



## Novozymes reaches a strategic milestone in the implementation of its strategy with a significant entry into Advanced Protein Solutions

Advanced Protein Solutions is a strategic opportunity area in Novozymes and builds on a powerful portfolio of biotech solutions in the food and beverage areas. The investment follows the agreement by Novozymes to enter a long-term contract with an anchor customer and key player in the plant-based industry and delivers on Novozymes' stated purpose of creating better lives in a growing world, by feeding the world sustainably.

With the investment in a new state of the art production line in Blair, Nebraska, Novozymes takes a significant step forward in enabling sustainable nutrition for the world. The company is strengthening its commitment to serving the alternative protein market, marking an important milestone in Novozymes' strategy, Better Business with Biology.

**Ester Baiget, CEO, Novozymes;** *"At a time of accelerating demand across the protein space, Novozymes can unlock significant value by building on decades of experience with fermented catalytic proteins. Being a biotech powerhouse allows us to produce high-quality, novel ingredients for our customers, efficiently and sustainably. Realizing the importance of rethinking how we meet an increasing demand for sustainable proteins, Novozymes is executing on its commitment to the strategic opportunity area Advanced Protein Solutions by investing DKK 2 billion in one of the fastest growing segments of the food industry. Together with our customers, we look forward to making a meaningful impact towards feeding the world sustainably."*

Consumers are embracing plant-based products, including plant-based meat, which in 2020 was the fastest growing retail category in the U.S. at 46% growth. According to market estimates, global plant-based meat could increase from 1% to 2-5% penetration rate of total meat consumption volume by 2025.

### Financial impact

The capital investment of roughly DKK 2 billion will span over the period 2021-2023, with a start later this year and expected completion towards the end of 2023. While the majority of the investment activities are planned for 2022 and 2023, approximately DKK 300 million is expected in 2021, impacting net investments and free cash flow before acquisitions for the year.

Novozymes' investment is expected to become a significant contributor to organic sales growth from 2024 onwards and is expected to be accretive to both EBIT margin, ROIC including goodwill and EPS from 2025. Within five years from commencing production, Novozymes total strategic opportunity area of Advanced Protein Solutions is expected to reach at least DKK 1 billion in sales.

During the construction and ramp-up of the facility (2022-2024), the investment is projected to have a modest negative impact on EBIT margin and negative impact on both ROIC including goodwill and free cash flow before acquisitions following higher net investments.

August 12, 2021

Company announcement  
no. 40

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### 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)

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**Conference call**

Further details related to the announcement will be discussed at Novozymes' upcoming [1H 2021 conference call](#), held on August 12, at 9:00 a.m. CEST.

## Contact information

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