

Agenda

- ACRONAL® PRO 770 introduction
- Direct-to-metal benchmarking data
- Regulatory and commercial status
- Q&A



Focus Applications for Waterborne DTM Technologies

C1-C2: 2-5 yrs. service in internal spaces w/ natural atmospheres & possible condensation or external spaces w/ limited environmental

C2-C3: 5-15 vrs. service in areas including external urban and industrial atmospheres w/ moderate **SO2** pollution

factors

**ISO 12944-2



Gas cylinders



Tanks



Refineries, plants



Offshore











Radiator coatings

- Air conditioned/ heated rooms with low humidity
- Very dry or very cold climate



- Non heated rooms. e.g. gymnasiums, storages
- Dry or cold climate with low pollution
- Rooms with occasional condensation, e.g. food production
- Moderate climate & moderate pollution
- Cities with high level of air pollution
- Frequent condensation, e.g. production facilities. swimming pools
- Coastal areas, cities with very high level of air pollution, marine areas
- Very frequent condensation, and high pollution, e.g. mines

mainly exterior

mainly interior

C1 = negligible

C2 = low

C3 = moderate

C4 = heavy

C5 = very heavy

Corrosiveness of atmosphere, increasing anticorrosion requirements

Source: DIN EN ISO 9223

Trends impacting waterborne DTM innovation



Improved performance through corrosion resistance and UV degradation

 Increased durability of coatings through improved gloss, chemical and UV/weather resistance

Protect & Perform



- Thinner film builds or reduction of the number of coats
- Ease of maintenance (faster repair and return to service)
- Reduced cost, increased throughput and ease of application through better coverage with reduced paint usage, and elimination of coating layers

Value Engineering



- Movement away from conventional crosslinking technology
- Low / Zero VOC coatings

Sustainability

ACRONAL® PRO 770 APEO- and zinc- free acrylic dispersion for primers and DTM

Benefits

- Superior corrosion protection
- Good early water and humidity resistance
- Good adhesion to various metal substrates
- Excellent application properties
- Easy to formulate



| Physical Properties | Values |
|------------------------|----------------------|
| N.V. | 50% |
| Viscosity | 300 – 1,000 cps |
| рН | 7.0 - 8.3 |
| Freeze-thaw stable | no |
| MFFT | ~19 °C |
| Appearance | Milky white emulsion |

Suitable for applications including:

- Interior/exterior industrial and institutional maintenance
- Interior/exterior general industrial metal
- Direct-to-metal (DTM) protective

Waterborne DTM Benchmarking Study Tested more than 20 competitive resins alongside ACRONAL PRO 770

Scope

- ▶ 1K waterborne acrylic direct-to-metal (DTM)
- ➤ Competitive resins were formulated per manufacturer's recommended SPF without addition of corrosion inhibitors, adhesion promoters, etc.

Round 1 Performance Testing Corrosion Resistance Chemical Resistance Adhesion Humidity Round 2 Performance Testing Block Resistance Hardness Weatherability Flexibility Avg DFT: 1.9 mils



Starting point formulation ACRONAL PRO 770 White DTM Formulation

| Materials | Pounds | Gallons |
|---|---------|---------|
| GRIND | | |
| DI Water | 85.48 | 10.25 |
| Dispex® Ultra PX 4575 | 22.12 | 2.48 |
| Hydropalat® WE 3650 | 2.01 | 0.25 |
| Foamaster® MO NDW NC | 3.02 | 0.41 |
| DMEA (50% in Water) | 1.01 | 0.13 |
| Ti-Pure1 R-900 | 195.09 | 5.84 |
| HIGH SHEAR DISPERSE FOR 30 MINUTES at 3400 RPM | | |
| LET DOWN | | |
| ACRONAL PRO 770 | 567.16 | 64.74 |
| Grind (add grind to resin) | 308.72 | 19.36 |
| DI Water | 45.25 | 5.43 |
| DB (diethylene glycol monobutyl ether) | 65.36 | 8.21 |
| FoamStar® SI 2210 | 2.01 | 0.25 |
| Flash-X2 150 | 5.03 | 0.53 |
| DMEA (50% in Water) | 2.01 | 2.01 |
| Rheovis® PU 1191 (50% in DB) | 10.06 | 1.22 |
| | | |
| Total | 1005.60 | 100.00 |

| Formulation Attributes | | | |
|------------------------|---------|--|--|
| Solids | 49.3% | | |
| PVC | 15.9% | | |
| VOC (calculated) | 185 g/L | | |



Summary of Benchmarking Results from Top Performing Resins

| Resin | Adhesion | Humidity | Chemical | Corrosion | Hardness | Flex | Block |
|---------------------|----------|----------|----------|-----------|----------|------|-------|
| JONCRYL PRO 1524 | | | | | | | |
| ACRONAL PRO 770 | | | | | | | |
| Competitor B | | | | | | | |
| Competitor D | | | | | | | |
| Competitor E | | | | | | | |
| Competitor F | | | | | | | |

BASF's ACRONAL PRO 770 is a top performer across multiple categories



Formulation matters!

A BASF acrylic dispersion in two formulations after ASTM B-117



Formulation A (235 hrs)



Formulation B (375 hrs)



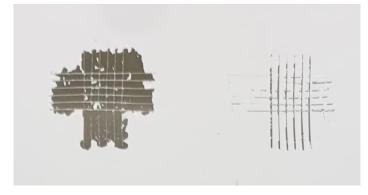
Adhesion: ASTM D3359

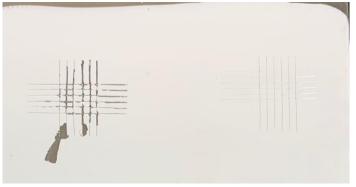














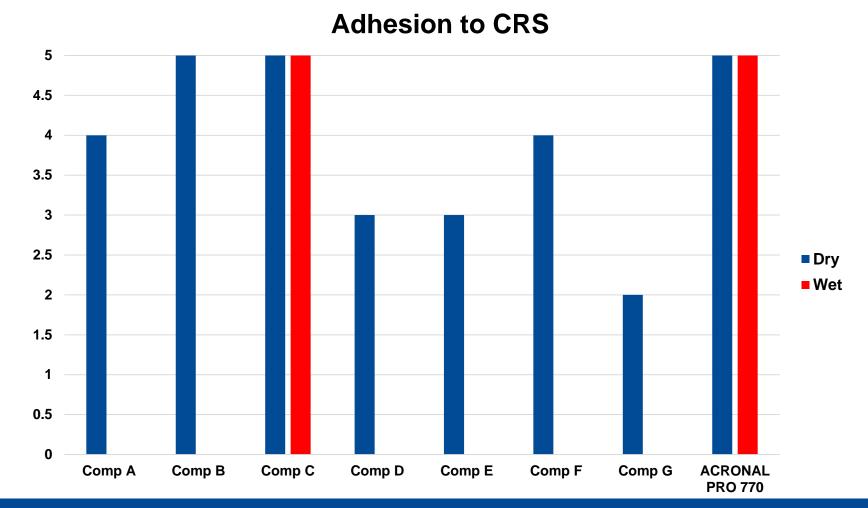
Adhesion: ASTM D3359

| CLASSIFICATION OF ADHESION TEST RESULTS | | | | |
|---|----------------------------|---|--|--|
| CLASSIFICATION | PERCENT AREA RENOVED | SURFACE OF CROSS-CUT AREA FROM WHICH FLAKING HAS OCCURRED FOR SIX PARALLEL CUTS AND ADMESION RANGE BY PERCENT | | |
| 5B | 0% None | | | |
| 4B | Less than 5% | | | |
| 3B | 5 - 15% | | | |
| 2B | 15 – 35% | | | |
| 18 | 35 – 65% | | | |
| ОВ | Greater than 65% | | | |

FIG. 1 Classification of Adhesion Test Results



Adhesion Testing: ASTM D3359(B)



ACRONAL PRO 770 offers best-in-class dry AND wet CRS adhesion

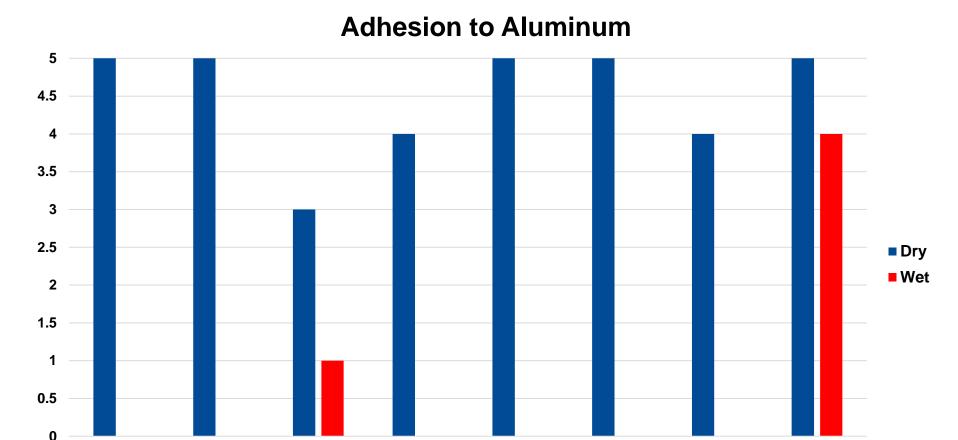


Adhesion Testing: ASTM D3359(B)

Comp A

Comp B

Comp C



ACRONAL PRO 770 is the only resin that showed good wet adhesion to aluminum

Comp E

Comp F

Comp G

ACRONAL PRO 770

Comp D



ACRONAL PRO 770Adhesion to Difficult Substrates

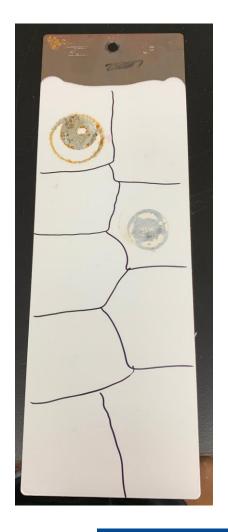
| | Dry Ad | hesion | Wet Adhesion | |
|------------------------------|----------|-------------------|--------------|-------------------|
| Substrate | X-Scribe | 2mm Crosshatch | X-Scribe | 2mm Crosshatch |
| Galvanneal | pass | 5 | pass | 5 |
| UP CRS | pass | 5 | pass | 5 |
| Electrogalvanized | pass | 5 | pass | 5 |
| Blasted Hot- Rolled Steel | pass | 5 | pass | 5 |
| PC Plastic | pass | 2-3 | pass | 2-3 |
| PC/ABS Plastic | pass | 3-4 | pass | 3-4 |



Chemical Resistance: ASTM D1308

- Brake Fluid
- 10% Sodium Hydroxide
- Formula 409
- 50% Ethanol
- Water
- Gasoline
- 70% IPA
- Clorox Bleach
- Windex

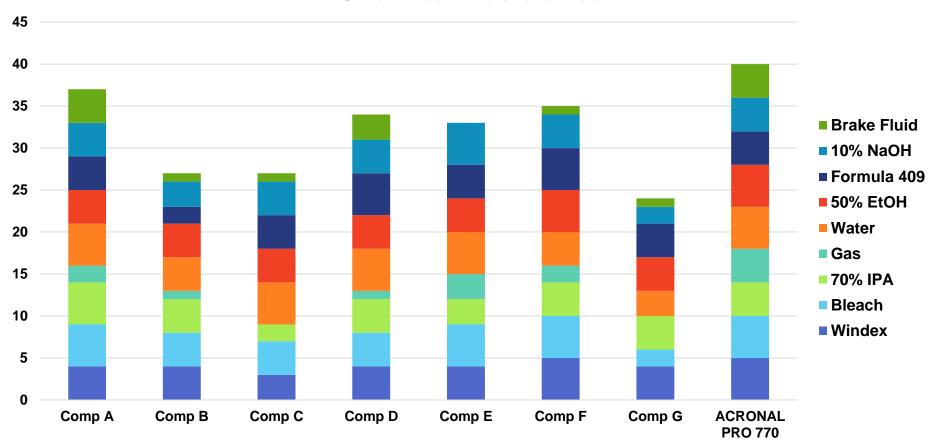






Chemical Resistance: ASTM D1308

Chemical Resistance



Perfect score is 45/45 - ACRONAL PRO 770 is top performer at 40 points



Humidity: ASTM D1735

- 100% Relative Humidity at 100°F
 - Accelerated Testing
 - Runs 24/7
 - Provides Performance Data Very Fast
 - ► Industry Standard



Joncryl PRO 1522 on Steel for 412 hours



Acronal PRO 770 on Steel for 552 hours





Humidity: ASTM D1735 (100% 100°F)



Competitive resin A 250 hours



ACRONAL PRO 770 550 hours

ACRONAL PRO 770 shows minimal blistering after 550 hours



Corrosion: ASTM B117

- 5% NaCl at 95°F
 - Accelerated Testing
 - Runs 24/7
 - Provides Performance Data Very Fast
 - ► Industry Standard



Two resins on steel for 281 hours: very different results







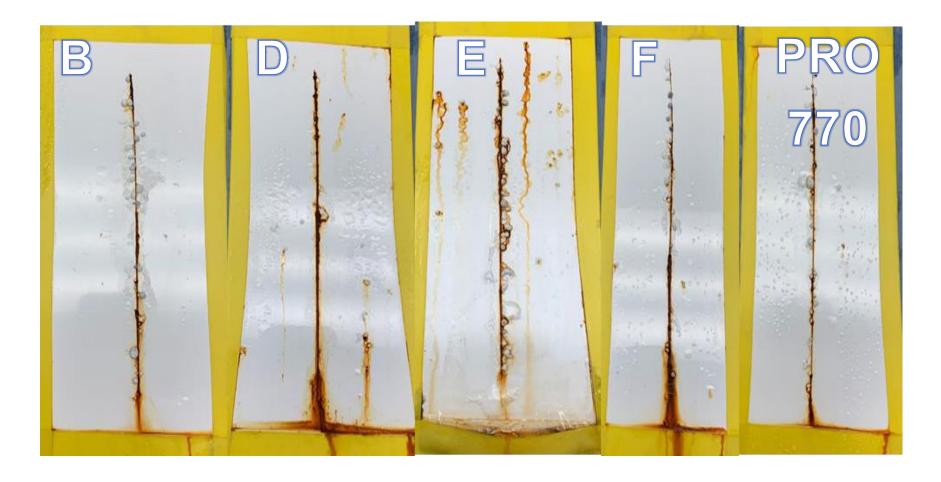
Corrosion: ASTM B-117 (48 hours only)



Only top performing resins made it to round 2 of benchmarking (here: resin B & PRO 770)



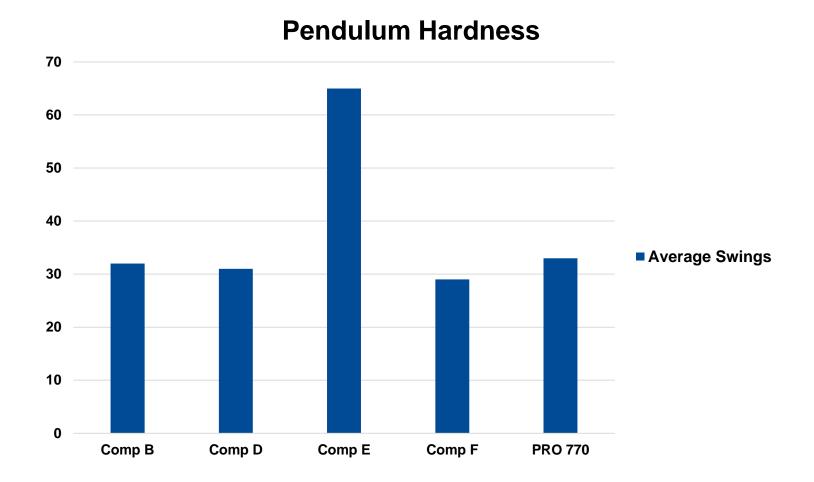
Corrosion: ASTM B-117 (375 hours)



PRO 770 is best-in-class at 375 hours, with limited corrosion at the scribe



Hardness



ACRONAL PRO 770 has typical hardness BUT...



Flexibility: ASTM D552



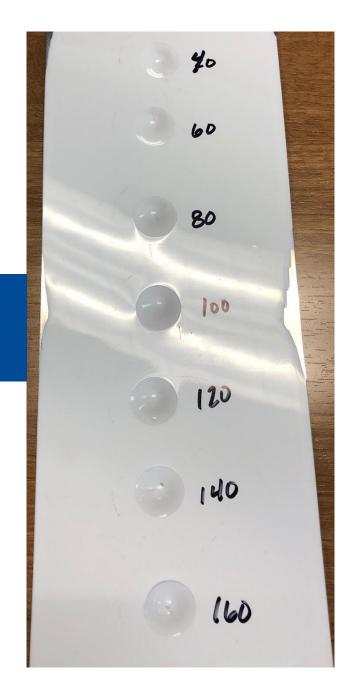


...PRO 770 achieves a balance of hardness and flexibility – no cracking



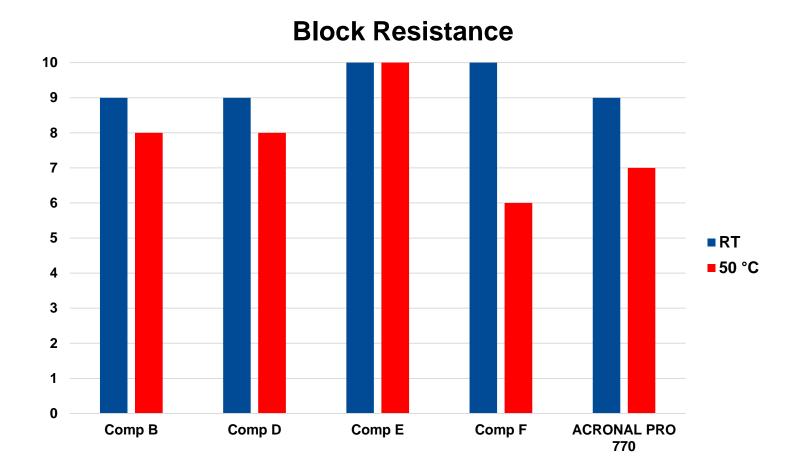
Direct Impact Resistance

We see some thinning of the coating at 140 and 160 lbs, however, no cracking seen.





Block Resistance: ASTM D4946



Block resistance on par with competition



Weathering: QUV



ACRONAL PRO 770 retains 90% gloss at 750 hours



Regulatory and Commercial Status

- PRO 770 is manufactured in NA and has TSCA polymer exemption status
- In the process of DSL listing in Canada
- Available to sample now



Q & A

ACRONAL PRO 770 Benefits

- Superior corrosion resistance in DTM formulation for C2-C3 applications: fewer coats needed in the field
- Versatile: can be formulated as a primer for C3+ applications
- Excellent application properties (spray, dip, roll, etc.)
- Saves formulation cost: no need for corrosion inhibitors



We create chemistry