

Evonik invests in the biotechnology company Algal Scientific

- Innovative technology for β -glucan production from algae
- Contribution to sustainable animal nutrition
- Interesting growth market

Evonik Industries is investing in the technology startup Algal Scientific Corporation (Northville, Michigan, USA). Evonik is part of an investors' consortium that is investing more than US\$3 million in Series A financing round. Under the trade name Algamune™ Algal markets 1,3- β -glucan, a polysaccharide that strengthens immune response. It is used as an additive in animal feeds and as a nutritional supplement as well as in pharmaceutical formulations.

This is the first time it has been possible to obtain β -glucan from algae on an industrial scale. Algal has developed a new technology for this purpose and is currently in the process of starting up the first commercial production plant in Michigan. β -glucan is usually extracted from grain or produced using yeasts or fungi. Algal's new biotechnological process needs fewer production steps and at the same time generates significantly higher yields.

In addition to the innovative production technology, the use of β -glucan in a wide variety of animal feed applications is of particular interest to Evonik. The immune stimulating effect of β -glucan results in healthier animals and efficient growth, thus contributing to resource-efficient nutrition of the global population. β -glucan is suitable for nutrition of pigs, poultry, and ruminants as well as for aquaculture.

"Algal contributes toward sustainable animal nutrition," says Dr. Bernhard Mohr, head of Evonik Venture Capital. "In view of the growing global population and the subsequent increasing demand for animal protein, this is an interesting market with attractive growth potential."

"We are very pleased that Evonik is joining us as a strategic partner," says Geoff Horst, CEO of Algal. "We have been able to attract a strong group of investors; this allows us to advance commercial production and our business." Also part of the consortium, in addition to specialty chemicals group Evonik, are the U.S. venture capital firms Formation 8 (California),

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Independence Equity (Illinois), and Envy Capital (Michigan), as well as regional funds and business development companies promoting the establishment and development of attractive companies in Michigan.

Within its venture capital activities Evonik plans to invest a total of €100 million in highly promising start-ups with break-through technologies and leading specialist venture capital funds. These investments will focus on Europe, the U.S. and Asia. Partnering with innovative start-up companies supplements Evonik's approach of open innovation and creates excellent opportunities for accelerating the development of new businesses and opening up future growth fields.

About Evonik

Evonik, the creative industrial group from Germany, is one of the world leaders in specialty chemicals. Profitable growth and a sustained increase in the value of the company form the heart of Evonik's corporate strategy. Its activities focus on the key megatrends health, nutrition, resource efficiency and globalization. Evonik benefits specifically from its innovative prowess and integrated technology platforms.

Evonik is active in over 100 countries around the world. In fiscal 2013 more than 33,500 employees generated sales of around €12.9 billion and an operating profit (adjusted EBITDA) of about €2.0 billion.

About Algal Scientific

Algal Scientific was formed in 2009 after winning the inaugural DTE Clean Energy Competition hosted by the University of Michigan and DTE Energy (DTE: NYSE). Since then, the company has gone on to win several other awards and competitions including the \$500,000 Grand Prize in the Accelerate Michigan Innovation Competition. Algal recently expanded into a new production facility in Northville, Michigan from its first headquarters at the Michigan Life Science and Innovation Center. In addition to the lead investors, participants in this financing included Envy Tech Fund I, the Michigan Economic Development Corporation, the Michigan Pre-Seed Capital Fund, the First Step Fund and private investors. For more information, visit www.algalscientific.com.

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