

MOL Group partners with Evonik and thyssenkrupp for its key strategic investment into the propylene oxide value chain (the “Polyol Project”)

MOL Plc. (“MOL” or “MOL Group”) hereby notifies the market of the following:

MOL Group has entered into key contracts related to core technologies of the Polyol Project, which was announced in 2016 as part of the first investment cycle of the MOL 2030 long-term strategy. The contracts concern the purchase of technology licenses and process design packages for the so called HPPO (hydrogen peroxide to propylene oxide) technology of propylene oxide production. The licensor of the hydrogen-peroxide unit for captive use is Evonik IP GmbH (“Evonik”), while a consortium formed by Evonik and thyssenkrupp Industrial Solutions (“thyssenkrupp”) licenses the propylene oxide unit. The contracts also contain binding offers and pre-agreements regarding the later engineering and execution phases of the HPPO units by thyssenkrupp and the purchase of proprietary catalysts from Evonik. The signing of these license contracts marks the beginning of this major investment project that is of strategic importance for MOL, as well as the beginning of a long-term partnership between MOL Group, Evonik and thyssenkrupp.

MOL Group is in the final stages of selecting the licensor for polyether polyol technology as well as the contractor for the engineering of the utilities and other facilities.

In addition, MOL Group has selected Fluor as Project Management Consultant (PMC) for the front end engineering design and engineering, procurement and construction phases of the project.

These agreements represent the first milestone in the execution of the MOL 2030 long-term strategy, which earmarked around USD 1.9bn in investments for transformational projects in the area of chemicals and petrochemicals for the period of 2017-21. The industrial complex, which will be built in Hungary, will be the single largest organic investment project of MOL Group in 2017-21. The new product line will not only provide access to attractive markets in the CEE, but it will also form a logical continuation of MOL’s strategy to move further along the Downstream value chain towards semi-commodity and specialty chemicals products. In line with MOL’s core value of sustainable development, this step has taken MOL closer to a state-of-the-art, energy-efficient technology that is free of material by-product volumes. Propylene oxide based polyols serve as raw materials for polyurethane foams, which are widely applied in the automotive, construction, packaging and furniture industries.

The planned new industrial complex consists of the HPPO plants having 200 kt/year propylene oxide production capacity, several production lines for polyether polyols, utilities and other infrastructural investments.

Zsolt Hernádi, MOL Group Chairman-CEO commented: *„Today’s agreement with our renowned partners marks an important step in the implementation of the MOL Group 2030 strategy, which will transform MOL Group into the leading chemical company in CEE. As a first decisive investment step, we will spend up to USD 1 billion on the Polyol Project and thus become a significant European player. The innovative and environmentally friendly technology will not only enable us to become the only integrated polyol producer in our region, but will also be a doorway to enter other, highly profitable areas of the chemical industry.”*

Johannes Ohmer, Member of the Board of Management of Evonik Resource Efficiency GmbH, explained: *“The Polyol Project is a good example where strong partners combine their specific strengths to powerfully and successfully join forces and in doing so building the foundation for a long-lasting and trustful strategic partnership. Evonik will contribute with its advanced technology know-how and operation experience as well as the outstanding performance of its proprietary catalysts. As an innovative and reliable partner we stand for resource-efficient and thus sustainable solutions.”*

Sami Pelkonen, CEO of the Electrolysis & Polymers business unit at thyssenkrupp Industrial Solutions, said: *“We are proud to enter into this long-term license agreement which will allow MOL to produce high-quality propylene oxide through an extremely cost-effective process. The process, which offers efficient feedstock consumption, environmentally-friendly production and low capital investment, was developed based on our strong expertise in process engineering and the design and construction of chemical and other industrial plants jointly with our partner Evonik.”*

For further information, please contact Investor Relations:

Tel: +36 1 464 1395

Email: investorrelations@mol.hu