



Joint news release

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Omya and BASF continue partnership for Pilot Coating Center for Paper & Board

- Renewed commitment of BASF and Omya to the paper & board coating industry
- Joint use of BASF's Pilot Coating Center for at least four more years
- Customers benefit from continued world-class technical service and coating expertise

Ludwigshafen, Germany / Oftringen, Switzerland, April 19, 2021. Omya and BASF are the two market leaders in terms of raw materials for the formulation of coating colors used in the paper & board industry. Omya offers mineral filler solutions and innovative coating concepts based on Calcium Carbonate, complementary pigments, and additives, for the production of paper and board. BASF supplies a comprehensive and innovative product range of binders and coating additives for the formulation of paper and board coatings.

In 2003, both companies decided to join forces and bundle their know-how in the area of paper & board coating. The centerpiece of the partnership is BASF's Pilot Coating Center in Ludwigshafen, Germany, which offers state-of-the-art pilot coating equipment – including 2 pilot coaters, one Supercalender and lab testing equipment – operated by a highly skilled team. The existing partnership would have expired by the end of 2021. Both Omya and BASF are now happy to announce that their existing partnership will be prolonged for a minimum of four years. Their customers will continue to benefit from world-class technical service and coating expertise of the two market leaders.

Maintaining the focus on technical service and coating expertise

“The pilot coating center facilitates the efficient transfer of technical solutions, new product developments and optimized recipes from lab to paper mill while reducing risk.

This is even more important in today's challenging times with increased competitive and cost pressure. Reduced time-to-market and less off-spec production help our customers to save money," says Volker Scharffenberger, Head of BASF's pilot coating center Ludwigshafen.

"Over the last two years we have seen that other market players reduce their service offering to the industry. For example, PTS closed its VESTRA pilot coater plant in Munich in 2019 and Trinseo followed with the closure of its pilot coater in Samstager in 2020. Our strategy is different: We fully support our customers in formulating customized coating color solutions in the most efficient and cost-effective way. That is why we have decided to continue utilizing BASF's pilot coating center in the future. The discussions with BASF were straightforward since both companies follow the same market approach: Both look for the best overall value proposition with a strong focus on technical service and coating expertise as a differentiating factor," notes Karlheinz Hurst, Director Technical Services - Paper & Board, Omya International AG.

Strong yearly investment for our customers

Prof. Dr. Thomas Schiele, Vice President Business Management Dispersions for Adhesives, Fiber Bonding and Paper Coating, BASF: "The paper coating market in Europe is changing dramatically. On the one hand, we see a significant decline in coated graphical papers which was accelerated by the COVID-19 pandemic. On the other hand, there is a rising demand for packaging paper and board. At the end of the day, only the fittest paper mills will survive and benefit from the change. One important part of the solution is the coating color formulation and that is exactly where we can support with our Pilot Coating Center. We invest every year several millions of euros in the maintenance and improvement of our equipment which represents a very strong long-term commitment to the paper & board industry as well as to technical excellence in such a challenging market. At this stage, we can simulate almost all common application methods in our state-of-the-art facility, including our Curtain Coater. Even air knife applications are possible on our second, smaller coater.

Optimizing coating technology to master the challenges of the future

Bernd Balzereit, Vice President Paper & Board at Omya International AG, "For Omya, the access to BASF's Pilot Coating Center is an essential asset in the development of innovative paper & board packaging solutions and their proof of concept. Until today

we have introduced several packaging concepts, such as recyclable barrier coatings to reduce the need for plastic packaging; or customizable coating concepts for cardboard and containerboard manufacturers to overcome white fiber shortness and to enhance print performance. We welcome all interested customers to make use of Omya's offering for concept validation at BASF's Pilot Coating Center. Only with strong and committed partners the challenges of the future can be mastered."

Apart from the continued partnership, both companies will continue to market their products and services for the paper industry independently. Existing business relationships of BASF and Omya with their respective customers will remain unchanged. BASF also offers interested third parties the possibility to benefit from its excellent technical infrastructure which allows to simulate and optimize customer processes – from paper coating to printing.

Further information:

<https://paper-board.omya.com>

<https://www.basf.com/paper>

About Omya

Omya is a leading global producer of industrial minerals – mainly derived from calcium carbonate, dolomite and perlite – and a worldwide distributor of specialty chemicals. The company provides a wealth of innovative product solutions that contribute to its customers' competitiveness and productivity in multiple industries such as Construction, Paper & Board, Polymers, Food and Personal & Home Care. Omya further provides Environmental Solutions targeting the agriculture, water and energy markets. Founded in 1884 in Switzerland, Omya has a global presence extending to more than 175 locations in over 50 countries with 9,000 employees. Committed to implementing the principles of sustainability at all company levels, Omya provides added value products and services from responsibly sourced materials to meet the essential needs of current and future generations. www.omya.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.

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