

Joint News Release

June 24, 2021

Vattenfall to sell 49.5% of the offshore wind farm Hollandse Kust Zuid to BASF

- **Once fully commissioned it will be the largest offshore wind farm in the world**
- **First offshore wind farm ever to be built without subsidies for the power produced**
- **Vattenfall will use Hollandse Kust Zuid to supply fossil-free electricity to its customers in the Netherlands, BASF to support chemical production in sites across Europe**

BASF and Vattenfall have signed a contract for the purchase of 49.5% of Vattenfall's wind farm Hollandse Kust Zuid (HKZ) by BASF. The purchase price amounts to €0.3 billion and takes into account the achieved status of the project. Including BASF's contribution to fund the wind farm construction, BASF's total commitment amounts to around €1.6 billion. Closing of the transaction is expected in the fourth quarter of 2021, subject to the approval of the relevant authorities. Offshore construction of the wind farm will start in July 2021.

Once fully operational, the wind farm will be the largest offshore wind farm in the world with 140 wind turbines and a total installed capacity of 1.5 Gigawatt. The Hollandse Kust Zuid wind farm will also be the first fully merchant offshore wind farm in the world which does not receive any price subsidies for the power produced. The project is expected to become fully operational in 2023. A significant part of the electricity production of HKZ is reserved for Vattenfall's Dutch customers.

BASF is acquiring the electricity from the wind farm for its ownership share through a long-term power purchase agreement. It will enable BASF to implement innovative, low-emission technologies at several of its production sites in Europe. BASF's Antwerp Verbund site will benefit from the renewable power to a significant

extent. The BASF Antwerp site is the largest chemical production site in Belgium and the second largest BASF Group site worldwide.

The supply scheme to other BASF sites in Europe will depend on the further development of the respective regulation for renewable energy. The wind farm will also support the Netherlands in reaching its target share of renewable power generation and greenhouse gas reduction targets. BASF has more than 1,500 employees in the Netherlands who develop, produce and sell products for many sectors at various locations.

“This wind farm will be an important building block to supply our Antwerp Verbund site and other European sites with renewable electricity. It is the first major investment of BASF in facilities for renewable power. With this investment we are securing significant volumes of electricity from renewable sources for BASF, which is a key element of our transformation towards climate neutrality,” said Dr. Martin Brudermüller, Chairman of the Board of Executive Directors of BASF SE.

“Vattenfall and BASF share a common objective of phasing out greenhouse gas emissions from our operations. With this cooperation, Vattenfall once more proves that partnerships with industries are a key element to accelerate the European energy transition across sectors. I am particularly proud that we can do this, while at the same time securing the delivery of fossil-free electricity to our Dutch customers,” said Anna Borg, President and CEO of Vattenfall.

Vattenfall has a mission to enable fossil-free living within one generation. In order to reach this goal, the company invests heavily in renewable energy. Offshore wind plays an important part in reaching its goals. A cornerstone of Vattenfall’s growth strategy is to look for partners to balance the significant investment costs of its future assets. Strong investors will support Vattenfall to accelerate and drive the transformation of the energy landscape since it will open up financial space for new investments in renewables and decarbonization.

BASF aims to reduce its greenhouse gas emissions by 25% by the year 2030 and achieve net-zero emissions by 2050. One important lever to further bring down emissions is replacing fossil-based electricity with fossil-free electricity. BASF will secure the required amounts of renewable power through a “make and buy” approach. This includes the intention to bring in financial co-investors to this project allowing for an efficient use of capital.

BASF is working on scaling up low-emission technologies to industrial dimensions. Beyond 2030, BASF expects to implement technologies such as CO₂-free methods for the production of hydrogen and electrically heated steam crackers, which will significantly increase BASF's demand of renewable power. Steam crackers play a central role in the production of basic chemicals and require a significant amount of energy to break down hydrocarbons under high temperatures and pressure into olefins and aromatics. Offshore wind farms can play a key role to supply the required amounts of renewable energy.

“Vattenfall and BASF are long-standing partners. With this truly European project we take a further step in strengthening our partnership. Together we will make a positive impact on the climate, on our businesses, and we will continue to look for future opportunities for cooperation,” said Borg and Bruder Müller.

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.

Vattenfall

Vattenfall is a leading European energy company, which for more than 100 years has electrified industries, supplied energy to people's homes and modernised our way of living through innovation and cooperation. We now want to make fossil-free living possible within one generation. That's why we are driving the transition to a sustainable energy system through initiatives in renewable production and climate smart energy solutions for our customers. We employ approximately 20,000 people and have operations mainly in Sweden, Germany, the Netherlands, Denmark, and the UK. Vattenfall is owned by the Swedish state. For more information: group.vattenfall.com

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