



## **Novozymes adds a broad product portfolio and an attractive position in the North American probiotics market with the acquisition of Microbiome Labs**

**By acquiring Microbiome Labs, Novozymes adds a broad range of proprietary microbiome solutions to its Human Health activities. The acquisition also creates an attractive entry point into the North American probiotics market accessed through the company's network of healthcare practitioners. This is Novozymes' second human health-related acquisition in 2020 and a key step in building the OneHealth platform.**

Microbiome Labs was founded in 2012, employs 80 people, and is based in Glenview, Illinois. The company offers a comprehensive suite of proprietary probiotic and microbiome solutions targeting gastrointestinal, immune, metabolic, and cognitive health. The solutions are marketed under both the company's own supplement brands and in private label products. The branded products are sold exclusively through the company's access to an extensive network of healthcare practitioners predominately consisting of medical doctors, nutritionists, and naturopaths.

"I am very pleased to announce the acquisition of Microbiome Labs and to welcome them to Novozymes. Over the span of just a few years, the team at Microbiome Labs has built a solid market position and become a key opinion leader on the microbiome in the consumer health industry. The company's strong product portfolio and position with healthcare practitioners is a very good fit with our strategy of winning through scientifically-proven solutions with specific health benefits", said Ester Baiget, President and CEO of Novozymes. She continued: "The complimentary strategic fit between Microbiome Labs and our activities in OneHealth ensures a strong foundation for future growth".

Novozymes has established the OneHealth platform to focus on human health applications within oral and gut health. The ambition for OneHealth is to leverage Novozymes's strong scientific capabilities and ability to combine probiotics with enzymes to develop innovative, effective, and clinically-proven solutions that improve human health and well-being.

The acquisition of Microbiome Labs gives Novozymes broader access to the DKK ~40 billion global market for human probiotics supplements and more specifically a well-established entry point into the important North American market, which is valued at DKK ~15 billion and expected to grow at a high-single-digit rate over the next three to five years.

Novozymes is acquiring 100% of the equity in Microbiome Labs for an up-front cash payment of DKK ~780 million (USD 125 million) on a cash and debt-free basis. The share purchase agreement includes an earn-out model with a potential maximum pay-out of ~100% of the up-front cash payment. The earn-out model is contingent on very ambitious sales targets being achieved in 2022. The transaction is financed by cash and bank facilities and does not change the capital structure policy of Novozymes. The transaction is expected to close in the first half of January 2021, and it is not subject to any antitrust filings.

Microbiome Labs is delivering double-digit sales growth in 2020 resulting in revenue of DKK ~250 million (USD ~40 million) with a positive cash flow and an EBIT margin slightly lower than Novozymes' EBIT margin. The acquisition will have a negative effect in 2021 of roughly 0.5 percentage point on both Novozymes' EBIT margin and ROIC including goodwill due to higher amortization and invested capital. The acquisition is expected to be EPS accretive by 2022.

**December 18, 2020**  
Company announcement  
no. 65

**Novozymes A/S**  
Krogshoejvej 36  
2880 Bagsvaerd  
Denmark

Phone: +45 4446 0000  
[www.novozymes.com](http://www.novozymes.com)

---

### **About Novozymes**

Novozymes is the world leader in biological solutions. Together with customers, partners and the global community, we improve industrial performance while preserving the planet's resources and helping to build better lives. As the world's largest provider of enzyme and microbial technologies, our bioinnovation enables higher agricultural yields, low-temperature washing, energy-efficient production, renewable fuel and many other benefits that we rely on today and in the future. We call it Rethink Tomorrow. [www.novozymes.com](http://www.novozymes.com)

**Novozymes A/S**  
Krogshoejvej 36  
2880 Bagsvaerd  
Denmark

Phone: +45 4446 0000

## Contact information

---

### Investor Relations

Tobias Bjorklund	+45 3077 8682	tobb@novozymes.com
Carl Ahlgren	+1 919 702 6144	cxal@novozymes.com
Ulrik Wu Svare	+45 3077 3187	ulms@novozymes.com

### Media Relations

Lina Danstrup	+45 3077 0552	likr@novozymes.com
---------------	---------------	--------------------