

PRESS RELEASE

Number 10

Project for Generating Green Hydrogen and Renewable Methanol Reaches Next Selection Stage for EU Funding

Munich and Burghausen, Germany, March 31, 2021 – Wacker Chemie AG's project funding proposal to the European Union for building a production complex for green hydrogen and renewable methanol at its Burghausen site has reached the next selection stage. The Munich-based chemical company announced this today.

The funding application states that WACKER wants to build a 20-megawatt electrolysis plant with Linde GmbH to generate hydrogen from water using renewable electricity. Further, the project includes a synthesis plant for processing the green hydrogen into renewable methanol, using carbon dioxide from existing production processes. The synthesis plant's expected capacity is 15,000 metric tons per year. Hydrogen and methanol are both key starting materials for chemical products such as silicones. Compared with current production methods, the new processes could cut CO₂ emissions by around 80 percent.

In total, some €100 million is planned for the project, which is named RHYME (renewable **h**ydrogen and **m**ethanol) Bavaria. WACKER has submitted funding applications for RHYME Bavaria to both the European Union and Germany's Ministry for the Environment. The requested support is in the high double-digit millions. Through its Innovation Fund, the EU has a budget of €10 billion to support

innovative low-carbon technologies and processes in energy-intensive industries until 2030.

WACKER's collaborative project has passed the EU's preliminary selection stage, which assessed hundreds of project proposals. The two project partners are now preparing a full application for the second stage. If the funding is granted, construction could begin at the start of next year, with the plants potentially coming onstream before the end of 2024.

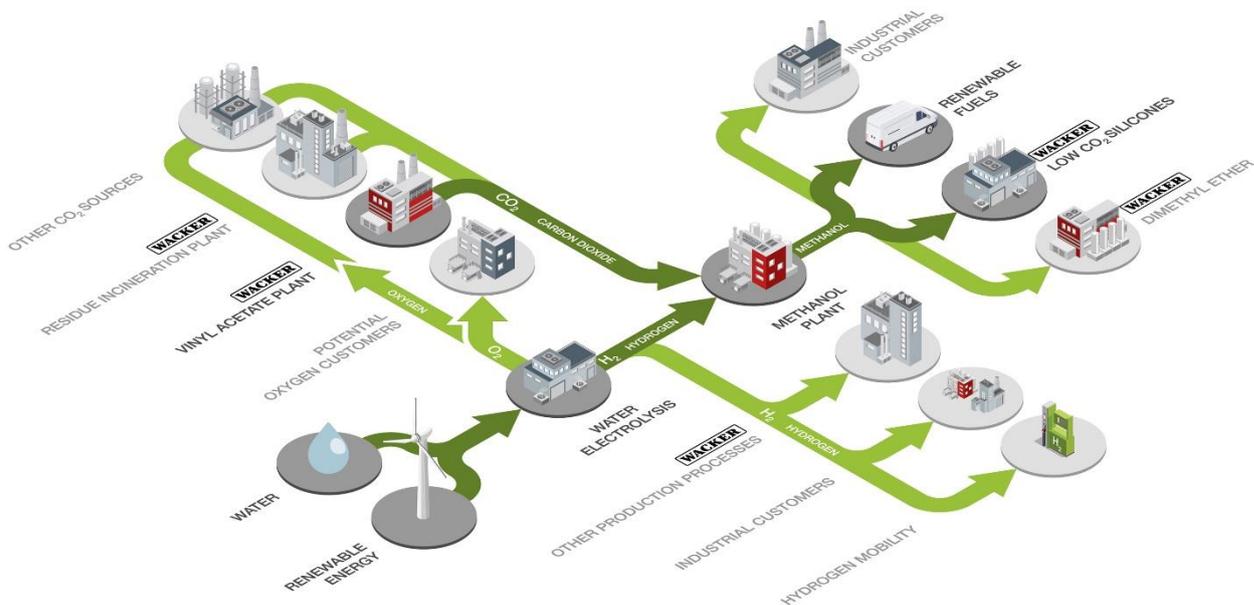
"Our project goal is to markedly cut the proportion of fossil raw material and fuel in chemical processes and products so that we narrow our carbon footprint even further. We are convinced that hydrogen is an essential component in decarbonization – whether as fuel, raw material or reducing agent. Since a plant complex of this kind is not economically viable at present, we clearly need financial support to realize this breakthrough project," says WACKER CEO Rudolf Staudigl, referring to the funding applications.

The key to carbon-neutral production is industrial electrification, Staudigl continues, and it requires huge amounts of renewable electricity at internationally competitive prices of less than 4 cents per kilowatt-hour. "Obviously, a successful industrial-scale rollout of hydrogen technology won't be possible without a reliable long-term basis for operating profitably," WACKER's CEO stresses.

Bavaria's Minister of Economic Affairs, Hubert Aiwanger, welcomed the EU's decision: "By planning to build the electrolyzer in Burghausen, Wacker Chemie AG is paving the way for a sustainable hydrogen economy in Bavaria's chemical triangle. It's a lighthouse project for Bavaria. And it will benefit Burghausen as an industrial location."

Seen in perspective, RHYME Bavaria is an initial step in decarbonizing chemical processes and products in Bavaria's chemical triangle. Today's hydrogen network in the region could evolve over time into a Bavarian center for green hydrogen. Carbon-neutral manufacturing would then be feasible there for products ranging from silicones and solar-grade polysilicon to building materials and fuel.

For further information, please visit: www.wacker.com/RHYMEbavaria



At its Burghausen site, WACKER wants to build a production complex with Linde GmbH for green hydrogen and renewable methanol. The project was submitted to the EU for funding and has now reached the next selection stage. (Diagram: WACKER)

Note:

This diagram is available for download at:
<http://www.wacker.com/pressreleases>

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The company in brief:

WACKER is a globally active chemical company with some 14,300 employees and annual sales of around €4.69 billion (2020). WACKER has a global network of 26 production sites, 23 technical competence centers and 52 sales offices.

WACKER SILICONES

Silicone fluids, emulsions, rubber grades and resins; silanes; pyrogenic silicas; thermoplastic silicone elastomers

WACKER POLYMERS

Polyvinyl acetates and vinyl acetate copolymers and terpolymers in the form of dispersible polymer powders, dispersions, solid resins and solutions

WACKER BIOSOLUTIONS

Biotech products such as cyclodextrins, cysteine and biologics, as well as fine chemicals and PVAc solid resins

WACKER POLYSILICON

Polysilicon for the semiconductor and photovoltaic industries