

Diversified portfolio creates overall stability in a volatile environment

Ester Baiget, President & CEO: *“Our diverse portfolio of solutions and broad end-market exposure creates stability in a volatile environment and drives the delivery of our profitability targets. This is possible thanks to our unique capabilities with similar earnings across business areas, and a robust production setup. Full-year organic sales growth is narrowed slightly to 4-6%, and consistent with our initial guidance, we continue to expect a stronger second half supported by pipeline innovation, increased market penetration, and a softer comparator. We are moving firmly towards the implementation of our strategy and with 2025 targets well within reach, we continue to invest accordingly. We’re working hard to drive even stronger performance as we continue to progress on closing the combination with Chr. Hansen in Q4 2023 or in Q1 2024.”*

Sales and financial performance (1H comments unless otherwise indicated)

- Sales growth in DKK at 2% (3% organic, -1% currency, 0% M&A). (Q2 at 2% organic, -4% currency, 0% M&A).
- Organic growth was supported by solid and broad-based pricing of ~6% (Q2 ~6%); volumes down ~3% in 1H (Q2 down ~3%).
 - Household Care 1% (Q2 flat): Growth in developed markets from increased penetration and despite declining in-market detergent volumes. Emerging markets grew slightly despite the impact of the war in Ukraine.
 - Food, Beverages & Human Health -6% (Q2 -3%): Negatively impacted by destocking and lower consumer demand, as well as Human Health being impacted by supply-chain constraints and a soft North American probiotics market. Adjusted for the large comparator one-off in the first quarter, performance in the business area declined by roughly 2% in the first half.
 - Bioenergy 27% (Q2 26%): Continued strong demand across geographies and a broad, differentiated portfolio of solutions for multiple end-markets.
 - Grain & Tech Processing -11% (Q2 -14%): Grain performance offset by expected softness in tech from reduced sales of solutions for Covid-19 test kits and, additionally, declining demand in textile.
 - Agriculture, Animal Health & Nutrition 7% (Q2 -7%): Growth driven by performance in Animal Health & Nutrition with strong demand for sustainable yield and health solutions. Performance in Agriculture muted following destocking in the value chain.
- Organic sales growth in developed markets 5% (Q2 3%); emerging markets flat (Q2 -1%).
- EBIT margin before special items (b.s.i.) at 25.0% (Q2 24.0%). Sequential gross margin improvement since Q3 2022, leading to a 1H 2023 gross margin of 54.7% (Q2 55.4%).
- ROIC incl. goodwill, b.s.i. at 17.0% (ROIC incl. goodwill at 15.9%) and FCF bef. acq. at DKK 0.5 billion.
- Net profit at DKK 1.4 billion including special items and ETR (effective tax rate) at 23%.
- Solid balance sheet at 1.2x NIBD/EBITDA.

Key events

- Collaboration between Novozymes, the Novo Nordisk Foundation, the Bill & Melinda Gates Foundation, and other relevant players to explore the production of food proteins through fermentation of captured CO₂.
- Early-stage partnership with Arla Foods Ingredients to explore the area of advanced protein solutions made with precision fermentation. Initial focus is protein ingredients for medical nutrition.
- Three products launched in Q2, of which one was public, and a total of six products in the first half year.
- Interim dividend pay-out of ~50% of adjusted net profit for the period January 1 to August 31, 2023, expected to be approved by the Board of Directors to honor existing shareholders ahead of combination with Chr. Hansen. Pay-out date set for October 17, 2023.

2023 outlook

- Full-year organic sales growth outlook narrowed to 4-6% (previously 4-7%). Pricing is expected to be the main driver of the organic growth. Sales mix is expected to be different from earlier indication with stronger performance now expected in Bioenergy. Softer indication for Food, Beverages & Human Health and Grain & Tech Processing mainly following destocking and lower consumer demand, both business areas still with stronger growth acceleration in the 2nd half of the year.
- Outlook for EBIT margin b.s.i. and ROIC incl. goodwill b.s.i. maintained at 25-26% and 16-17% respectively.

		1H 2023	1H 2022	Q2 2023	Q2 2022	2023 outlook August 9	2023 outlook April 26
Sales performance, organic	%	3	10	2	10	4 to 6	4 to 7
EBIT margin, before special items*	%	25.0	26.0	24.0	25.9	25 to 26	25 to 26
ROIC incl. goodwill, before special items*	%	17.0	17.5			16 to 17	16 to 17

*Special items include costs related to proposed combination with Chr. Hansen



1H 2023

3%
Organic sales
growth

25.0%
EBIT margin,
before special items

17.0%
ROIC, incl. goodwill,
before special items

Conference call

August 9, 2023
9.00 CEST
Please pre-register
for the call [here](#)
[Webcast](#)

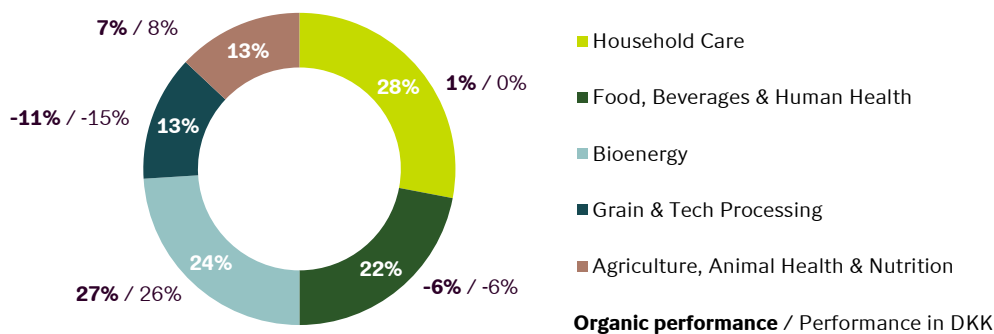
Selected key data

		1H 2023	1H 2022	Q2 2023	Q2 2022
Sales performance, organic	%	3	10	2	10
Household Care	%	1	0	0	4
Food, Beverages & Human Health	%	-6	10	-3	3
Bioenergy	%	27	23	26	19
Grain & Tech Processing	%	-11	13	-14	19
Agriculture, Animal Health & Nutrition	%	7	14	-7	17
Sales	DKKkm	8,840	8,657	4,217	4,286
Sales performance, DKK	%	2	18	-2	20
Gross margin	%	54.7	55.5	55.4	55.5
EBITDA	DKKkm	2,691	2,990	1,200	1,487
EBIT before special items*	DKKkm	2,211	2,252	1,011	1,110
EBIT margin before special items*	%	25.0	26.0	24.0	25.9
EBIT	DKKkm	1,999	2,252	865	1,110
EBIT margin	%	22.6	26.0	20.5	25.9
Net profit	DKKkm	1,415	1,656	614	817
Net investments excl. acquisitions	DKKkm	974	1,233	547	844
Free cash flow before acquisitions	DKKkm	470	969	583	583
NIBD/EBITDA	x	1.2	1.1		
ROIC, incl. goodwill, before special items*	%	17.0	17.5		
ROIC, incl. goodwill	%	15.9	17.5		
Special items*	DKKkm	-212	0	-146	0
EPS		5.02	5.92	2.19	2.92
EPS (diluted)		5.00	5.87	2.18	2.90
Avg. USD/DKK		689	680	684	699

*Special items include costs related to the proposed combination with Chr. Hansen

Sales by business area

Distribution of sales by business area, 1H 2023



Total sales 1H y/y

Organic: 3%
DKK: 2%

Household Care

Household Care grew 1% organically in the first half of 2023 with sales flat in reported DKK. Performance was as expected in developed markets, driven by the sale of solutions for laundry detergents and achieved despite industry volume softness. Emerging markets continued to see growth driven by increased penetration of enzyme solutions, more than offsetting the negative impact on the first quarter results of the war in Ukraine. The Freshness platform performed in line with expectations and pricing had a positive impact on growth, more than offsetting the slightly reduced volumes.

Household Care 1H y/y

Organic: 1%
DKK: 0%

Second-quarter organic sales were flat and declined 2% in reported DKK. Industry volume softness and consumer downtrading, particularly in the developed markets, was offset by pricing and penetration of enzyme solutions across both developed and emerging markets. The general performance was roughly similar in the first and second quarters.

Food, Beverages & Human Health

Sales in Food, Beverages & Human Health declined 6% organically and 6% in reported DKK in the first half of the year. Organic sales were negatively impacted by roughly 4 percentage points as the first-quarter comparator included sales of a specific enzyme solution, which is not sold this year. Underlying growth trends across subareas with the focus on health, clean label and efficiencies remained intact with good progress on recent launches as well as a solid innovation pipeline in collaboration with customers. The underlying slightly negative sales growth came in below expectations, which is explained by destocking across the value chain in Food and Beverage, as well as lower consumer demand. The decline in volumes was partly offset by positive pricing, as expected. Food delivered the strongest underlying performance while Beverages and Human Health were soft. Human Health was impacted by supply chain constraints affecting the ability to accommodate demand in the robust healthcare practitioner channel and, additionally, general softness in demand for probiotic solutions in North America.

Food, Beverages & Human Health 1H y/y

Organic: -6%
DKK: -6%

In the second quarter, Food, Beverages & Human Health sales declined 3% organically and 5% in reported DKK compared to the same period of last year. Lower volumes were only partly offset by positive pricing. The soft performance was driven by destocking across the value chain, and lower consumer demand, across subareas. Additionally, Human Health declined due supply chain constraints that restricted supply as well as general softness in demand for probiotic solutions in North America. However, demand started to improve in the North American market and short-term supply chain constraints were being resolved towards the end of the quarter.

Bioenergy

Sales in Bioenergy grew 27% organically and 26% in reported DKK in the first half of the year. The strong performance was driven by the continued penetration of the broad and innovative solution toolbox allowing for higher yields, throughput, and byproduct value-capture for producers in a favorable market environment. In particular, the North American market experienced strong developments despite a roughly 1% decrease in U.S. ethanol production in the first half of 2023, as reported by the EIA. Performance was also strong outside of North America, driven by innovation, capacity expansion of corn-based ethanol production in Latin America and supported by growth in solutions for biodiesel production. In addition, sales of enzymes used in second-generation biofuels, commonly referred to as biomass conversion, contributed to growth. Overall, growth was positively impacted by pricing.

Bioenergy 1H y/y
Organic: 27%
DKK: 26%

Second-quarter sales in Bioenergy continued to grow strongly, by 26% organically and by 21% in reported DKK year on year. The broad solution toolbox and innovations were the main drivers of the strong performance that was supported by a favorable market environment despite flat volume growth in the U.S. ethanol industry, according to the EIA. Sales outside the U.S. also contributed positively, led by strong growth in Latin America, as well as positive pricing across subareas. Additionally, solutions for biodiesel production and very strong growth in second-generation biofuels, although from a small base, supported growth.

Grain & Tech Processing

In the first half of 2023, Grain & Tech Processing sales declined 11% organically and 15% in reported DKK. The decline was mainly due to negative developments in Tech with sales of enzymes used for Covid-19 test kits significantly lower, as expected, and a much softer-than-expected textile market. Strong growth in vegetable oil processing driven by increased penetration of biological solutions was offset by somewhat softer sales in the grain processing subarea that was somewhat impacted by destocking in the food-related part of this exposure. Pricing had a positive impact across subareas.

Grain & Tech Processing 1H y/y
Organic: -11%
DKK: -15%

In the second quarter, Grain & Tech Processing sales declined 14% organically and 20% in reported DKK compared to the same period last year. Positive pricing and strong growth in vegetable oil processing was offset by the somewhat softer development in the food-related grain exposure and a significant decline in Tech driven by lower sales of enzymes for Covid-19 test kits and a much softer-than-expected textile market.

Agriculture, Animal Health & Nutrition

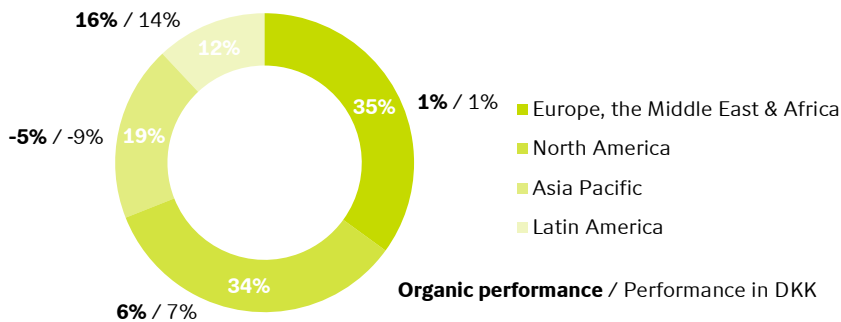
Sales in Agriculture, Animal Health & Nutrition grew 7% organically and 8% in reported DKK in the first half. Pricing had a positive impact and growth was led by Animal Health & Nutrition driven by innovation and healthy demand for yield-enhancing solutions. Performance in Agriculture was soft, impacted by destocking and volatile end-market demand.

Agriculture, Animal Health & Nutrition 1H y/y
Organic: 7%
DKK: 8%

Second-quarter sales declined 7% organically and 8% in reported DKK. Negative performance in Agriculture was only partly offset by growth in Animal Health & Nutrition. The soft performance in Agriculture was driven by destocking and a difficult comparator. Animal Health & Nutrition showed better than expected performance driven by recent product launches, more than offsetting the negative impact from the expected timing as assumed in the Q1 report. Pricing had a positive impact across subareas.

Sales by geography

Distribution of sales by geography, 1H 2023



Novozymes grew sales 3% in the first half of 2023, driven by 5% growth in developed markets and flat performance in emerging markets. Bioenergy was the main driver of growth in developed markets while Agriculture, Animal Health & Nutrition delivered solid growth. Household Care also contributed to growth despite declining industry volumes in developed markets. Food, Beverages & Human Health as well as Grain & Tech Processing declined. In emerging markets, growth was driven by Bioenergy, while Agriculture, Animal Health & Nutrition and Household Care also contributed positively. This was offset by negative growth in Food, Beverages & Human Health and Grain & Tech Processing.

In the second quarter, developed markets grew 3%, driven by Bioenergy and partly offset by softness in Grain & Tech Processing. Emerging markets declined 1% as softness in Food, Beverages & Human Health, Grain & Tech Processing and Agriculture, Animal Health & Nutrition was only partly offset by growth in Bioenergy and Household Care.

Europe, the Middle East & Africa

Sales grew 1% organically in the first half, driven by Agriculture, Animal Health & Nutrition while Food, Beverages & Human Health impacted negatively. Second quarter sales grew 1% and were positively impacted by developments in Agriculture, Animal Health & Nutrition, partly offset by softness in Grain & Tech Processing.

Europe, the Middle East & Africa 1H y/y

Organic: 1%
DKK: 1%

North America

In North America, organic sales grew 6% in the first half, driven by Bioenergy and supported by Food, Beverages & Human Health while Agriculture, Animal Health & Nutrition and Grain & Tech Processing declined. In the second quarter, organic sales in North America grew 5%, impacted by the same factors as those in the first half.

North America 1H y/y

Organic: 6%
DKK: 7%

Asia Pacific

Sales in Asia Pacific declined by 5% organically in the first half, driven by negative developments in Grain & Tech Processing and Food, Beverages & Human Health that were partly offset by strong growth in Agriculture, Animal Health & Nutrition. Organic sales in the second quarter declined by 7%. As for the first half, the negative developments were due to declines in Grain & Tech Processing and in Food, Beverages & Human Health.

Asia Pacific 1H y/y

Organic: -5%
DKK: -9%

Latin America

Organic sales in Latin America grew 16% in the first half with growth across all business areas led by Bioenergy while Food, Beverages & Human Health declined. In the second quarter, organic sales grew 12% and, as for the half year, growth was driven by Bioenergy.

Latin America 1H y/y

Organic: 16%
DKK: 14%

Income statement

Total costs excluding net other operating income, special items, net financials, share of losses in associates, and taxes amounted to DKK 6,748 million in the first half and DKK 3,221 million in the second quarter. This was DKK 312 million (5%) and DKK 26 million (1%) higher than in the corresponding periods of 2022. The year-on-year increases in the first half were mainly due to higher cost of goods sold and the minor increase in total costs in the second quarter was driven by higher operating costs compared to the same period last year.

Total costs
DKK 6,748 million

The gross margin was 54.7% for the first half of the year and 55.4% for the second quarter, corresponding to a decline of 0.8 of a percentage point compared to the first half of 2022 and a 0.1 percentage point decline compared to the second quarter of last year. The decrease in the gross margin between the two periods was driven by higher input and logistics costs, with prices having a positive impact, visible in the sequential improvement of the gross margin from the previous three quarters. Currencies had a slight positive impact on the gross margin in the first half of the year and a neutral effect in the second quarter.

Gross margin
54.7%

Operating costs totaled DKK 2,747 million for the first half of the year and DKK 1,340 million for the second quarter. This was an increase of DKK 162 million (6%) compared to the first half of last year and a DKK 52 million (4%) increase compared to the second quarter of 2022. The increase in operating costs was primarily driven by higher sales and distribution costs and strategic investments to support the long-term growth.

Operating costs
DKK 2,747 million

From a ratio perspective, total operating costs for the first half of the year made up 31.1% of sales, compared to 29.9% for the same period of last year. In the second quarter, total operating costs amounted to 31.8% of sales compared to 30.1% of sales in the same period last year.

- Sales and distribution costs increased by 8% both in the first half and in the second quarter to make up 14% of sales in both periods.
- Research and development costs increased by 4% in the first half of the year and 3% in the second quarter to amount to a ratio of 12% of sales in both periods
- Administrative costs increased 5% in the first half of the year and decreased 3% in the second quarter, making up 5% of sales in both periods.

Other operating income amounted to DKK 119 million for the first half of the year, representing an increase of DKK 88 million compared to the corresponding period of 2022. The increase was predominantly driven by the gain from the divestment of selected waste-water treatment solutions announced in the first quarter of the year. In the second quarter, other operating income was DKK 15 million, DKK 4 million less than for the same quarter of last year.

Depreciation and amortization amounted to DKK 692 million in the first half of the year and DKK 335 million in the second quarter, corresponding to decreases of DKK 46 million and DKK 42 million respectively compared to the corresponding periods of 2022. The decreases were mainly driven by fully depreciated intellectual property from prior-year acquisitions.

Depreciation and amortization
DKK 692 million

EBIT before special items was DKK 2,211 million for the first half of 2023 and DKK 1,011 million for the second quarter, representing an EBIT margin before special items of 25.0% for the first half and 24.0% for the second quarter. This was a decrease of DKK 41 million (-2%) in the first half of the year and a decrease of DKK 99 million (-9%) in the second quarter compared to the corresponding periods of 2022. In the first half of the year, the EBIT margin b.s.i. was negatively impacted by a lower gross margin driven by higher input prices as well as a higher operating costs-to-sales ratio. Currencies had a slightly positive impact on the EBIT margin during the first six months of 2023. In the first half of the year, the two one-off effects affecting the EBIT margin were the gain related to the divestment of selected waste-water treatment solutions and a negative impact related to resource realignment in the

EBIT
before special items
DKK 2,211 million
EBIT margin
before special items
25.0%

commercial organization, both occurring in the first quarter of this year. Adjusted for these effects, the underlying EBIT margin b.s.i. for the first half of the year was approximately 2.5 percentage points lower than the underlying EBIT margin for the first half of 2022, primarily due to a lower gross margin and reduced leverage from the higher operating cost base.

The underlying EBIT margin b.s.i. in the second quarter was roughly on par with the reported margin b.s.i. at 24.0%. Currencies had a minor negative effect on the margin for the quarter. Thus, the underlying margin was approximately 3.0 percentage points below the underlying EBIT margin for the second quarter of last year, impacted by the same explanations as those for the first half, including reduced leverage from the higher fixed cost base.

Reported EBIT was DKK 1,999 million for the first half of the year and DKK 865 million for the second quarter, corresponding to a reported EBIT margin of 22.6% for the first half of the year and 20.5% for the second quarter. This corresponds to year-on-year decreases of DKK 253 million (-11.2%) for the first half and of DKK 245 million (-22.1%) for the second quarter. Special items amounted to DKK 212 million in the first half of the year and DKK 146 million in the second quarter and only included costs related to the proposed combination with Chr. Hansen.

EBIT
DKK 1,999 million

EBIT margin
22.6%

Net financials including the share of losses in associates was a loss of DKK 161 million in the first half of the year and a loss of DKK 67 million in the second quarter. This represents an increase of DKK 32 million in the first half and an increase of DKK 4 million in the second quarter compared to the corresponding periods of the previous year, driven primarily by increased interest expenses and currency hedging costs.

Net financial and share of losses in associates
DKK 161 million

Profit before tax amounted to DKK 1,838 million in the first half and DKK 798 million in the second quarter, which was DKK 285 million (-13%) lower than in the first half of 2022 and DKK 249 million (-24%) lower than in the second quarter of last year and primarily driven by the lower EBIT for the period.

The effective tax rate was 23.0% for the first half of the year and 23.1% for the second quarter. This was an increase of 1 percentage point and 1.1 percentage points respectively compared to the corresponding periods of last year and largely driven by merger-related transaction costs, which are not deductible for tax purposes.

Effective tax rate
23%

Net profit totaled DKK 1,415 million for the first half of the year and 614 million for the second quarter. This was DKK 241 million (-15%) less than for the first half of 2022 and DKK 203 million (-25%) less than for the second quarter of the year, due to the reduced profit before tax, an increase in special items in the second quarter and a higher effective tax rate compared to the same periods of last year.

Net profit
DKK 1,415 million

Cash flows and balance sheet

Cash flow from operating activities amounted to DKK 1,444 million in the first half of the year and DKK 1,130 million in the second quarter. This was a decrease of DKK 758 million and a decrease of DKK 297 million respectively compared to the corresponding periods of 2022. For the first half year, developments were mainly driven by changes in working capital due to the timing of payments related to CAPEX investments, higher trade receivables and slightly lower net profit. In the second quarter, the lower net profit was the main explanation for the change in operating cash flow.

Operating cash flow
DKK 1,444 million

Net investments excluding acquisitions totaled DKK 974 million for the first half of the year and DKK 547 million for the second quarter. This was DKK 259 million lower in the first half and DKK 297 million lower in the second quarter respectively than in the corresponding periods of 2022. The decrease follows the lower investment level expected for 2023 compared to the year before.

Net investments excluding acquisitions
DKK 974 million

Free cash flow before acquisitions was DKK 470 million in the first half of the year and DKK 583 million in the second quarter, corresponding to a decrease of DKK 499 million compared to the first half of last year and flat relative to the second quarter of 2022. The decrease in the first half of the year was predominantly due to the reduced cash flow from operating activities in the first quarter.

Free cash flow before acquisitions
DKK 470 million

Total equity was DKK 13,799 million at June 30, 2023, corresponding to an equity ratio of 48.9%. This was an increase of DKK 1,306 million and 1.7 percentage points respectively compared to the total equity of DKK 12,493 million and the 47.2% equity ratio reported at June 30, 2022.

Equity ratio
48.9%

Net interest-bearing debt (NIBD) and the NIBD-to-EBITDA ratio were DKK 7,077 million and 1.2x respectively at June 30, 2023, corresponding to an increase of DKK 779 million in NIBD and a slight increase in the NIBD-to-EBITDA ratio from 1.1x at June 30, 2022.

NIBD/EBITDA
1.2x

Return on invested capital (ROIC) b.s.i. and including goodwill, was 17.0%. This was 0.5 of a percentage point lower than for the corresponding period of 2022. The decrease is in line with our expectations for the year and was mainly driven by the lower operating profit and the increase in capital invested in the first half of 2023.

ROIC incl. goodwill, before special items
17.0%

The holding of treasury stock at June 30, 2023 was 3,968,916 B shares, which was equivalent to 1.4% of the common stock.

Treasury stock
1.4%

Sales Outlook

The organic sales growth outlook is narrowed to the range of 4-6% (previous outlook at 4-7%) following a higher level of destocking and lower consumer demand than previously anticipated, mainly in food-related areas. Full-year growth is expected to be driven mainly by pricing. Positive pricing is expected across all business areas, also in the second half, whereas innovation and increased market penetration are expected to be volume supportive. As expected, growth in the first half of the year was lower, with a stronger performance expected in the second half. The outlook assumes no major changes to the current state of the global economic situation and reflects an anticipated levelling-off of destocking in the second half, mainly in the food-related areas. Sales in reported DKK are forecasted to be roughly 3 percentage points lower than the organic sales growth range expected for 2023.

Organic sales performance
4% to 6%

Household Care (organic 1% in 1H 2023) organic sales growth is expected to be supported by a combination of pricing and increased penetration in emerging markets. The outlook includes expectations that consumer down-trading will stabilize and that developed market volumes also will be stable in the second half of the year. Emerging markets are expected to continue to grow, while market penetration with solutions from the Freshness platform will continue. The full-year indication for organic sales in Household Care remains for growth in the low single digits.

Food, Beverages & Human Health (organic -6% in 1H 2023) organic sales growth is expected to be driven by Food and Human Health. Pricing, recent innovations, solutions focused on health and increased demand for quality and clean label solutions, will continue to be the main drivers. Following higher destocking and lower consumer demand, as well as Human Health being impacted by a softer North America probiotics market and supply-chain-related constraints in the first half of the year, we lower the full year indication for growth in the business area. Human Health is now expected to deliver single-digit (previously double-digit) growth for the full year. The second-half growth acceleration of the business area is based on an expected levelling off of destocking across Food and Beverages and supported by the improving North American probiotics market as well as the supply constraints impacting the first half of the year being resolved. Growth in Human Health remains driven by innovation, cross-selling, and segment expansion. The organic sales growth for the business area is now indicated at low single digit (previously high single digit).

Bioenergy (organic 27% in 1H 2023) organic sales growth is expected to be supported by pricing, market penetration enabled by innovation, capacity expansion of corn-based ethanol production in Latin America, and market penetration with enzymatic solutions for biodiesel production. Organic growth will also be supported to a degree by growing sales of solutions for 2G ethanol production. Bioenergy is now indicated to grow at a mid-teens digit rate (previously high single digit). The mid-point of the range assumes flat to slightly declining U.S. ethanol production.

Grain & Tech Processing (organic -11% in 1H 2023) organic sales growth is expected to be supported by pricing, and growth in Grain will be led by market penetration in vegetable oil processing. Tech is expected to decline, driven by significantly lower sales of enzymes for Covid-19 test kits and a soft textile market. Sales in Grain & Tech Processing are now indicated to decline by a low single-digit rate (previously low-to-mid single digit growth) especially following a slower recovery in textile than previously expected, as well as destocking effects impacting the food-related grain exposure.

Agriculture, Animal Health & Nutrition (organic 7% in 1H 2023) organic sales growth is expected to be driven by Animal Health & Nutrition, with growth supported by pricing, innovation, and higher end-market demand. For Agriculture, pricing will support growth but is not expected to fully offset the negative impact from destocking and volatile end-markets. Innovation and a more diversified commercial model continue to be enablers of increased market penetration of sustainable BioAg solutions. The indication for Agriculture, Animal Health & Nutrition is for growth at a rate in the mid-to-high single digits.

Financial outlook

For 2023, Novozymes maintains expectations of a solid EBIT margin b.s.i. of 25% to 26% (2022: 26.4%, and roughly 1 percentage point below 26.4% when excluding one-offs). Compared to 2022, the EBIT margin will benefit from price increases, sales growth, and productivity improvements. Significantly higher input costs, especially those that are energy-related, currency headwinds, and continued investments in the business as well as lower other operating income are expected to have a negative year-on-year impact. The gross margin is expected to be at a level similar to that of 2022, with the negative impact of higher energy and other input costs to be offset by price increases and productivity improvements during the year.

EBIT margin, before special items
25% to 26%

Return on invested capital (ROIC), including goodwill, b.s.i. is maintained at 16% to 17% (2022: 17.9%). Lower NOPAT and higher invested capital, mainly from acquisitions, are the main drivers of the expected year-on-year developments.

ROIC, incl. goodwill, before special items
16% to 17%

The following is provided for modeling purposes:

Special items are still expected to be in the DKK 0.3-0.7 billion range and to include costs related to the proposed combination with Chr. Hansen.

Special items
DKK 0.3 to 0.7 billion

Net financial costs are expected to be around DKK 200 million (2022: DKK 2 million income) mainly driven by hedging costs and primarily related to USD forward contracts, as well as somewhat higher interest expenses.

Net financial costs
DKK ~200 million

The effective tax rate is expected at around 23% for 2023 (2022: 19%).

Effective tax rate
~23%

Net investments are expected at DKK 2.1 to 2.4 billion (2022: DKK 2.9 billion). This reflects maintenance, optimization and expansion investments, including in new food and health-related customer co-creation centers, as well as roughly DKK 0.4 billion related to the investment in the production line for Advanced Protein Solutions in Blair, Nebraska, U.S.

Net investments
DKK 2.1 to 2.4 billion

Free cash flow (FCF) before acquisitions is expected at DKK 1.8 to 2.4 billion (2022: DKK 1.1 billion), mainly impacted by lower net investments.

FCF before acquisitions
DKK 1.8 to 2.4 billion

		2023 Outlook *** August 9	2023 Outlook *** April 26
Sales performance, organic	%	4-6	4-7
EBIT margin before special items*	%	25-26	25-26
ROIC** before special items*	%	16-17	16-17
For modeling purposes:			
Special items*	DKKbn	0.3-0.7	0.3-0.7
Net financial costs	DKKbn	~200	~200
Effective tax rate	%	~23	~23
Free cash flow before acquisitions	DKKbn	1.8-2.4	1.8-2.4
Net investments	DKKbn	2.1-2.4	2.1-2.4

*Special items include costs related to the proposed combination with Chr. Hansen.

**Including goodwill.

***Assumes constant currencies from the date of this announcement and for the remainder of the year.

Long-term financial targets

Novozymes is fully committed to its long-term targets to 2025 as they were introduced in 2021. These are: Organic sales CAGR of 5% or higher, an EBIT margin of 26% or higher, and ROIC including goodwill of 20% or higher. Following the announcement of the proposed combination with Chr. Hansen, Novozymes has recognized costs related to the combination as special items to enable transparent reporting of Novozymes' recurring activities. As such, the financial targets will exclude these costs, which will be specified separately.

	2021	2022	2023 outlook	2025 target*
Organic sales growth	6%	9%	4-6%	Grow our sales organically by a compounded annual growth rate (CAGR) of 5% or higher.
EBIT margin, before special items**	26.8%	26.4%	25-26%	26% or higher, and not below 25% in any individual year.
ROIC***, before special items**	19,3%	17,9%	16-17%	20% or higher by 2025.

* All targets assume constant currencies, no additional acquisitions or divestments beyond what has already been communicated/proposed, no major unusual items, a gradual normalization of the global economy and supply chain, and no new severe disruptions of the global economy or geopolitical environment.

** Special items include costs related to the proposed combination with Chr. Hansen

*** Including goodwill

Nonfinancial milestones, commitments, and targets

As a guide to Novozymes' journey towards achieving its long-term commitments, new nonfinancial milestones and targets have been set for 2025 on Operations and on Employees & society. Novozymes is committed to high standards and ambitious actions to improve its climate, water and waste footprint.

The nonfinancial aspect of the company combines integrated shorter-term milestones and commitments leading towards clearly defined long-term targets until 2030 as well as 2050. The net-zero target covers scopes 1, 2 and 3 emissions and has been validated by the Science Based Targets initiative¹.

Additionally, focus will be on the continued promotion of an inclusive and diverse workplace where employees can stay safe, thrive and grow.

	Targets & commitments	2025 Milestones	Long-term	
Operations	Climate	Reduce absolute CO ₂ emissions ¹	65% from operations 75% from operations by 2030 35% from supply chain by 2030 Net-zero by 2050	
		Purchase renewable electricity	100%	
	Water	Restore water in basins close to our production sites where WASH is a challenge ²	10 billion liters	30 billion liters by 2030
		Improve freshwater withdrawal by recycling more water ²	10%	15% by 2030 20% by 2035
	Circular	Zero waste to landfill from operations ³		Achieve by 2030
		Key circular projects	Two key circular projects in pilots with demonstrated benefits	Three key circular projects successfully implemented by 2030
Employees & society	Include	Women and men in senior management ⁴	≥ 35% women ≥ 45% women and 45% men by 2030	
		Women and men across all professionals ⁵	≥ 45% women ≥ 45% women and 45% men by 2030	
	Thrive & Inspire	Three-year rolling average of occupational injuries with absence ⁶	≤ 1.5	A workplace where employees stay safe, thrive and grow
		Thrive index ⁷	Achieve same score as benchmark	Pledge 1% of our time to community outreach

¹ Novozymes commits to reach net-zero GHG emissions across the value chain by 2050. Near-Term Targets: Novozymes commits to reduce absolute scopes 1 and 2 GHG emissions by 75% by 2030 from a 2018 base year. Novozymes also commits to increase annual sourcing of renewable electricity from 37% in 2018 to 100% by 2025. Novozymes further commits to reduce absolute scope 3 GHG emissions from purchased goods and services, fuel and energy-related activities, upstream transportation and distribution, waste generated in operations and business travel by 35% by 2030 from a 2018 base year. Long-Term Targets: Novozymes commits to reduce absolute scopes 1 and 2 GHG emissions by 90% by 2050 from a 2018 base year. Novozymes also commits to reduce absolute scope 3 GHG emissions from purchased goods and services, fuel and energy related activities, upstream transportation and distribution, waste generated in operations and business travel by 90% within the same timeframe. The target boundary includes biogenic emissions and removals associated with the use of bioenergy.

² From a 2021 baseline.

³ The targets do not include sites with activities not considered to have a significant environmental impact, e.g. sales offices, R&D labs, etc.

⁴ Percentage of women and men in director positions or higher (i.e. director, vice president or executive vice president).

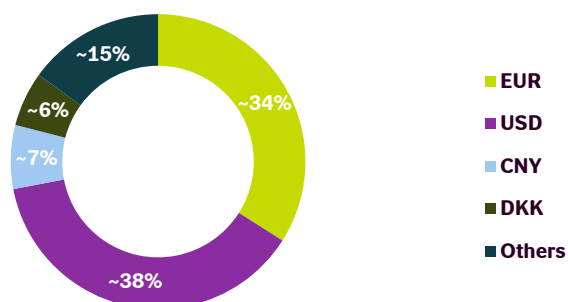
⁵ Percentage of women and men across professional, manager and senior leadership levels.

⁶ Lost-time injuries per million working hours.

⁷ Developed from specific questions in our annual employee survey.

Currency exposure

Sales by currency, 1H 2023



Other things being equal, a 5% movement in USD/DKK is expected to have an annual positive/negative impact on EBIT of around DKK 130-160 million, and a 5% movement in EUR/DKK is expected to have an annual positive/negative impact on EBIT of DKK ~200 million.

Hedging of net currency exposure and currency exchange rates

In 2022, the full currency exposure was hedged at an average rate of USD/DKK 6.29. For 2023, the exposure is fully hedged at an average rate of USD/DKK 6.96.

The 2023 outlook is based on exchange rates for the company's key currencies remaining at the closing rates on August 8 for the full year.

DKK	EUR	USD	BRL	CNY
Average exchange rate, 1H 2023	745	689	136	100
Average exchange rate, 1H 2022	744	680	134	105
Estimated average exchange rate 2023*	745	682	135	98
Estimated average exchange rate 2023 compared to 2022	0%	-4%	-1%	-6%

*At August 8, 2023.

Accounting policies

The interim report for the first half of 2023 has been prepared in accordance with IAS 34 and additional Danish regulations for the presentation of quarterly interim reports by listed companies. The interim report for the first half of 2023 follows the same accounting policies as the annual report for 2022 except for all new, amended or revised accounting standards and interpretations (IFRSs) endorsed by the EU effective for the accounting period beginning on January 1, 2023. These IFRSs have not had any impact on the Group's interim report.

Interim dividend

In connection with the merger agreement, Novozymes and Chr. Hansen agreed on certain specific restrictions in respect of distributions to their shareholders until completion of the proposed combination. The parties have agreed that Novozymes can make a dividend payout in respect of its earnings for the period January 1, 2023 to August 31, 2023, up to an amount corresponding to a dividend pay-out ratio of around 50% of adjusted net profit. The Board of Directors intends to approve such a dividend with October 17, 2023 as the pay-out date (October 12, 2023 as the last day of trading cum dividend), and the pay-out is subject to closing of the proposed combination not taking place prior to the pay-out date.

Forward-looking statements

This company announcement and its related comments contain forward-looking statements, including statements about future events, future financial performance, plans, strategies and expectations. Forward-looking statements are associated with words such as, but not limited to, "believe", "anticipate", "expect", "estimate", "intend", "plan", "project", "could", "may", "might" and other words of a similar meaning. Forward-looking statements are by their very nature associated with risks and uncertainties that may cause actual results to differ materially from expectations, both positively and negatively. Such risks and uncertainties may include unexpected developments in **i)** the ability to develop and market new products; **ii)** the demand for Novozymes' products, market-driven price decreases, industry consolidation, and launches of competing products or disruptive technologies in Novozymes' core areas; **iii)** the ability to protect and enforce the company's intellectual property rights; **iv)** significant litigation or breaches of contract; **v)** the materialization of the company's growth platforms, notably the opportunity to market biomass conversion technologies or the development of microbial solutions for broad-acre crops; **vi)** political conditions, such as acceptance of enzymes produced by genetically modified organisms; **vii)** global economic and capital market conditions, including, but not limited to, currency exchange rates (USD/DKK and EUR/DKK in particular, but not exclusively), interest rates and inflation; and **viii)** significant price decreases for inputs and materials that compete with Novozymes' biological solutions. The company undertakes no duty to update any forward-looking statements as a result of future developments or new information.

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Statement of the Board of Directors and the Executive Management

The Board of Directors and the Executive Management have considered and approved the interim report of Novozymes A/S for the first half of 2023. This interim report has not been audited or reviewed by the company's independent auditor.

The interim report for the first half of 2023 has been prepared in accordance with International Financial Reporting Standards and IAS 34 as adopted by the EU, and further requirements of the Danish Financial Statements Act for the presentation of quarterly interim reports by listed companies.

In our opinion, the accounting policies applied are appropriate, the Group's internal controls relevant for the preparation and presentation of this Group financial statement are adequate, and this Group financial statement gives a true and fair view of the development in the Group's activities and business and of the Group's assets, liabilities, net profit and financial position at June 30, 2023, and of the results of the Group's operations and cash flows for the first half of 2023. Other than as disclosed in the interim report for the first half of 2023, no changes in the Group's most significant risks and uncertainties have occurred relative to what was disclosed in the annual report for 2022.

Bagsvaerd, August 9, 2023

EXECUTIVE MANAGEMENT

Ester Baiget
President & CEO

Lars Green
CFO

BOARD OF DIRECTORS

Cornelis (Cees) de Jong
Chair

Kim Stratton
Vice Chair

Anne Breum

Heine Dalsgaard

Sharon James

Anders Hentze Knudsen

Kasim Kutay

Preben Nielsen

Morten Alexander Sommer

Jens Øbro

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Appendix 1 Main items and key figures

1.1 Key figures

DKK million	1H 2023	1H 2022	% change	Q2 2023	Q2 2022	% change
Revenue	8,840	8,657	2%	4,217	4,286	(2)%
Gross profit	4,839	4,806	1%	2,336	2,379	(2)%
Gross margin	54.7%	55.5%		55.4%	55.5%	
EBITDA	2,691	2,990	(10)%	1,200	1,487	(19)%
EBITDA margin	30.4%	34.5%		28.5%	34.7%	
Operating profit (EBIT) before special items*	2,211	2,252	(2)%	1,011	1,110	(9)%
EBIT margin before special items*	25.0%	26.0%		24.0%	25.9%	
Operating profit (EBIT)	1,999	2,252	(11)%	865	1,110	(22)%
EBIT margin	22.6%	26.0%		20.5%	25.9%	
Share of result in associates	(4)	(3)		1	(2)	
Net financials	(157)	(126)		(68)	(61)	
Profit before tax	1,838	2,123	(13)%	798	1,047	(24)%
Tax	(423)	(467)	(9)%	(184)	(230)	(20)%
Net profit	1,415	1,656	(15)%	614	817	(25)%
Earnings per DKK 2 share	5.02	5.92	(15)%	2.19	2.92	(25)%
Earnings per DKK 2 share (diluted)	5.00	5.87	(15)%	2.18	2.90	(25)%
Net investments excl. acq.	974	1,233	(21)%	547	844	(35)%
Free cash flow before net acq. and purchase of financial assets	470	969	(51)%	583	583	0%
ROIC** before special items*	17.0%	17.5%				
ROIC**	15.9%	17.5%				
Net interest-bearing debt	7,077	6,298				
Equity ratio	48.9%	47.2%				
Return on equity	26.9%	27.0%				
Debt-to-equity	51.3%	50.4%				
NIBD / EBITDA	1.2	1.1				
Number of employees	6,852	6,657				

* Special items include costs related to the proposed combination of Novozymes and Chr. Hansen.

** Including goodwill.

	Jun. 30, 2023	Jun. 30, 2022
Novozymes' stock		
Common stock (million)	281.0	281.0
Net worth per share (DKK)	47.64	43.06
Denomination of share (DKK)	2.00	2.00
Nominal value of common stock (DKK million)	562.0	562.0
Treasury stock (million)	4.0	4.7

1.2 Income statement

DKK million	1H 2023	1H 2022	Q2 2023	Q2 2022
Revenue	8,840	8,657	4,217	4,286
Cost of goods sold	(4,001)	(3,851)	(1,881)	(1,907)
Gross profit	4,839	4,806	2,336	2,379
Sales and distribution costs	(1,233)	(1,137)	(594)	(552)
Research and development costs	(1,032)	(991)	(515)	(498)
Administrative costs	(482)	(457)	(231)	(238)
Other operating income, net	119	31	15	19
Operating profit (EBIT) before special items	2,211	2,252	1,011	1,110
Special items	(212)	-	(146)	-
Operating profit (EBIT)	1,999	2,252	865	1,110
Share of result in associates	(4)	(3)	1	(2)
Net financials	(157)	(126)	(68)	(61)
Profit before tax	1,838	2,123	798	1,047
Tax	(423)	(467)	(184)	(230)
Net profit	1,415	1,656	614	817
Attributable to				
Shareholders in Novozymes A/S	1,390	1,641	606	809
Non-controlling interests	25	15	8	8
Specification of net financials				
Foreign exchange gain/(loss), net	(53)	(128)	(17)	(82)
Interest income/(costs)	(64)	(21)	(38)	(11)
Other financial items	(40)	23	(13)	32
Net financials	(157)	(126)	(68)	(61)
Earnings per DKK 2 share	5.02	5.92	2.19	2.92
Average no. of A/B shares outstanding (million)	277.0	277.1	277.0	277.0
Earnings per DKK 2 share (diluted)	5.00	5.87	2.18	2.90
Average no. of A/B shares, diluted (million)	277.9	279.4	277.9	279.4

1.3 Statement of comprehensive income

DKK million	1H 2023	1H 2022	Q2 2023	Q2 2022
Net profit	1,415	1,656	614	817
Currency translation of subsidiaries and non-controlling interests	(325)	704	(124)	433
Currency translation adjustments	(325)	704	(124)	433
Fair value adjustments	(25)	(157)	(4)	(134)
Tax on fair value adjustments	6	35	1	30
Cash flow hedges reclassified to cost of good sold	57	-	35	-
Cash flow hedges reclassified to financial costs	12	109	(15)	61
Tax on reclassified fair value adjustments	(16)	(24)	(5)	(13)
Cash flow hedges	34	(37)	12	(56)
Other comprehensive income	(291)	667	(112)	377
Comprehensive income	1,124	2,323	502	1,194
Attributable to				
Shareholders in Novozymes A/S	1,101	2,307	495	1,185
Non-controlling interests	23	16	7	9

Appendix 2 Distribution of sales

2.1 Business areas

DKK million	2023 1H	2022 1H	% change	% currency impact	% M&A impact	% organic growth
Consumer Biosolutions						
Household Care	2,457	2,458	0	(1)	0	1
Food, Beverages & Human Health	1,967	2,103	(6)	0	0	(6)
Agriculture & Industrial Biosolutions						
Bioenergy	2,108	1,671	26	(1)	0	27
Grain & Tech Processing	1,145	1,347	(15)	(3)	(1)	(11)
Agriculture, Animal Health & Nutrition	1,163	1,078	8	1	0	7
Sales	8,840	8,657	2	(1)	0	3

DKK million	2023 Q2	2022 Q2	% change	% currency impact	% M&A impact	% organic growth
Consumer Biosolutions						
Household Care	1,200	1,228	(2)	(2)	0	0
Food, Beverages & Human Health	951	1,004	(5)	(2)	0	(3)
Agriculture & Industrial Biosolutions						
Bioenergy	1,060	874	21	(5)	0	26
Grain & Tech Processing	546	679	(20)	(4)	(2)	(14)
Agriculture, Animal Health & Nutrition	460	501	(8)	(1)	0	(7)
Sales	4,217	4,286	(2)	(4)	0	2

DKK million	2023		2022				% change Q2/Q2
	Q2	Q1	Q4	Q3	Q2	Q1	
Consumer Biosolutions							
Household Care	1,200	1,257	1,230	1,300	1,228	1,230	(2)
Food, Beverages & Human Health	951	1,016	1,051	980	1,004	1,099	(5)
Agriculture & Industrial Biosolutions							
Bioenergy	1,060	1,048	1,060	1,017	874	797	21
Grain & Tech Processing	546	599	634	626	679	668	(20)
Agriculture, Animal Health & Nutrition	460	703	554	444	501	577	(8)
Sales	4,217	4,623	4,529	4,367	4,286	4,371	(2)

2.2 Geography

DKK million	2023 1H	2022 1H	% change	% currency impact	% M&A impact	% organic growth
Europe, Middle East & Africa	3,127	3,102	1	0	0	1
North America	2,964	2,781	7	1	0	6
Asia Pacific	1,650	1,807	(9)	(4)	0	(5)
Latin America	1,099	967	14	(2)	0	16
Sales	8,840	8,657	2	(1)	0	3
Developed markets	5,760	5,482	5	0	0	5
Emerging markets	3,080	3,175	(3)	(3)	0	0
Sales	8,840	8,657	2	(1)	0	3

DKK million	2023 Q2	2022 Q2	% change	% currency impact	% M&A impact	% organic growth
Europe, Middle East & Africa	1,462	1,469	0	(1)	0	1
North America	1,422	1,395	2	(3)	0	5
Asia Pacific	791	913	(13)	(6)	0	(7)
Latin America	542	509	6	(6)	0	12
Sales	4,217	4,286	(2)	(4)	0	2
Developed markets	2,718	2,688	1	(2)	0	3
Emerging markets	1,499	1,598	(6)	(5)	0	(1)
Sales	4,217	4,286	(2)	(4)	0	2

DKK million	2023		2022				% change
	Q2	Q1	Q4	Q3	Q2	Q1	Q2/Q2
Europe, Middle East & Africa	1,462	1,665	1,504	1,489	1,469	1,633	0
North America	1,422	1,542	1,583	1,465	1,395	1,386	2
Asia Pacific	791	859	916	843	913	894	(13)
Latin America	542	557	526	570	509	458	6
Sales	4,217	4,623	4,529	4,367	4,286	4,371	(2)
Developed markets	2,718	3,042	2,882	2,748	2,688	2,794	1
Emerging markets	1,499	1,581	1,647	1,619	1,598	1,577	(6)
Sales	4,217	4,623	4,529	4,367	4,286	4,371	(2)

Appendix 3 Statement of cash flows

3.1 Statement of cash flows

DKK million	1H 2023	1H 2022	Q2 2023	Q2 2022
Net profit	1,415	1,656	614	817
Reversals of non-cash items	1,102	1,413	538	694
Tax paid	(235)	(345)	(75)	(60)
Interest received	17	5	9	2
Interest etc. paid	(55)	(25)	(32)	(10)
Cash flow before change in working capital	2,244	2,704	1,054	1,443
Change in working capital				
(Increase)/decrease in receivables and contract assets	(94)	(121)	168	155
(Increase)/decrease in inventories	(181)	(416)	(119)	(357)
Increase/(decrease) in payables, deferred income and contract liabilities	(537)	35	21	194
Currency translation adjustments	12	-	6	(8)
Cash flow from operating activities	1,444	2,202	1,130	1,427
Investments				
Purchase of intangible assets	(45)	(41)	(32)	(31)
Sale of intangible assets	1	-	-	-
Sale of property, plant and equipment	2	1	2	-
Purchase of property, plant and equipment	(932)	(1,193)	(517)	(813)
Cash flow from investing activities before acquisitions, divestments and purchase of financial assets	(974)	(1,233)	(547)	(844)
Free cash flow before acquisitions, divestments, purchase and sale of financial assets	470	969	583	583
Business acquisitions, divestments and purchase and sale of financial assets	(70)	(77)	(158)	(22)
Free cash flow	400	892	425	561
Financing				
Borrowings	2,444	1,890	49	800
Repayment of borrowings	(1,162)	(846)	(285)	(726)
Overdraft facilities, net	8	90	100	(123)
Repayment of lease liabilities	(64)	(58)	(31)	(30)
Shareholders:				
Purchase of treasury stock	-	(500)	-	(360)
Sale of treasury stock	80	90	9	40
Dividend paid	(1,663)	(1,525)	(1)	(1)
Withheld dividend tax	-	-	(297)	(267)
Cash flow from financing activities	(357)	(859)	(456)	(667)
Net cash flow	43	33	(31)	(106)
Unrealized gain/(loss) on currencies and financial assets, included in cash and cash equivalents	(36)	17	(21)	22
Change in cash and cash equivalents, net	7	50	(52)	(84)
Cash and cash equivalents - Beginning of period	1,041	963	1,100	1,097
Cash and cash equivalents at June 30	1,048	1,013	1,048	1,013

Undrawn committed credit facilities at June 30, 2023 were DKK 5,130 million.

Appendix 4 Balance sheet and Statement of equity

4.1 Balance sheet, Assets

DKK million	Jun. 30, 2023	Jun. 30, 2022	Dec. 31, 2022
Goodwill	1,997	2,081	2,007
Acquired patents, licenses and know-how	2,189	2,541	2,307
Completed IT development projects	176	223	204
IT development projects in progress	202	122	180
Intangible assets	4,564	4,967	4,698
Land and buildings	3,938	4,101	3,999
Plant and machinery	3,890	4,389	4,151
Other equipment	969	1,045	1,028
Assets under construction and prepayments	3,538	1,719	2,896
Property, plant and equipment	12,335	11,254	12,074
Deferred tax assets	1,617	1,565	1,623
Other financial assets (non-interest-bearing)	89	86	92
Investment in associates	219	26	223
Other receivables	30	37	32
Non-current assets	18,854	17,935	18,742
Raw materials and consumables	544	518	603
Goods in progress	1,417	1,187	1,333
Finished goods	2,001	1,761	1,867
Inventories	3,962	3,466	3,803
Trade receivables	3,645	3,395	3,454
Contract assets	121	67	151
Tax receivables	268	263	352
Other receivables	267	292	360
Receivables	4,301	4,017	4,317
Other financial assets (non-interest-bearing)	63	64	80
Cash and cash equivalents	1,048	1,013	1,041
Current assets	9,374	8,560	9,241
Assets	28,228	26,495	27,983

4.2 Balance sheet, Liabilities

DKK million	Jun. 30, 2023	Jun. 30, 2022	Dec. 31, 2022
Common stock	562	562	562
Currency translation adjustments	(191)	695	132
Cash flow hedges	115	(69)	81
Retained earnings	12,900	10,911	13,062
Equity attributable to shareholders in Novozymes A/S	13,386	12,099	13,837
Non-controlling interests	413	394	391
Total equity	13,799	12,493	14,228
Share purchase liability	792	775	760
Deferred tax liabilities	1,737	1,381	1,653
Provisions	116	152	119
Contingent consideration	-	218	224
Deferred income	103	107	129
Other financial liabilities (interest-bearing)	4,573	3,864	3,619
Non-current lease liabilities	272	343	288
Non-current liabilities	7,593	6,840	6,792
Other financial liabilities (interest-bearing)	3,158	2,976	2,818
Other financial liabilities (non-interest-bearing)	61	197	101
Lease liabilities	122	128	123
Provisions	12	26	10
Contingent consideration	232	377	158
Trade payables	1,321	1,597	1,869
Contract liabilities	84	114	94
Deferred income	60	25	44
Tax payables	377	510	326
Other payables	1,409	1,212	1,420
Current liabilities	6,836	7,162	6,963
Liabilities	14,429	14,002	13,755
Liabilities and equity	28,228	26,495	27,983

4.3 Statement of shareholders' equity

DKK million	Attributable to shareholders in Novozymes A/S				Total	Non-controlling interests	Total
	Common stock	Currency translation adjustments	Cash flow hedges	Retained earnings			
Equity at January 1, 2023	562	132	81	13,062	13,837	391	14,228
Net profit for the period				1,390	1,390	25	1,415
Other comprehensive income for the period		(323)	34		(289)	(2)	(291)
Total comprehensive income for the period		(323)	34	1,390	1,101	23	1,124
Sale of treasury stock				80	80		80
Dividend				(1,662)	(1,662)	(1)	(1,663)
Stock-based payment				80	80		80
Non-controlling interests and share purchase liability				(32)	(32)	-	(32)
Tax related to equity items				(18)	(18)		(18)
Changes in equity	-	(323)	34	(162)	(451)	22	(429)
Equity at June 30, 2023	562	(191)	115	12,900	13,386	413	13,799
Equity at January 1, 2022	564	(8)	(32)	11,303	11,827	379	12,206
Net profit for the period				1,641	1,641	15	1,656
Other comprehensive income for the period		703	(37)		666	1	667
Total comprehensive income for the period		703	(37)	1,641	2,307	16	2,323
Purchase of treasury stock				(500)	(500)		(500)
Sale of treasury stock				90	90		90
Write-down of common stock	(2)			2	-		-
Dividend				(1,524)	(1,524)	(1)	(1,525)
Stock-based payment				50	50		50
Non-controlling interests and share purchase liability				(58)	(58)	-	(58)
Tax related to equity items				(93)	(93)		(93)
Changes in equity	(2)	703	(37)	(392)	272	15	287
Equity at June 30, 2022	562	695	(69)	10,911	12,099	394	12,493

Appendix 5 Miscellaneous

5.1 Publicly announced product launches in 2023

In the first half, six new products were launched of which three were in Q2. Of the six products, two were public.

Product	Description	Sustainability benefit*
MenaquinGold™	MenaquinGold™ is a natural, fermentation-based vitamin K2-7 that helps our customers elevate their product health potential. Vitamin K2-7 plays a unique role in transporting calcium from the blood to bones and is for these reasons, recognized as supporting bone and cardiovascular health, amongst other health benefits. MenaquinGold™ can help customers leverage these benefits in various formats, including supplements, food, and beverage products.	In addition to providing several key health benefits, Novozymes' unique plant-based fermentation process uses fewer raw materials, less energy, less water, and fewer solvents than alternative production processes.
Protide® L	Protide® L is a natural protease that helps customers elevate the nutritional value of their feed ingredients as well as save cost during production. With this innovation, it will now be possible to improve protein absorption and therefore increase nutritional value, as well as broaden the choice of feed ingredients through enzymatic hydrolysis.	Protide® L contributes to sustainable development by turning agricultural by products into feed resources and increasing the nutritional value of feed. Additionally, the enzymatic hydrolysis process allows our customers to use less harsh chemicals in their production process.

** The sustainability benefits are based on quantitative and/or qualitative evaluations. Novozymes does not have quantifiable data or documentation to verify the benefits of all product launches.*

5.2 Company announcements made in the 2023 financial year

(Excluding Management's trading in the Novozymes stock, major shareholder announcements and stock buyback status)

January 25, 2023	Proposal of candidates to the Board of Directors
January 26, 2023	Group financial statement for 2022
March 2, 2023	Resolutions from Novozymes A/S' Annual Shareholders' Meeting 2023
March 8, 2023	Publication of exemption document in relation to the proposed combination of Novozymes and Chr. Hansen, confirmation of outlook for 2023 and proposed candidates to the Board of Directors of the combined company
March 30, 2023	Combination between Novozymes and Chr. Hansen approved by the Novozymes shareholders
March 30, 2023	Resolutions from Novozymes A/S' Extraordinary Shareholders' Meeting 2023
April 26, 2023	Interim report for Q1 2023
May 4, 2023	Change to the Executive Leadership Team