

Evonik invests in start-up that makes animal-free leather-like materials

- Modern Meadow produces sustainable biofabricated materials inspired by leather, meeting consumer demand for animal-free products
- In partnership with Modern Meadow, Evonik is bringing collagen production to commercial scale
- Investment strengthens Evonik's Health & Care growth engine

PARSIPPANY, N.J., September 19, 2019 – Evonik's venture capital arm has invested in a start-up that sustainably produces biofabricated materials that are inspired by leather, eliminating the need for animal skins. Modern Meadow's technology produces animal-free collagen, a protein naturally found in animal hides, via a fermentation process using yeast cells. The investment in the start-up, based in Nutley, New Jersey, follows a successful partnership between the two companies in which Evonik is supporting the development of a commercial scale process to produce collagen.

“Consumer demand for non-animal derived products is increasing rapidly,” said Lutz Stoeber, investment director for Evonik Venture Capital in North America. “With this investment Evonik is supporting Modern Meadow in developing a sustainable animal-friendly technology.”

The biofabricated material produced by this animal-free method, more closely resembles animal leather than synthetic equivalents because it contains collagen, the main structural component in cow hides. Zoa™ biofabricated materials, Modern Meadow's first branded materials line, will be offered in a variety of shapes, sizes, textures and colors. The technology opens possibilities to create materials inspired by leather with new properties, such as lighter-weight options, new processing forms, and patterning. Modern Meadow is developing both leather-like composites, which allow for superior mechanical properties, and non-composite materials.

Collagen has many forms and applications that go beyond leather-like materials. As the most abundant protein found in the human body, it has many pharmaceutical and medical applications. Collagen promotes the healing of wounds, guides tissue regeneration and can revitalize the skin, areas in which Evonik has research activities.

The investment strengthens Evonik's Health & Care growth engine, one of the areas the company has identified as a growth driver.

"We are excited to further strengthen our partnership with Modern Meadow, a highly dynamic and visionary company," said Jean-Luc Herbeaux, head of Evonik's Health Care Business Line. "The fit is perfect as we are also looking into opportunities provided by biofabricated collagen for the healthcare market."

In March 2018, Evonik and Modern Meadow agreed to collaborate to bring the production of Modern Meadow's collagen to commercial scale while optimizing the process productivity. Evonik has more than three decades of experience in the development, scale-up and commercial production of fermentation-based products and has developed leading competencies in the field of protein fermentation. The plan is to start commercial production in 2020 at an Evonik site in Slovakia, which is specialized in pilot and low- to mid-scale production of specialty bio-fermented products.

"After successfully partnering with Evonik in 2018, we are thrilled to deepen our relationship and bring them on board as an investor," said Andras Forgacs, chief executive officer and co-founder of Modern Meadow. "We look forward to accelerating our growth and scaling our technology with their support and expertise."

The animal and artificial leather market combined is estimated to be worth \$190 billion with many applications such as automotive, footwear, furniture, garments and bags.

Evonik Venture Capital plays a strategic role in Evonik's goal to become a best-in-class specialty chemicals company, by helping secure access to disruptive technologies and innovative business models as well as supporting digital transformation. To this end, Evonik launched its second venture capital fund with a volume of €150 million at the beginning of 2019, more than doubling the amount under management to €250 million.

For additional information about Evonik in North America, please visit our website: http://corporate.evonik.us/region/north_america.

Company information

Evonik is one of the world leaders in specialty chemicals. The focus on more specialty businesses, customer-oriented innovative prowess and a trustful and performance-oriented corporate culture form the heart of Evonik's corporate strategy. They are the lever for profitable growth and a sustained increase in the value of the company. Evonik benefits specifically from its customer proximity and leading market

positions. Evonik is active in over 100 countries around the world. In fiscal 2018, the enterprise with more than 32,000 employees generated sales of €13.3 billion and an operating profit (adjusted EBITDA) of €2.15 billion from continuing operations.

About Evonik Venture Capital

Since its inception in 2012, Evonik Venture Capital has realized more than 25 investments, both direct and fund investments. EVC has offices in Germany (Hanau/Essen), the U.S.A. (Parsippany) and China (Shanghai) and invests in young companies with innovative technology and high growth potential in the fields of Health & Care, Smart Materials, Animal Nutrition and Specialty Additives. Evonik Venture Capital's team is made up of experienced investment managers that provide portfolio companies comprehensive support. The investment scope ranges from early stage to growth stage with investment volume per portfolio company of up to €15 million. Further information is available at <http://venturing.evonik.com/>

Disclaimer

In so far as forecasts or expectations are expressed in this press release or where our statements concern the future, these forecasts, expectations or statements may involve known or unknown risks and uncertainties. Actual results or developments may vary, depending on changes in the operating environment. Neither Evonik Industries AG nor its group companies assume an obligation to update the forecasts, expectations or statements contained in this release.

For more information, contact:

Robert Brown

Evonik Corporation

Tel: +1 973 929-8812

Cell: +1 973 906-4635

Email: robert.brown@evonik.com

