

News Release

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BASF signs strategic agreement with Youyi to supply acrylates from Zhanjiang

- **BASF will supply butyl acrylate and 2-ethylhexyl acrylate to Youyi from the Zhanjiang Verbund site**
- **The agreement will support the growing demand in the adhesive materials industry in China**

Hong Kong SAR, China – April 24, 2024 – BASF has signed a Letter of Intent (LoI) with Youyi Group (Youyi) on April 22, 2024. This agreement marks a significant step to further strengthen the strategic partnership between the two companies, focusing on the supply of butyl acrylate (BA) and 2-ethylhexyl acrylate (2-EHA) from BASF's Zhanjiang Verbund site to meet the growing demand in China's adhesive materials industry.

Youyi, a leading producer specializing in BOPP tape and expanding into specialty tape, has established multiple production bases across China. The company is currently constructing a new plant in Guangdong for the production of BOPP films and tapes, while BASF is also building fully backward integrated production facilities for butyl acrylate and 2-ethylhexyl acrylate at the Zhanjiang Verbund site. This collaboration aims to foster greater synergy and cooperation between the two companies in Guangdong.

"We are delighted to enter into this long-term strategic cooperation partnership with

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Youyi, which marks the first customer agreement to supply acrylates from the Zhanjiang Verbund site," said Haibo Tian, Vice President, Industrial Petrochemicals Asia Pacific, BASF. "With the upcoming production startups of Youyi's new production facility in Guangdong and BASF's acrylic acid complex at our Zhanjiang Verbund site in 2025, we are confident that this agreement will create mutual benefits, ensuring competitiveness and reliability to support the growth of the adhesive tape industry.

"BASF has always been a vital partner for Youyi Group for over 30 years. The signing of this Lol will further enhance our strategic partnership and support our business expansion in the tape industry, particularly in South China," said Lin Ke Bo, Vice President, Youyi Group. "With BASF's new facilities at the Zhanjiang Verbund site, BASF not only continues to supply high-quality and reliable products but also brings advanced concepts in site management and sustainability. We look forward to a close collaboration with BASF to achieve mutual success."

The acrylic acid complex at the Zhanjiang Verbund site is planned to come on stream by 2025 with an annual production capacity of approximately 400,000 metric tons of BA and 100,000 metric tons of 2-EHA. Butyl acrylate, an ester of acrylic acid, is used in the production of adhesives and in architectural and industrial coatings. 2-ethylhexyl acrylate is an important raw material for adhesives and coatings. The Zhanjiang Verbund site utilizes the latest technologies and renewable energy sources to reduce CO2 emissions compared to standard gas-powered petrochemical sites, aligning with both companies' commitment to environmental responsibility.

Background information on BASF's new Verbund site in Zhanjiang

The Zhanjiang Verbund site will be BASF's largest investment to date with around €10 billion upon completion. It will be operated under the sole responsibility of BASF and will be the company's third-largest Verbund site worldwide, following Ludwigshafen, Germany, and Antwerp, Belgium.

About BASF's Petrochemicals division

The Petrochemicals division is the starting point for BASF's petrochemical-based value chains globally. We operate a highly competitive asset base with best-in-class technologies and set the benchmark in safety, sustainability, operational excellence and cost competitiveness. With six Verbund sites and several major production sites, we are close to our customers and present in the largest chemical markets worldwide. The division supplies various value chains across the company and a broad range

of customer industries with high-quality chemicals, putting our customers in the center of everything we do and contributing to the organic volume growth of BASF. Our portfolio includes cracker products, industrial gases, acrylics, superabsorbent polymers, styrenic foams, alkylene oxides, glycols, alcohols, solvents and plasticizers. In 2023, the Petrochemicals division generated sales to third parties of about €7.4 billion. Further information is available online at <http://petrochemicals.basf.com>.

About BASF

At BASF, we create chemistry for a sustainable future. We combine economic success with environmental protection and social responsibility. Around 112,000 employees in the BASF Group contribute to the success of our customers in nearly all sectors and almost every country in the world. Our portfolio comprises six segments: Chemicals, Materials, Industrial Solutions, Surface Technologies, Nutrition & Care and Agricultural Solutions. BASF generated sales of €68.9 billion in 2023. BASF shares are traded on the stock exchange in Frankfurt (BAS) and as American Depositary Receipts (BASFY) in the United States. Further information at www.basf.com.