



Joint News Release

August 31, 2021

BASF and Shanshan form battery materials joint venture in China

- **The new joint venture will focus on the rapidly growing electric vehicle segment in the world's largest battery materials market China**
- **The combined technology expertise and market access will provide superior customer value, rapid innovation and cost competitiveness**
- **BASF advances its strategic roadmap towards a compelling global supply chain for battery cell manufacturers and OEMs in all key markets**

Ludwigshafen/Germany and Shanghai/China, August 31, 2021 – Following the approval of all relevant authorities, BASF and Shanshan have formed the joint venture “BASF Shanshan Battery Materials Co., Ltd.”. The new entity will be majority owned by BASF (BASF 51% and Shanshan 49%).

The newly formed company has four sites in Hunan and Ningxia, China, with more than 1,600 employees. It already has a strong position in the battery materials value chain including raw materials, precursor cathode active materials (PCAM), cathode active materials (CAM) and battery recycling.

BASF brings strong technology and development capabilities, a global operations footprint, as well as strategic partnerships for raw materials supply. Together with Shanshan's extensive experience, comprehensive product portfolio and leading scale-up capability, the joint venture will primarily focus on the rapidly growing electric vehicle (EV) market, while continuously serving global consumer electronic and energy storage segments.

BASF and Shanshan will together drive the joint venture's continuous growth in China with the planned annual CAM capacity of 90 kilotons by 2022.

“With this investment in China, we are ideally positioned to serve the world’s largest battery market,” said Dr. Markus Kamieth, Member of the Board of Executive Directors of BASF. “We will leverage our strong position in China to further accelerate our growth in battery materials globally.”

Yonggang Zheng, Chairman of Shanshan, added, “We are looking forward to working together with BASF to further strengthen the new joint venture. Together, BASF and Shanshan will further enhance the joint venture’s position in the EV market and provide top-tier products to customers in China and around the world.”

BASF has continued to develop its global footprint, focusing on customer proximity, enhancing its product portfolio, and securing sustainable raw materials supply. With the completion of the transaction with Shanshan, BASF has reached a significant milestone in executing its strategic roadmap to build up a global battery materials value chain, equipped with an industry-leading CAM capacity of 160 kilotons by 2022. Its global manufacturing and R&D footprint will enable BASF to provide tailor-made cathode active materials to cell manufacturers and OEM customers with efficiency, proximity and synergies in all key markets.

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BASF’s Catalysts division is the world’s leading supplier of environmental and process catalysts. The group offers exceptional expertise in the development of technologies that protect the air we breathe, produce the fuels that power our world and ensure efficient production of a wide variety of chemicals, plastics and other products, including advanced battery materials. By leveraging our industry-leading

R&D platforms, passion for innovation and deep knowledge of precious and base metals, BASF's Catalysts division develops unique, proprietary solutions that drive customer success. Further information on BASF's Catalysts division is available on the Internet at www.catalysts.basf.com.

About BASF

At BASF, we create chemistry for a sustainable future. We combine economic success with environmental protection and social responsibility. More than 110,000 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 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.

About Shanshan

Ningbo Shanshan Co., Ltd. is the world's leading supplier of cathode, anode and electrolyte materials for lithium-ion batteries. The company aims to be the world's largest manufacturer of LCD polarizer with advanced technology after the successful acquisition of LG Chem's polarizer business in 2021. With investment in two state-level technology centers for cathode and anode, one province-level technology center for electrolyte and two postdoctoral centers, Shanshan is a world leading R&D hub for lithium-ion battery materials. Shanshan participates in establishing the China National Standards with more than 300 registered technology patents.

About BASF Shanshan Battery Materials Co., Ltd.

BASF Shanshan Battery Materials Co., Ltd. is the joint venture formed by BASF and Shanshan in 2021 (BASF 51% and Shanshan 49%). The company had been established by Shanshan in 2003 and it has already been a leading supplier of cathode active materials (CAM) in China, with the industry leading products like Lithium Cobalt Oxide (LCO) and Ternary Cathode Materials. It has four production sites in Changsha and Ningxiang in Hunan Province and Shizuishan in Ningxia Province, China. The total annual capacity by 2022 will be of 90,000 tons. It has already built up the advanced R&D center at Da Chan Sha Site in Hunan focusing on product R&D, analysis and testing with more than 240 scientists and experts.