

Evonik invests in Chinese technology start-up to support more intelligent and healthier pig farming

- SmartAHC has developed monitoring devices and artificial intelligence software for smart pig farming
- Investment gives Evonik insights into innovative farm technology in China, the world's largest swine market
- Start-up's technology supports Evonik's innovation growth field Sustainable Nutrition

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Essen, Germany. Evonik's venture capital arm has invested in a Chinese technology start-up that enables more intelligent and healthier pig farming. SmartAHC, based in Chengdu and Shanghai, has developed monitoring devices and software that uses Artificial Intelligence and the Internet of Things to improve farm efficiency and animal welfare. Early detection of disease, for example, allows farmers to isolate sick animals and prevent widespread infection.

"This investment provides insight into emerging farm technologies that are highly pertinent to sustainable nutrition," said Bernhard Mohr, head of the venture capital unit. "China is both the largest producer and consumer of pork in the world, making it the most relevant market for intelligent and healthy pig farming."

SmartAHC produces devices that identify individual pigs, track their location and measure their temperature and fertility. A computer-vision tool provides information on weight, herd numbers and allows early detection of illness. Further devices collect data on feed inventory and daily consumption as well as monitoring of the farm environment for humidity, temperature and ammonia.

Based on the data collected and artificial intelligence algorithms, SmartAHC's monitoring software platforms provide real-time information through dashboards, statistics and advice. Farmers have the advantage of improving the efficiency of the farm with lower mortality from disease and more efficient feeding.

Evonik has decades of experience with animal nutrition and produces essential amino acids that go into feed for chickens

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and pigs. The company is building up its competence in precision livestock farming for sustainable animal nutrition, which increases farmers' financial return as well as improving the quality of their produce and the sustainability of their farms.

The global pork market is about 1.4 billion animals a year with China accounting for about half. The swine precision farming market in China is expected to grow by more than 20 percent annually over the next decade as farmers seek to protect their animals from diseases such as African Swine Fever.

The technology from SmartAHC also contributes to reducing the risks from zoonotic diseases. These diseases transmitted from animals to humans, can cause pandemics, such as the H1N1 pathogen that triggered the 2009 swine flu pandemic. Current observations in China identified a mutation of the swine flu known as genotype 4 (G4) that has the potential to transfer to humans. Contactless monitoring of production animals reduces the risks of epidemic spread of such viruses.

"Precision livestock farming is the future of a more sustainable animal protein value chain," said Emmanuel Auer, head of Evonik's Animal Nutrition business. "With this investment Evonik can connect healthy animal nutrition concepts with sustainable approaches to animal farming and husbandry."

SmartAHC started development in 2014 with Song Lan and Howard Tang. "We are looking forward to taking another step in the development of our company together with Evonik," said Song Lan, chief executive officer of SmartAHC. "This new financing will go towards increasing our research and development capacities and expanding our market presence." Other investors include BASF Venture Capital and Shenzhen SinoAgri E-Commerce.

SmartAHC is the second direct investment in China. Evonik established a venture capital office in Shanghai in 2018, which is helping the company tap into the fast-expanding and innovative start-up scene in China. Evonik Venture Capital helps Evonik secure access to disruptive technologies and innovative business models as well as supporting digital transformation.

Company information

Evonik is one of the world leaders in specialty chemicals. The company is active in more than 100 countries around the world and generated sales of €13.1 billion and an operating profit (adjusted EBITDA) of €2.15 billion in 2019. Evonik goes far beyond chemistry to create innovative, profitable and sustainable solutions for customers. More than 32,000 employees work together for a common purpose: We want to improve life, today and tomorrow.

About Evonik Venture Capital

With a fund size of €250 million, Evonik Venture Capital (EVC) has made more than 30 investments since 2012, both direct and fund investments. EVC has offices in Germany, the U.S.A. and China and invests in innovative technologies and disruptive business models in the fields of Nutrition & Care, Specialty Additives and Smart Materials, as well as enabling digital technologies. The EVC team of experienced investment managers 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.
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