., in accordance with the accounting regulations for the business year ending December 31, 2024, in particular the German Commercial Code (HGB) and the German Stock Corporation Act (AktG). The Consolidated Financial Statements of the BASF Group, however, include the Financial Statements of BASF SE, which are prepared in accordance with the International Financial Reporting Standards (IFRS®) of the International Accounting Standards Board (IASB®) valid on the balance sheet date and the additional applicable rules under section 315e(1) of the German Commercial Code (HGB). IFRS® are generally only applied after they have been endorsed by the European Union.

## Results of Operations of BASF SE

### Statement of income

Million €	2024	2023
<b>Sales revenue</b>	<b>21,791</b>	<b>22,832</b>
Cost of sales	18,841	20,070
<b>Gross profit on sales</b>	<b>2,950</b>	<b>2,762</b>
Selling expenses	1,886	1,807
General administrative expenses	529	497
Research and development expenses	1,221	1,238
Other operating income	1,000	247
Other operating expenses	1,317	1,531
<b>Income from operations</b>	<b>-1,003</b>	<b>-2,064</b>
Income from shareholdings	3,622	9,801
Interest result	367	30
Other financial result	20	78
<b>Financial result</b>	<b>4,009</b>	<b>9,909</b>
<b>Income before income taxes</b>	<b>3,006</b>	<b>7,845</b>
Income taxes	302	411
<b>Net income</b>	<b>2,704</b>	<b>7,434</b>

BASF SE's **sales revenue** declined by €1,041 million to €21,791 million in the fiscal year. Despite higher sales volumes, sales decreased in the operating business due to lower sales prices. The economic environment continues to pose exceptional challenges for the chemical industry. Against this backdrop, low plant capacity utilization and impairments on property, plant and equipment recorded in production costs totaling €65 million had a negative impact on BASF SE's profit. Effects from lower raw materials and energy prices as well as from inventory valuation led to a positive earnings contribution in the fiscal year. **Gross profit on sales** increased by €188 million overall to €2,950 million.

In line with our forecast, **income from operations** increased by €1,061 million to -€1,003 million, marking a considerable improvement. In the fiscal year, income from operations also benefited by changes to the actuarial assumptions made about pension obligations. In the fiscal year, selling expenses increased by €79 million and administrative expenses by €32 million. Research expenses decreased by €17 million. The lower expenditure for exploratory research was offset by impairments of €46 million.

The balance of other operating income and expenses improved by €967 million compared with the previous year to -€317 million. Out-of-period income increased by €443 million, mainly due to higher reversals of provisions, gains from asset disposals, refunds and grants. Furthermore, €160 million lower expenses from agreed cost transfers from Group companies were recognized. Foreign currency result improved by €6 million. In addition, expenditures for portfolio measures related to the implementation of strategic measures decreased by €58 million while impairments increased by €8 million. Expenses for environmental protection measures increased by €39 million in the fiscal year.

The **financial result** decreased by €5,900 million to €4,009 million. The decline in net income from shareholdings resulted in particular from lower dividends of a Dutch subsidiary of BASF SE. These dividends resulted mainly from retained earnings in the previous year. Lower profit transfers, which were mainly influenced by a distribution of retained earnings from a Belgian Group company in the previous year, continued to have an impact. The increase in the interest result was mainly due to higher interest income from loans of financial assets to affiliated companies and lower interest expenses to affiliated companies.

**Income before income taxes** decreased by €4,839 million year on year to €3,006 million. Income tax expenses decreased by €109 million in the fiscal year. Due to deferred tax assets and liabilities, €121 million lower expenses were recorded in the business year. By contrast, current income tax expenses increased by €12 million.

**Net income** decreased by €4,730 million compared with the previous year to €2,704 million in 2024.

## Net Assets and Financial Position of BASF SE

### Net assets

#### Assets

Million €	December 31, 2024	December 31, 2023
Intangible assets	947	1,159
Property, plant and equipment	3,341	3,403
Financial assets	27,326	22,878
<b>Fixed assets</b>	<b>31,614</b>	<b>27,440</b>
<b>Inventories</b>	<b>2,940</b>	<b>2,913</b>
Accounts receivable, trade	862	796
Receivables from affiliated companies	16,612	23,636
Miscellaneous receivables and other assets	702	657
<b>Receivables and other assets</b>	<b>18,176</b>	<b>25,089</b>
<b>Cash and cash equivalents</b>	<b>1,112</b>	<b>1,160</b>
<b>Current assets</b>	<b>22,228</b>	<b>29,162</b>
<b>Prepaid expenses</b>	<b>159</b>	<b>144</b>
<b>Deferred tax assets</b>	<b>–</b>	<b>287</b>
<b>Total assets</b>	<b>54,001</b>	<b>57,033</b>

Total assets declined by €3,032 million compared with December 31, 2023, to €54,001 million.

**Fixed assets** increased by €4,174 million. Intangible assets declined by €212 million. In addition to amortization, impairments of €46 million were recognized in the Nutrition & Care segment. Property, plant and equipment decreased by €62 million. The investments were slightly higher than depreciation. Furthermore, impairments of €86 million were recognized, which related, among other things, to a plant in the Chemicals segment. Financial assets increased by €4,448 million mainly due to granting loans to subsidiaries.

**Current assets** and **other assets** decreased by €7,206 million. Receivables from affiliated companies declined by €7,024 million particularly due to the repayment of financial investments within the Group and lower profit transfers. In addition, deferred tax assets declined by €287 million as a result of valuation allowances. Cash and cash equivalents decreased by €48 million and consisted of cash at banks and on hand as of December 31, 2024. By contrast, trade accounts receivable increased by €66 million and inventories by €27 million.

## Financial position

### Equity and liabilities

Million €	December 31, 2024	December 31, 2023
Subscribed capital	1,142	1,142
Capital reserve	3,172	3,172
Retained earnings	16,544	12,144
Retained profits	2,704	7,434
<b>Equity</b>	<b>23,562</b>	<b>23,892</b>
<b>Special reserves</b>	<b>49</b>	<b>52</b>
Provisions for pensions and similar obligations	529	1,294
Provisions for taxes	201	218
Other provisions	1,390	1,341
<b>Provisions</b>	<b>2,120</b>	<b>2,853</b>
Financial indebtedness	17,547	17,360
Accounts payable, trade	1,044	1,078
Liabilities to affiliated companies	8,760	10,913
Miscellaneous liabilities	683	650
<b>Liabilities</b>	<b>28,034</b>	<b>30,001</b>
<b>Deferred income</b>	<b>236</b>	<b>235</b>
<b>Total equity and liabilities</b>	<b>54,001</b>	<b>57,033</b>

**Equity** decreased by €330 million. The net income of €2,704 million was offset by the dividend of €3,035 million paid for the 2023 reporting year.

**Provisions** decreased by a total of €733 million. This included a decrease of provisions for pensions by €765 million to €529 million. The main reason for this decrease was the €270 million increase in pension plan assets attributable to higher fair values. Additionally, pension obligations decreased by €495 million, mainly due to benefits paid and changes to actuarial valuation parameters. Pension obligations in the amount of €6,998 million were offset against pension plan assets totaling €6,469 million. Provisions for taxes decreased by €17 million. By contrast, other provisions increased by €49 million, particularly due to higher provisions for environmental protection measures.

**Liabilities** and **other items** decreased by €1,969 million. Within this item, liabilities to affiliated companies decreased by €2,153 million, mainly due to the repayment of intragroup borrowings. By contrast, financial indebtedness increased by €187 million because the issuance of financial debts was higher than repayments in the fiscal year.

## Forecast, Opportunities and Risks of BASF SE

### Earnings forecast

In its forecast, BASF SE essentially makes the same assumptions regarding the development of global economic environment as the BASF Group.

Considering these assumptions, we expect income from operations in 2025 to be slightly below the level of the previous year. In 2024, income from operations was affected by extraordinary effects on income, particularly by the changes to actuarial assumptions for pension obligations, by gains from asset disposals, and by effects from inventory valuation. Further restructuring measures had an offsetting effect in 2024. For 2025, we anticipate positive earnings contributions from the cost saving measures already implemented, which will be offset by the expenditure for additional restructuring measures required for the implementation of the corporate strategy. Furthermore, we anticipate extraordinary effects on income in 2025 to be lower.

### Opportunities and risks, risk management system

BASF SE is generally exposed to the same opportunities and risks as the BASF Group.

BASF SE's internal control and risk management system with regard to the financial reporting process (section 289(4) HGB) is based on a uniform accounting guideline that sets out accounting policies and the significant processes and deadlines on a Group-wide basis. There are binding directives for the internal reconciliations and other accounting operations within the Group. Standard software is used to carry out the accounting processes, and there are clear rules for the access rights of each participant in these processes. The Financial Statements and parts of the disclosures on BASF SE in accordance with the German Commercial Code (HGB) are prepared by a specialist unit in the Global Business Services division.

## [Nonfinancial Disclosures of BASF SE]

Due to the importance of BASF SE within the BASF Group, specific disclosures are required when reporting key sustainability-related information. Such disclosures also became mandatory for the parent company of the BASF Group, BASF SE, as a result of the CSR Directive Implementation Act, which came into effect in 2017. An integrated reference option within the (Consolidated) Sustainability Statement was selected in the Management's Report for the Nonfinancial Statement (NFS) to be issued in the reporting year in accordance with sections 289b to 289e of the German Commercial Code (HGB). The table on this and the following page shows the relevant nonfinancial key figures of BASF SE. All disclosures on strategy, due diligence, targets, described processes and key figures contained in the statements in the Combined Management's Report, including the (Consolidated) Sustainability Statement, apply to the BASF Group including BASF SE. No significant deviations were identified for BASF SE.

### Nonfinancial disclosures of BASF SE

		2024
<b>Employees</b>	Employees	33,370
	of which apprentices	1,978
	Apprentices in final year of apprenticeship who received a job offer <sup>a</sup>	88
	Participants in Training Verbund (cooperation with partner companies in the Rhine-Neckar metropolitan region)	66
	Training Verbund expenses	million € 3
	Personnel expenses	million € 3,594
	of which wages and salaries	2,972
	of which social security contributions and expenses for pensions and assistance	622
	of which pension expenses	125
	Participants in the "plus" employee share program	17,469
	<b>Innovation</b>	Employees in research and development
	Research and development expenses	million € 1,221
<b>Procurement</b>	Procurement spend	million € 7,447
<b>Safety (process and occupational safety)</b>	Fatality rate <sup>b</sup>	0.0
	Employees <sup>b</sup>	0.0
	Nonemployees <sup>b</sup>	0.0
	Contractors <sup>b</sup>	0.0
	Number of fatalities	0
	Employees	0
	Nonemployees	0
	Contractors	0
	High-consequence work-related injury rate <sup>b</sup>	0.2
	Employees <sup>b</sup>	0.1
	Nonemployees <sup>b</sup>	0.8
	Contractors <sup>b</sup>	0.2
	Recordable work-related injury rate <sup>b, c</sup>	8.4
Employees <sup>b</sup>	7.4	
Nonemployees <sup>b</sup>	21.3	
Contractors <sup>b</sup>	9.6	

## Nonfinancial disclosures of BASF SE

		<b>2024</b>
<b>Safety (process and occupational safety)</b>	Number of recordable work-related injuries <sup>c</sup>	537
	Employees	353
	Nonemployees	55
	Contractors	129
	Number of days lost to work-related injuries	4,377
	Employees	2,898
	Nonemployees	376
	Contractors	1,103
	Rate of high-severity work process-related injuries <sup>b</sup>	0.2
	Rate of process safety incidents <sup>b</sup>	1.7
	Rate of high-severity process safety incidents <sup>b</sup>	0.3
	Transportation incidents	2
	Incidents with spillage of more than 200 kilograms of dangerous goods	0
	of which with significant impact on the environment	0
<b>Emergency response</b>	Major incident drill	1
	Drills and simulations of emergency measures	163
	TUIS interventions	136
<b>Management systems</b>	Responsible Care audits	24
<b>Environmental</b>	Energy demand – electricity	MWh 4,587,399
	Energy demand – steam	metric tons 14,737,149
	Energy demand – fossil fuels in power plants	MWh 12,056,102
	Waste generation	metric tons 636,663
	of which recycled waste	% 46.8
	of which waste disposed of	% 53.2
	of which hazardous waste	% 98.1
	Emissions of air pollutants (excluding CH <sub>4</sub> ); CO, NO <sub>x</sub> , NMVOC, SO <sub>x</sub> , dust, NH <sub>3</sub> / other inorganic substances	metric tons 5,320
	Greenhouse gas emissions: CO <sub>2</sub> , N <sub>2</sub> O, CH <sub>4</sub> , HFC, PFC, SF <sub>6</sub>	million metric tons of CO <sub>2</sub> equivalents 5.1
	Water abstraction	million cubic meters 1,063
	Water use	million cubic meters 2,021
	Water discharge	million cubic meters 962
	Emissions of organic substances to water	metric tons 4,077
	Emissions of nitrogen to water	metric tons 1,068
	Emissions of heavy metals to water	metric tons 6
Emissions of phosphorus to water	metric tons 63	

<sup>a</sup> Apprentices in catering are excluded from these disclosures.

<sup>b</sup> Per 1,000,000 working hours

<sup>c</sup> Recordable work-related injuries for BASF include all injuries recorded in the system in accordance with ESRS.