

Press Release

Evonik and DSM select Blair, Nebraska, as manufacturing site for innovative, new omega-3 fatty acids production

Evonik and Royal DSM will locate the commercial-scale production facility for their omega-3 fatty acids from natural marine algae for animal nutrition in Blair, Nebraska. DSM Nutritional Products and Evonik Nutrition & Care plan to invest around US\$ 200 million in the facility (US\$ 100 million by each party over circa 2 years). The initial annual production capacity will meet roughly 15% of the current total annual demand for EPA and DHA by the salmon aquaculture industry. The facility is expected to come on stream in 2019. Both companies announced in March 2017 the start of a joint venture for this purpose. The establishment of the joint venture, to be named Veramaris® and headquartered in The Netherlands, will be finalized subject to regulatory approvals.

Blair, Nebraska, was chosen as it takes advantage of Evonik's decades of operational experience for large-scale biotechnology operations. The company has been operating a facility there for the fermentative production of Biolys® – the amino acid L-lysine – for almost 20 years. As an investor and employer Evonik has built a consistent reputation in the local community. The new plant will be located adjacent to Evonik's current facility on Cargill's site, with established access to the raw materials needed to produce the high value and pure EPA+DHA omega-3 fatty acid oil.

It will, for the first time, allow for the production of omega-3 fatty acids for animal nutrition without using any fish oil from wild caught fish, a finite resource. Initial applications will be in salmon aquaculture and pet food.

Evonik's and DSM's highly concentrated algal oil will enable the animal nutrition industry to keep up with the increasing demand for these two essential omega-3 fatty acids without endangering fish stocks, helping to contribute to healthy animal nutrition as well as to the ecological balance and biodiversity of the oceans.

June 15, 2017

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Until the facility in Blair opens, DSM and Evonik will produce pilot-scale quantities of the algal oil at DSM's production facility in Kingstree, South Carolina (United States). Customers will be able to receive sizeable quantities of the product for market development while the construction of the new manufacturing plant gets underway.

About Evonik

Evonik is one of the world leaders in specialty chemicals. The focus on more specialty businesses, customer-orientated 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 with more than 35,000 employees. In fiscal 2016, the enterprise generated sales of around €12.7 billion and an operating profit (adjusted EBITDA) of about €2.165 billion.

About Evonik Nutrition & Care

The Nutrition & Care segment is led by Evonik Nutrition & Care GmbH and contributes to fulfilling essential human needs. That includes applications for everyday consumer goods as well as animal nutrition and health care. This segment employed about 7,500 employees, and generated sales of around €4.3 billion in 2016.

DSM – Bright Science. Brighter Living.™

Royal DSM is a global science-based company active in health, nutrition and materials. By connecting its unique competences in Life Sciences and Materials Sciences DSM is driving economic prosperity, environmental progress and social advances to create sustainable value for all stakeholders simultaneously. DSM delivers innovative solutions that nourish, protect and improve performance in global markets such as food and dietary supplements, personal care, feed, medical devices, automotive, paints, electrical and electronics, life protection, alternative energy and bio-based materials. In 2016 DSM and its associated companies deliver annual net sales of about €10 billion with approximately 25,000 employees. The company is listed on Euronext Amsterdam. More information can be found at www.dsm.com.

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Forward-looking statements DSM

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