

News Release

BASF and GACNE extend partnership to apply digital automotive coatings solutions in China

- **BASF's proprietary digital platform rolled out in China for the first time**
- **Customized digital solutions to maximize data value**
- **Partnership to improve product quality and increase efficiency of GACNE's paint shop**

Guangzhou, China – June 19, 2020 – BASF and one of the leading automotive manufacturers in China, Guangzhou Automobile Group New Energy Co. Ltd. (GACNE), a subsidiary of GAC, signed a cooperation agreement earlier this week in Guangzhou, China, to further strengthen their strategic partnership to explore digital coatings solutions for the automotive industry. Launched in China for the first time, the new platform will support paint shops to improve quality and enhance efficiency.

“We are excited to embark on the path of digitalization with GACNE, an innovative and pioneering partner,” said Patrick Zhao, Senior Vice President, BASF Coatings Solutions Asia Pacific. “Digitalization is one of BASF’s strategic levers and has become an integral part of our coatings business. With this collaboration, we not only create a new customer experience for GACNE, but also grow our mutual business through new business models and eventually enhance our overall competitiveness and efficiency.”

Under this cooperation agreement, BASF will provide a digital platform that enables GACNE to digitalize and integrate initially scattered data, and to measure its data readiness and maturity through data analysis. BASF's digital platform will be customized to focus on improvement of GACNE's paint shop operations and decision making with more efficient ways of data reporting, processing and analyzing. BASF experts have provided training sessions to GACNE's users of the platform. Further modules and solutions can be added and customized based on GACNE's feedback and evolving digital needs.

“Digitalization and smart manufacturing are key concepts when we designed and built the plant. Digitalization level will be a KPI to evaluate our company's performance,” said Xi Zhongmin, Vice General Manager of GACNE. “BASF has been GACNE's trusted partner since 2018, and we are the first OEM to utilize total-layer coating solution from BASF. I look forward to further cooperation in new technologies and other digital solutions between the two companies.”

Since starting their collaboration, BASF has supported GACNE to launch its paint shop and provided technical expertise, including comprehensive color development and paint shop management. BASF has become the 100% coating supplier of GACNE since then, including e-coat, primer, basecoat and clear coat. The portfolio also includes digital solutions for quality and efficiency improvement of the whole coating process, based on the automotive industry's challenges and digital needs.

Guangzhou Automobile Group Co., Ltd (GAC) was established in 1997 and has set up joint ventures with multiple international partners, located across Guangdong, Zhejiang, Hubei and Xinjiang in China. The company produces passenger and commercial vehicles, engines, car parts, car accessories, motorcycles and parts, and conducts research in automotive engineering technology. GAC owns two brands: Trumpchi, and Aion – an electric car brand under GACNE, one of the leading new energy vehicle manufacturers in China.

About BASF's Coatings division

The Coatings division of BASF is a global expert in the development, production and marketing of innovative and sustainable automotive OEM and refinish coatings, decorative paints as well as applied surface treatments for metal, plastic and glass substrates in a wide range of industries. The

portfolio is completed by the “Innovation Beyond Paint” program which aims at developing new markets and businesses. We create advanced performance solutions and drive performance, design and new applications to meet our partners’ needs all over the world. BASF shares skills, knowledge and resources of interdisciplinary and global teams for the benefit of customers by operating a collaborative network of sites in Europe, North America, South America and Asia Pacific. In 2019, the Coatings division achieved global sales of about €3.75 billion.

Solutions beyond your imagination – Coatings by BASF. For more information about the Coatings division of BASF and its products, visit www.basf-coatings.com.

About BASF

At BASF, we create chemistry for a sustainable future. We combine economic success with environmental protection and social responsibility. More than 117,000 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 €59 billion in 2019. 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.