

News Release

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BASF, Zhejiang Jiahua Energy Chemical Industry Co. Ltd. and Zhejiang Jiafu New Material Technology Co. Ltd. to further expand production capacity of electronic-grade sulfuric acid plant in China

- Investment will more than double BASF's current sulfuric acid capacity locally in China to serve the rapidly growing semiconductor industry
- Start-up planned in 2023; expanded capacity to fulfill increasing quality requirements of semiconductor players
- Long-term commitment to invest in the Chinese semiconductor market to provide BASF solutions of the best-in-class quality, consistency and reliability

Shanghai, China – July 28, 2021 – BASF, Zhejiang Jiahua Energy Chemical Industry Co. Ltd. (“Jiahua”) and its fully-owned subsidiary Zhejiang Jiafu New Material Technology Co. Ltd (“Jiafu”) signed an agreement to further expand the production capacity of electronic-grade sulfuric acid in Jiaxing, China. This double-digit million-euro investment will more than double the company's existing sulfuric acid production capacity in China to serve the country's fast-growing semiconductor industry. The site expansion is planned to be completed by 2023.

BASF will begin the construction of its third electronic-grade sulfuric acid (H₂SO₄ EG) production facility in Zhapu in 2021. Jiahua and Jiafu will provide key raw materials to this new plant. The new construction will add extra capacity to the existing sulfuric acid facilities in operations since 2017, and it will be equipped with best-in-class sulfuric acid technology, which is proven for advanced node semiconductor production. The intricate architecture of the production process, along with the quality management expertise implemented in the Jiaxing plant, are

achieved through BASF's comprehensive global network of R&D and production expertise.

This investment will boost BASF's capabilities to serve increasing demand from the Chinese electronic materials market and provide reliable supply to customers.

"This significant investment in Jiaxing marks a key milestone for our rapid development and the growth of BASF's electronic materials business in China," said Jens Liebermann, Vice President, Global Semiconductor Business Electronic Materials. "It demonstrates our strong commitment to serve our customers with locally-produced sulfuric acid of best-in-class quality, consistency and reliability. Expanding together with our trusted partners Jiahua and Jiafu is the logical next step to build on our successful partnership to accelerate our growth in China. With the development of the electronic materials market in China, this move is a strategic one to, in the long term, secure the supply and growth of our local and international customer bases in China. Electronic-grade sulfuric acid is one of BASF's key technologies serving the semiconductor industry."

"We have seen increasing demand from the rapidly growing electronic materials market in China," said Dr. Zheng Daqing, Senior Vice President, Business and Market Development Greater China, BASF. "Given the strong momentum in the market, building a third sulfuric acid production plant in Jiaxing is a key step in our roadmap to maintain our strong foothold in China and to consolidate BASF's strategic position as the supplier of choice."

BASF's Dispersions & Resins division

The Dispersions & Resins division of BASF develops, produces and markets a range of high-quality polymer dispersions, resins, additives and electronic materials worldwide. These raw materials are used in formulations for a number of industries, including coatings, construction, adhesives, printing and packaging, electronics and paper. With its comprehensive product portfolio and its extensive knowledge of the industry, the Dispersions & Resins division offers its customers innovative and sustainable solutions and helps them advance their formulations. For further information about the Dispersions & Resins division, please visit www.dispersions-resins.basf.com.

About BASF

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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 2020. 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.