



Improvements in second half and Q4 with the year challenged mainly by difficult agricultural markets. Stronger performance expected in 2020

Organic sales performance of -1% (Q4 +1%) in 2019. Household Care +1% (Q4 +5%), Food & Beverages -1% (Q4 +2%), Bioenergy -3% (Q4 +2%), Agriculture & Feed -5% (Q4 -9%), Tech. & Pharma -3% (Q4 -4%). EBIT margin 28.1% (~26% underlying). Net profit decline of 2%. Free cash flow before acquisitions DKK 2.2 billion.

January 23, 2020

Group financial statement for 2019.
Company announcement no. 1

Peder Holk Nielsen, President & CEO: *“Despite sales improving in the second half of the year, our 2019 performance was not satisfactory. Our ag-exposed businesses were volatile and did poorly, whereas Household Care showed healthy signs of recovery in the third and fourth quarters. 2019 was also a year of change, with the launch of our strategy ‘Better business with biology’. Driven by innovation, broader commercial presence and a stronger focus on execution and follow-up, we expect to do better in 2020. Nevertheless, we are cautious about the volatile ag-exposed businesses”.*

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Highlights 12M 2019:

- Organic sales performance -1% (Q4 +1%) and 0% in DKK (Q4 0%)
- Household Care delivered according to expectations set out at the beginning of the year
- Bioenergy, BioAg, and Food & Beverages negatively impacted by weak agricultural markets
- Organic sales in both developed and emerging markets declined by 1%
- Nine new broad market launches and an additional eleven customer specific launches
- EBIT margin of 28.1% (~26% underlying) and net profit decline of 2%
- Free cash flow before acquisitions: DKK 2.2 billion; net investments excl. acq.: DKK 1.0 billion
- Proposed dividend of 5.25 DKK/share. 5% growth in dividend and 46.8% payout ratio
- Proposal to elect Mr. Heine Dalsgaard, CFO of Carlsberg, to the Board of Directors at the Annual Shareholders’ Meeting to be held on February 26

	Outlook Oct. 23 12M 2019	12M 2019	12M 2018	Q4 2019	Q4 2018
Sales performance, organic	-2-0%	-1%	4%	1%	2%
EBIT margin	27-28%	28.1%	28.3%	29.6%	28.4%
Net profit growth	-5-0%	-2%	3%	10%	5%
Net investments excl. acquisitions, DKKbn	0.8-1.0	1.0	1.4	0.4	0.5
Free cash flow before acquisitions, DKKbn	1.9-2.3	2.2	2.3	0.2	0.3
ROIC, incl. goodwill	~21%	21.1%	24.2%	24.4%	24.7%

2020 outlook: Organic sales growth of 1-5% reflecting solid new product performance but uncertainty remains about agricultural markets. EBIT margin at ~27% and ROIC incl. goodwill expected at 20-21%. FCF before acquisitions is expected at DKK 2.5-2.9 billion and decision made to initiate a stock buyback program for up to a total of DKK 1.5 billion.

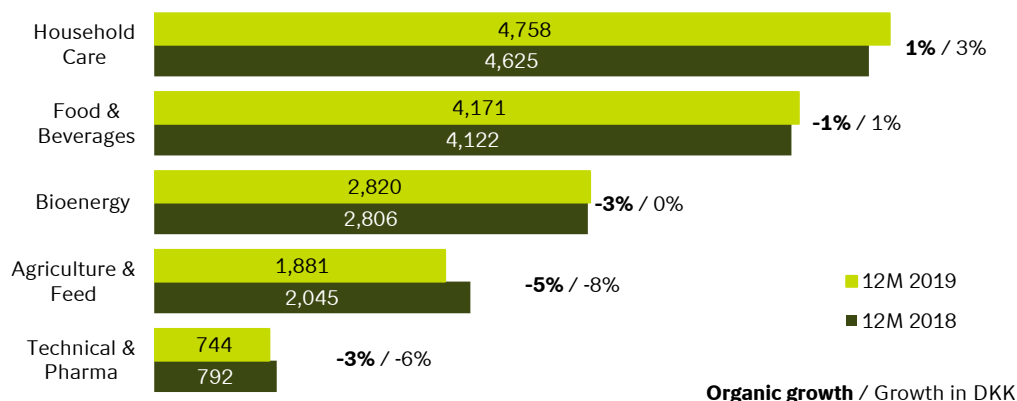
Selected key data

	12M 2019	12M 2018	Q4 2019	Q4 2018
Sales performance, organic	-1%	4%	1%	2%
Household Care	1%	0%	5%	1%
Food & Beverages	-1%	5%	2%	7%
Bioenergy	-3%	12%	2%	5%
Agriculture & Feed	-5%	3%	-9%	-3%
Technical & Pharma	-3%	-6%	-4%	-5%
Sales, DKKm	14,374	14,390	3,731	3,714
Sales growth, DKK	0%	-1%	0%	1%
Gross margin	55.3%	57.4%	55.7%	57.1%
EBITDA, DKKm	5,292	5,158	1,426	1,377
EBIT, DKKm	4,039	4,070	1,103	1,056
EBIT margin	28.1%	28.3%	29.6%	28.4%
Net profit, DKKm	3,155	3,227	922	837
Net profit growth	-2%	3%	10%	5%
Net investments excl. acquisitions, DKKm	991	1,388	418	501
Free cash flow (FCF) before acquisitions, DKKm	2,205	2,291	154	311
NIBD/EBITDA (x)	0.8	0.5	0.7	0.5
ROIC, incl. goodwill	21.1%	24.2%	24.4%	24.7%
EPS, DKK	11.06	11.11	3.27	2.91
EPS (diluted), DKK	11.01	11.03	3.25	2.89
Avg. USD/DKK	667	631	675	654

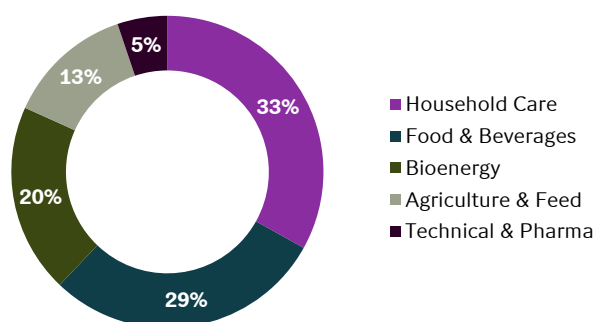
Sales by business area

Sales in DKK million and organic/DKK growth rates, 12M year-on-year (y/y)

Total sales 12M y/y
Organic: -1%
DKK: 0%



Distribution of sales by business area, 12M 2019



Household Care

Sales in Household Care grew 5% organically in the fourth quarter and 1% for the year. Sales reported in DKK grew 6% in the fourth quarter and 3% for the full-year.

Household Care 12M y/y
Organic: 1%
DKK: 3%

Growth in the fourth quarter was attributable to the continued rollout of the Freshness platform and solid growth with local customers. Sales grew in all major regions, but performance was particularly good in China, India, Europe and the Americas.

The sales performance in 2019 benefitted from solid growth with local customers and the negative trend in business with large global customers subsiding. The commercial rollout of the Freshness platform progressed as planned and key innovation milestones were achieved. Freshness was predominately a second half sales growth contributor. Growth with local customers primarily came from increased enzyme penetration and sales in developed markets grew moderately in 2019. Sales in emerging markets declined, as strong growth in India throughout the year was offset by the weaker Chinese market early in the year and the annualization of negative impact from the Middle East. The negative impact from the Middle East was another reason for the shifting sales performance from a slight decline in the first six months to solid growth in the back half of the year.

Food & Beverages

Organic sales in Food & Beverages grew 2% in the fourth quarter and declined 1% for the year. Sales reported in DKK grew 3% in the fourth quarter and 1% for the full-year.

Food & Beverages 12M y/y

Organic: -1%
DKK: 1%

The fourth quarter marked the second straight quarter of growth following a demanding first half of 2019. Growth in the fourth quarter was driven by baking and food & nutrition while starch and beverages declined slightly. Baking showed particularly strong performance with easing pressure from price adjustments in fresh-keeping and the difficult Middle East markets in the base comparison.

Growth in the second half of the year was not enough to offset the weak start to the year. 2019 was a difficult year in the starch processing business due to adverse commodity prices in China and severe weather conditions in the US Midwest. However, there was strong demand for Frontia®, the recently launched grain milling solution. Food & nutrition contributed positively to growth with strong demand for protein ingredients and plant extraction solutions as well as for Saphera® in dairy. Baking ended the year flat, while sales in beverages grew moderately.

Bioenergy

In 2019, sales in Bioenergy declined 3% organically and was flat in reported DKK. In the fourth quarter, sales grew by 2% organically and 4% in DKK y/y.

Bioenergy 12M y/y

Organic: -3%
DKK: 0%

The business was negatively impacted by severe weather conditions in the US Midwest with Novozymes' ethanol customers pulling back more than the industry average as reported by the EIA (US Energy Information Administration). Further, the North American market was impacted by low ethanol production margins, elevated inventories and fewer export opportunities. The continued capacity expansion of starch-based ethanol production in Latin America and the penetration of Novozymes' new yeast platform contributed positively to the performance.

In the fourth quarter, sales grew by 2% organically compared to the same period last year. US-produced ethanol volumes declined less in the quarter than in the preceding nine months and the continued expansion of starch-based ethanol production in Latin America benefitted growth.

Agriculture & Feed

In 2019, sales in Agricultural & Feed declined 5% organically and by 8% in reported DKK. Fourth-quarter sales declined by 9% organically and by 15% in reported DKK compared with the same period last year.

Agriculture & Feed 12M y/y

Organic: -5%
DKK: -8%

Weak US farm economics impacted the business negatively in 2019, and the effect was further amplified by severe weather conditions in the US Midwest. In April, the negotiations with Bayer were concluded and the new BioAg setup was announced. BioRise, the new inoculant for upstream corn launched in partnership with Bayer, has been well received by the market and contributed positively to growth. Our solutions for other crops, mainly soy, were more challenged. Feed were flat and was supported by Balancius™ for improved gut health in poultry while performance in animal nutrition was soft.

In the fourth quarter, BioAg declined mainly due to difficult markets, also in Latin America. Overall, absolute sales in the fourth quarter for Agriculture & Feed was roughly on par with the previous quarter.

Novozymes recognized DKK 24 million (Q4 DKK 0 million) of deferred income as revenue in 2019, compared with DKK 169 million in 2018 (Q4 DKK 60 million). The remaining balance of DKK 287 million was recognized as other operating income in the second quarter, and there is no longer any deferred income related to The BioAg Alliance on the balance sheet.

Technical & Pharma

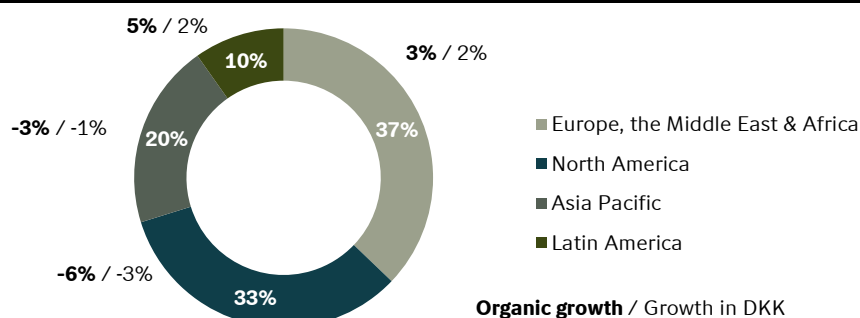
Sales in Technical & Pharma declined 4% organically in the fourth quarter and 3% for the year. Sales reported in DKK declined 10% in the fourth quarter and 6% for the full-year. Sales in the textile business declined as production in the industry shifted from China, where enzyme utilization is higher, to areas with lower enzyme usage.

Technical & Pharma 12M y/y

Organic: -3%
DKK: -6%

Sales by geography

Distribution of sales by geography, 12M 2019



Novozymes' sales grew 1% organically year-over-year in the fourth quarter driven by 5% growth in emerging markets, whereas sales in developed markets declined 1%. The weakness in developed markets was due to difficult market conditions for Bioenergy and Agriculture & Feed while sales in Household Care and Food & Beverages grew. The solid growth in emerging markets was primarily driven by very strong growth in Bioenergy in Latin America.

For the full-year, organic sales declined 1% year-over-year in both developed and emerging markets and consequently also for Novozymes overall. The sales performance in developed markets was affected by weak performance in Bioenergy, which more than outweighed the moderate growth in both Household Care and Food & Beverages. Emerging markets were generally challenged across business areas with the exception of Bioenergy, which performed very well.

Europe, the Middle East & Africa

Sales grew 5% organically in the fourth quarter and 3% for the year. Moderate growth in Household Care and Food & Beverages paired with strong growth in Agriculture & Feed shaped the good performance both in the quarter and for 2019 overall. Bioenergy and Technical & Pharma were down slightly in 2019.

Europe, the Middle East & Africa 12M y/y

Organic: 3%
DKK: 2%

North America

Difficult market conditions for Bioenergy and Agriculture & Feed had a negative impact on the overall sales performance in North America. Organic sales consequently declined 8% in the fourth quarter and 6% for the year. Sales in Household Care, Food & Beverages and Technical & Pharma grew both in the fourth quarter and for the full-year.

North America 12M y/y

Organic: -6%
DKK: -3%

Asia Pacific

Organic sales grew 1% year-over-year in the fourth quarter as growth in Household Care, Bioenergy and Agriculture & Feed somewhat outweighed weakness in Food & Beverages. However, the positive fourth quarter performance was not enough to reverse the negative developments of the first nine months of the year. Sales in Asia Pacific declined 3% organically for the year as performance in Food & Beverages was curbed by weakness in starch processing and the negative effects from the Middle East.

Asia Pacific 12M y/y

Organic: -3%
DKK: -1%

Latin America

Sales in Latin America grew 19% in the fourth quarter and 5% for the year. While Agriculture & Feed was negative, the very good performance in both the quarter and for the full-year was primarily driven by Bioenergy as more corn-based ethanol capacity came online during the year.

Latin America 12M y/y

Organic: 5%
DKK: 2%

Income statement

Total costs excluding net financials, share of losses in associates and taxes amounted to DKK 10,335 million in 2019. This was an increase of DKK 15 million compared with 2018.

Total costs
+0.1%

The gross margin in 2019 was 55.3%, which was 2.1 percentage points lower than the 2018 gross margin. The decrease is mainly explained by the lower organic sales growth with lower leverage on the fixed cost base, lower deferred income due to the termination of the BioAg alliance, as well as one-off restructuring costs related to the updated strategy.

Gross margin
55.3%

Operating costs amounted to DKK 4,435 million in 2019 which was DKK 207 million, or 5%, higher than in 2018. Restructuring costs were the main reason for the increase in operating costs in 2019. The three operating cost lines as well as cost of goods sold were evenly impacted by restructuring costs in the third quarter. The net effect of the restructuring was roughly 1% of sales as the negative effect in the third quarter was partly offset by lower salary costs in the fourth quarter. Operating costs were 31% relative to sales in 2019, which was roughly 1 percentage point higher than in 2018.

Operating costs
+5%

- Sales and distribution costs increased 4% and made up 11.3% of sales
- Research and development costs increased 5% and made up 13.7% of sales
- Administrative costs increased 6% and made up 5.8% of sales

Other operating income amounted to DKK 520 million in 2019, which was DKK 477 million higher than in 2018. Recognition of DKK 287 million in deferred income relating to the termination of The BioAg Alliance, proceeds from the divestment of the pharma-related royalty in the second quarter (DKK 153 million) and an additional DKK 41 million benefit in the fourth quarter relating to the same pharma-related asset were the main reasons for the increase in other operating income.

Depreciation and amortization amounted to DKK 1,253 million in 2019, which was DKK 165 million higher than in 2018. Impairment losses related to the termination of The BioAg Alliance and depreciation related to leased assets as per the implementation of IFRS 16 explains the increase.

Depreciation and amortization
DKK 1,253 million

EBIT was DKK 4,039 million for an EBIT margin of 28.1% in 2019 compared to 28.3% in 2018. The 2019 EBIT margin was affected by restructuring costs in relation to the updated strategy, the termination of the BioAg alliance, the divestment of the pharma-related royalty, as well as a net positive currency effect. The underlying EBIT margin in 2019 was around 26% excluding one-offs. At 29.6%, the EBIT margin in the fourth quarter benefitted from an income related to the pharma-related asset and lower salary costs following the restructuring that took place in August. Adjusting for these items, the EBIT margin was ~26% in the fourth quarter as well.

EBIT
DKK 4,039 million
EBIT margin
28.1%

Net financial costs and share of losses in associates amounted to DKK 240 million, which was DKK 106 million higher than in 2018. The increase was due to losses on currency hedges, most notably on the US dollar.

Net financial costs and share of losses in associates
DKK 240 million

Profit before tax decreased 3% or DKK 137 million to DKK 3,799 million in 2019 compared to 2018.

The effective tax rate was 17.0% in 2019, 1 percentage point lower than in 2018 related to a positive impact from reduced uncertainty to tax positions related to bilateral advance pricing agreements (APAs).

Effective tax rate
17.0%

Net profit fell 2%, or DKK 72 million, in 2019 compared to 2018, as the lower effective tax rate was not enough to offset the decrease in profit before tax.

Net profit
DKK 3,155 million

Cash flows and balance sheet

Cash flow from operating activities amounted to DKK 3,196 million in 2019. This was a decrease of DKK 483 million compared to 2018. The negative development was mainly explained by an increase in corporate taxes paid and lower operating profit excluding non-cash elements in other operating income, slightly offset by a positive impact from IFRS 16, Leases. Changes in working capital affected cash flows negatively in 2019, but by significantly less than in 2018. Net working capital was negatively impacted by decreasing payables and increasing receivables in 2019 while lower inventories contributed positively.

Operating cash flow
DKK 3,196 million

Net investments excluding acquisitions decreased by DKK 397 million to DKK 991 million in 2019. The investment level in 2019 was lower than in 2018 as the investments in the Innovation Campus in Denmark as well as in the new production facilities in India and the US were to a large extent finalized in 2018.

Net investments excl. acq.
DKK 991 million

Free cash flow before acquisitions amounted to DKK 2,205 million in 2019, DKK 86 million less than in 2018. Lower net investments had a positive effect, whereas lower cash flows from operating activities reduced the free cash flow.

Free cash flow before acquisitions
DKK 2,205 million

Shareholder's equity at December 31, 2019, was DKK 11,480 million corresponding to an equity ratio of 56.2%. This was DKK 42 million higher but 1.9 percentage points lower than at the end of 2018. The decline in the equity ratio was mainly due to the implantation of IFRS 16, Leases.

Equity ratio
56.2%

Net interest-bearing debt (NIBD) and the NIBD-to-EBITDA ratio was DKK 4,049 million and 0.8x respectively as of December 31, 2019. This was an increase of DKK 1,514 million and 0.3x respectively, compared to the net interest-bearing debt of DKK 2,535 million and the NIBD-to-EBITDA ratio of 0.5x at December 31, 2018. The increase in net interest-bearing debt was mainly due to dividend payments and stock buybacks.

NIBD/BITDA
0.8x

Return on invested capital (ROIC) including goodwill was 21.1% in 2019, which was 3.1 percentage points lower than in 2018. The decline in the return on invested capital was primarily due to higher invested capital. Return on invested capital was negatively impacted by 0.8 percentage point due to the implementation of IFRS 16 (please refer to the section on the impact of IFRS 16 for further details) and the elimination of the deferred income liability related to the BioAg business.

ROIC
21.1%

The holding of treasury stock was 9,663,317 B shares at December 31, 2019. This was equivalent to 3.3% of the common stock.

Treasury stock
3.3%

Sustainability

The goal for 2019 was to grow the absolute consumption of water and energy and absolute CO₂ emissions at a lower rate than the organic sales growth. Novozymes reached all the sustainability targets set for 2019.

	12M 2019	2019 target
Growth in absolute water consumption	-4%	< org. sales growth
Growth in absolute energy consumption	-5%	< org. sales growth
Growth in absolute CO ₂ emissions	-24%	< org. sales growth
Energy from renewable sources	30%	28%
Occupational accidents with absence per million working hours	0.9	≤ 1.5
Employee absence	1.9%	≤ 2.0%
Women in senior management	31%	≥ 29%

2020 outlook

	2020 outlook* January 23
Sales growth, organic	1-5%
EBIT margin	~27%
ROIC (including goodwill)	20-21%
Free cash flow before acquisitions, DKKbn	2.5-2.9
For modelling purposes:	
Effective tax rate	19-21%
Net financials, DKKm	~ -200
Net investments, DKKbn	0.8-1.0
Stock buyback program	up to DKK 1.5bn

* Assumes that the exchange rates for the company's key currencies remain at the rates prevailing on January 22 for the rest of 2020.

Sales outlook

Novozymes expects to grow sales by 1-5% organically in 2020. This includes the impact from previously announced portfolio changes to align with the updated strategy. The guidance range indicates uncertainty especially for the agriculturally-exposed businesses. The growth ranges of Household Care and Food & Beverages are expected to be narrower around the mid-point of the 1-5% overall company range, while wider ranges than the 1-5% are applied for both Bioenergy and Agriculture & Feed. Organic sales growth in Technical & Pharma is expected to be slightly below the mid-point of the company range. Overall, both developed and emerging markets are expected to grow with the latter outgrowing the former.

Organic sales growth
1-5%

Anchored in our strategy 'Better business with biology', innovation, broader commercial presence and a stronger focus on execution and follow-up will drive performance. This will be supported primarily by the continued development and commercialization of freshness in Household Care, Balancius™ in Animal Health, Palmora® and Frontia® for Food & Beverages and yeast solutions for first-generation biofuels. Inoculant sales to the North American market are expected to grow relative to the weak 2019

performance. US ethanol production volumes are likely to remain volatile and are assumed to be in line with 2019.

Using the current spot rate as full-year estimates for the major currencies, Novozymes expects to see ~0% impact for growth in reported Danish kroner. No sales from deferred income will be recognized in 2020 compared with DKK 24 million in 2019. Further, no sales related to the pharma-related royalty divested in the second quarter of 2019 will be recognized in 2020. In 2019, this figure was DKK 15 million (Q2).

Household Care (organic 1% 12M 2019 y/y) organic sales growth is expected to be supported by the continued rollout of the Freshness platform and increased penetration in emerging markets. Some of our larger customers are expected to further stabilize their performance, whereas medium and small laundry detergent producers are expected to continue improving their formulations with further inclusion of enzymatic solutions.

Food & Beverages (organic -1% 12M 2019 y/y) organic sales growth is expected to be broad-based with all regions contributing to growth. Emerging markets are expected to outgrow developed markets. The ramp-up of Frontia® for grain milling will continue across regions and hence will be an important growth contributor, while growth in the starch business is expected to be more muted. Beverages are projected to grow in line with the industry average. Food & nutrition is expected to continue its good momentum, supported by accelerating health awareness trends.

Bioenergy (organic -3% 12M 2019 y/y) organic sales developments are expected to be driven by continued penetration of the Innova® yeast technology for first-generation biofuels, starch-based production-capacity expansion in Latin America, and innovation targeting the North American business. Uncertainty remains about the volume of US ethanol production in 2020 given continued low ethanol producer margins and elevated inventories. Currently we estimate a flat year-on-year development in US ethanol production.

Agriculture & Feed (organic -5% 12M 2019 y/y) organic sales developments are subject to uncertainty, due primarily to global farm economics and trade related concerns. Further, 2020 will be the first full year with the agricultural business operating under the new partnership structure. Performance in Feed is predominately expected to be driven by the continued commercialization of Balancius™ for poultry. Sales to the agricultural industry is expected to benefit from continued penetration of corn inoculants for the North American market.

Technical & Pharma (organic -3% 12M 2019 y/y) was impacted by shifting textile markets in China, especially during the second half of 2019, which is expected to continue in 2020.

Profit outlook

For 2020, we expect an EBIT margin of ~27%, including a ~0% impact from currencies. This will be an improvement compared to the 2019 underlying EBIT margin of ~26%. The reported 2019 EBIT margin of 28.1% was supported by a total of ~2 percentage points from the termination of The BioAg Alliance and the divestment of the pharma-related royalty but offset by the net restructuring costs related to the updated strategy. The savings from the Q3 2019 restructuring will be reinvested in 2020 and onwards. Sales growth and productivity improvements are expected to be supportive of margins along with tailwinds from lower input costs.

EBIT margin
~27%

Return on invested capital (ROIC) including goodwill is expected at 20-21% (2019: 21.1%). The calculation of average invested capital includes a higher opening and end-of-year balance compared with 2019.

ROIC, incl. goodwill
20-21%

Free cash flow (FCF) before acquisitions is expected to be in the DKK 2.5-2.9 billion range (2019: DKK 2.2 billion), supported by higher sales and improved operational cashflow.

FCF before acquisitions
DKK 2.5-2.9 billion

For modelling purposes, the following is provided:

Novozymes expects an effective tax rate of 19-21% for 2020.

Effective tax rate
19-21%

Net finance costs are expected to be DKK ~200 million, with roughly 50% relating to interest expenses and bank fees and the remainder relating to currency hedging (two thirds of the currency hedge amount relate to the USD/DKK).

Net finance costs
DKK ~ -200 million

Net investments in 2020 are expected to be DKK 0.8-1.0 billion (2019: DKK 1.0 billion). This reflects both maintenance as well as expansion and optimization investments.

Net investments
DKK 0.8-1.0 billion

A stock buyback program worth up to DKK 1.5 billion has been decided on for 2020.

Stock buyback program
up to DKK 1.5 billion

Sustainability outlook

Sustainability is at the core of the Novozymes business and as a part of the updated strategy, the company has strengthened its commitment further via the launch of a set of ambitious new sustainability targets.

The new targets reflect the opportunity of having a positive impact through commercial solutions as well as our responsibility to minimize the negative impact of our operations. Novozymes will focus on people as well as on three global environmental challenges: climate, water and production & consumption.

For each global environmental challenge, Novozymes has defined long-term 2030 commitments to set the direction and mid-term-2022 targets to drive performance. Based on this, Novozymes will define a set of annual internal targets to prioritize and guide implementation in a given year.

In 2020, Novozymes will continue to focus on climate change in its operations and intends to invest further in energy-efficiency projects, increase its share of renewable electricity and explore opportunities to generate energy from waste streams. Novozymes will also start developing programs to achieve zero waste and manage water in balance with local conditions in the long term at its production sites.

Novozymes will continue to have a strong focus on safety and wellbeing in the workplace and will strive to maintain a low number of occupational injuries. On the people side, Novozymes will enable learning and growth for employees and nurture diversity within the organization. Novozymes will also focus on employee engagement and motivation to ensure the employee spirit remains high.

		2022 targets
World	Save CO ₂ emissions by enabling low carbon fuels in the transport sector	60 million tons of CO ₂
	Reach people by providing laundry solutions that replace chemicals	>4 billion people
	Gain food by improving efficiency from farm to table	500,000 tons of food
Operations	Reduce absolute CO ₂ emissions from operations ¹	40%
	Develop context-based water management programs	100% of sites
	Develop zero waste programs	100% of sites
	Manage biomass in circular systems	100%
	Develop circular management plans for key packaging materials	100%
Employees	Enable learning ²	80
	Nurture diversity ³	86
	Occupational injuries ⁴	≤ 1.5
	Pledge employee time to local outreach ⁵	~ 1% of time
	Excite employees ²	81

¹ Compared to 2018 baseline.

² Measured by score to relevant questions in annual survey.

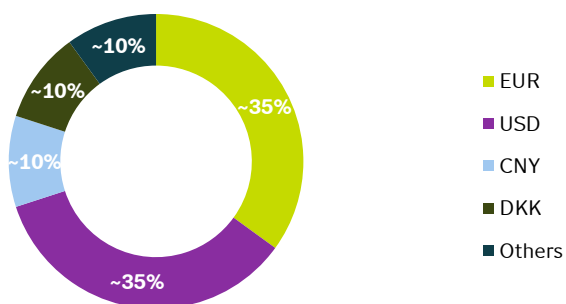
³ Index calculated based on gender and national representation at various professional levels.

⁴ Defined as the three-year rolling average of occupational injuries with absence per million working hours.

⁵ Qualitative reporting only.

Currency exposure

Sales by currency, 12M 2019



Other things being equal, a 5% movement in USD/DKK is expected to have an annual positive/negative impact on EBIT of 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

	2019				2020			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
USD	100% hedged via forward contracts at 6.21 USD/DKK				75% hedged via forward contracts at 6.53 USD/DKK			

The currency exposure was hedged at an average of USD/DKK 6.21 in 2019. For 2020, the exposure is 75% hedged at an average of USD/DKK 6.53.

The 2020 outlook is based on exchange rates for the company's key currencies remaining at the closing rates on January 22 for the full year.

DKK	EUR	USD	BRL	CNY
Average exchange rate 12M 2019	747	667	169	97
Average exchange rate 12M 2018	745	631	174	95
Average exchange rate 12M 2019 compared with 12M 2018	0%	6%	-2%	1%
Rate on January 22, 2020	747	674	161	98
Estimated average exchange rate 2020*	747	674	161	98
Estimated average exchange rate 2020 compared with 2019	0%	1%	-5%	1%

* Estimated average exchange rate on January 22, 2020.

Dividend for 2019

At the Annual Shareholders' Meeting to be held on February 26, 2020, the Board of Directors will propose a dividend payment of DKK 5.25 per share for the 2019 financial year. This is an increase of 5% compared with 2018 and translates into a payout ratio of 46.8% of net profit in 2019, up from 44.6% in 2018.

New stock buyback program in 2020

As communicated on June 16, 2019, in connection with the updated strategy, Novozymes targets a 50% dividend payout ratio over the coming years with excess cash to be returned to shareholders via stock buybacks at a NIBD-to-EBITDA ratio of ~1x. Consequently for 2020, it has been decided to initiate a stock buyback program at a total value of up to DKK 1.5 billion. The specific starting date will be communicated once decided.

The shares acquired in the program will be used to reduce the common stock and to meet obligations arising from employee stock-based incentive programs.

The buyback program will run in accordance with Regulation (EU) No 596/2014 of April 16, 2014, also known as the "Market Abuse Regulation," and Commission Delegated Regulation (EU) 1052/2016 of March 8, 2016. Subject to approval at the Annual Shareholders' Meeting, cancellation of stock will take place after the program expires.

The maximum number of shares to be purchased by the company per daily market session will be equivalent to a maximum of 25% of the average volume of the company's stock traded on Nasdaq Copenhagen during the preceding 20 business days.

The new stock buyback program will allow Novozymes to maintain its financial flexibility in terms of pursuing investment opportunities. However, the program is contingent on no major strategic initiatives being decided upon that will require a significant amount of capital, such as a major acquisition.

Incentive program for the Executive Leadership Team 2017-2019

The incentive program for the period 2017-2019, announced in Company announcement No. 1 of January 18, 2017, has expired. The program was an equal stock and stock option program, and awards were subject to accumulated economic profit generated (75%) and the average organic sales growth achieved (25%) during the period. As the average organic sales growth in the period 2017-2019 was less than 3%, no awards were granted from the sales growth pool. The accumulated economic profit generated under the program was DKK 6.8 billion out of the DKK 7.5 billion maximum pay-out target and, consequently, a total of 61% of the maximum awards under the total program has been awarded, which is the lowest level ever.

New remuneration policy and incentive program

A new remuneration policy will be presented for approval at Novozymes' Annual Shareholders' Meeting in 2020. In designing the new remuneration policy, the Remuneration and Nomination Committee reviewed the magnitude and structure of the remuneration package of the Executive Leadership Team and compared it to external benchmarks.

In the development of the new remuneration policy, the Board of Directors continued to seek to incentivize the Executive Leadership Team to consistently work for the positive development of Novozymes and, as a result, solid value creation for Novozymes' shareholders in the short and the long term. Thus, the Board believes that the best results and value generation are achieved when a relatively high proportion of the total remuneration is subject to the achievement of both individual targets and to Novozymes' financial, social and environmental targets being met. As such the variable components of the total remuneration (short- and long- term incentive programs) are relatively high.

The proposed new remuneration policy will be included in the invitation to attend the Annual Shareholders' Meeting 2020. Subject to the approval of the new remuneration policy, details of the future long-term incentive program for the Executive Leadership Team will be announced, including a description of such programs for vice presidents and directors.

Additional candidate proposed for the Board of Directors

The Board is proposing the election of Mr. Heine Dalsgaard as a new board member. Mr. Dalsgaard is a Danish national, who currently holds the position as CFO of Carlsberg. His previous CFO positions include those of ISS and Grundfos, amongst others. The Board of Directors is proposing Mr. Dalsgaard based on his extensive and well-recognized financial acumen and knowledge, as well as his strategic achievements, and his appointment would further strengthen Novozymes' capabilities in these areas. Mr. Dalsgaard is proposed as a non-independent member.

Accounting policies

The Group financial statements for 2019 have been prepared in accordance with IAS 34 and the additional Danish regulations for the presentation of quarterly interim reports by listed companies. The Group financial statement for 2019 follows the same accounting policies as the Annual Report of 2019. The Annual Report for 2019 has been audited by the company's independent auditor.

Impact of IFRS 16

IFRS 16 – Leases introduces a single lessee accounting model, requiring lessees to recognize leases in the balance sheet as a right-of-use asset and a lease liability. In the income statement, the lease cost is replaced by depreciation of the leased asset and an interest expense for the financial liability.

The standard was implemented on January 1, 2019, using the modified retrospective approach, and comparative figures have not been restated. On initial recognition, right-of-use assets are measured at an amount equal to the lease liability, which is measured at the present value of future lease payments. Novozymes has not applied IFRS 16 to short-term, low-value leases or leases expiring before December 31, 2019. Novozymes has applied a single discount rate to portfolios of leases with similar characteristics.

The implementation of IFRS 16 has resulted in an increase in Property, plant and equipment and Lease liabilities of DKK 616 million as of January 1, 2019. At the same date, right-of-use assets amounted to DKK 764 million, of which DKK 148 million was transferred from previously capitalized finance leases. The right-of-use assets related to Land and buildings, Plant and machinery and Other equipment amounted to DKK 468 million, DKK 104 million and DKK 192 million respectively.

The lease liability is measured using the marginal borrowing rate in the countries in which Novozymes operates. The weighted average incremental borrowing rate for lease liabilities initially recognized as of January 1, 2019 was 5.2%.

Lease costs are not split into service components and rental costs but are accounted for as a single lease component. Variable service components invoiced separately are expensed as operating costs.

As of December 31, 2019, the implementation of IFRS 16 had had an insignificant impact on the income statement. Right-of-use assets amounted to DKK 654 million, and are included in Land and buildings, Plant and machinery and Other equipment at amounts of DKK 397 million, DKK 102 million and DKK 155 million respectively. The lease liability amounted to DKK 616 million. Consequently, ROIC was impacted negatively by 0.8 percentage point, and free cash flows were impacted positively by DKK 108 million, as repayments of lease liabilities are now included under Financing activities. Depreciation of right-of-use assets amounted to DKK 124 million at the end of the fourth quarter of 2019.

Updated accounting policies for leases

If, at inception, it is assessed that a contract contains a lease, a right-of-use (ROU) asset and a lease liability are recognized at commencement of the lease. The ROU asset is initially measured at the present value of future lease payments, plus the cost of obligations to refurbish the asset. ROU assets are depreciated on a straight-line basis over the shorter of the expected lease term and the useful life of the underlying asset. ROU assets are tested for impairment whenever there is an indication that the assets may be impaired.

Lease payments include fixed payments and variable payments that depend on an index such as an inflation index as well as performance-based payments. When the lease contains an extension or purchase option that Novozymes believes with reasonable certainty will be exercised, these are included in the lease payments.

ROU assets are included in the categories under Property, plant and equipment, and the lease liability is presented separately in the balance sheet.

Novozymes' portfolio of leases covers leases of land, buildings and other equipment such as cars and transportation containers. For building leases, lease terms are estimated taking the size of the building and its strategic importance into consideration. Novozymes has entered into several open-ended building leases and building leases with extension options. The estimated lease terms for such contracts do not exceed 12 years.

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 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. The risks and uncertainties may, among other things, 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 business 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 market-expanding growth platforms, notably 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; viii) significant price decreases for inputs and materials that compete with Novozymes' biological solutions. The company undertakes no obligation 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 Annual Report of Novozymes A/S for 2019, including the audited consolidated financial statements. The Board of Directors and the Executive Management have also approved this Group financial statement for 2019, containing condensed financial information. This Group financial statement for 2019 has not been audited or reviewed by the company's independent auditor.

The consolidated financial statements in the Annual Report 2019 have been prepared in accordance with International Financial Reporting Standards as adopted by the EU, and further requirements in the Danish Financial Statements Act.

This Group financial statement for 2019 has been prepared in accordance with IAS 34, the accounting policies as applied in the audited consolidated financial statements for 2019 and further requirements in the Danish Financial Statements Act.

In our opinion, the accounting policies used are appropriate, the Group's internal controls relevant to 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 December 31, 2019, and of the results of the Group's operations and cash flows for 2019. Furthermore, this Group financial statement for 2019 gives, together with what is disclosed in the Annual Report 2019, a description of the most significant risks and uncertainties to which the Group is subject.

Bagsværd, January 23, 2020

EXECUTIVE MANAGEMENT

Peder Holk Nielsen
President & CEO

Thomas Videbæk
COO

Lars Green
CFO

BOARD OF DIRECTORS

Jørgen Buhl Rasmussen
Chairman

Agnete Raaschou-Nielsen
Vice Chairman

Lena Bech Holskov

Anders Hentze Knudsen

Kasim Kutay

Lars Bo Kjøppler

Kim Stratton

Mathias Uhlén

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Appendix 1 Main items and key figures

1.1 Key figures

DKK million	2019	2018	% change	Q4 2019	Q4 2018	% change
Revenue	14,374	14,390	(0)%	3,731	3,714	0%
Gross profit	7,954	8,255	(4)%	2,077	2,120	(2)%
Gross margin	55.3%	57.4%		55.7%	57.1%	
EBITDA	5,292	5,158	3%	1,426	1,377	4%
EBITDA margin	36.8%	35.8%		38.2%	37.1%	
Operating profit / EBIT	4,039	4,070	(1)%	1,103	1,056	4%
EBIT margin	28.1%	28.3%		29.6%	28.4%	
Share of result in associates	(5)	(17)		(1)	(9)	
Net financials	(235)	(117)		(43)	(43)	
Profit before tax	3,799	3,936	(3)%	1,059	1,004	5%
Tax	(644)	(709)	(9)%	(137)	(167)	(18)%
Net profit	3,155	3,227	(2)%	922	837	10%
Earnings per DKK 2 share	11.06	11.11	(0)%	3.27	2.91	12%
Earnings per DKK 2 share (diluted)	11.01	11.03	(0)%	3.25	2.89	13%
Net investments excl. acq.	991	1,388				
Free cash flow before net acq. and purchase of financial assets	2,205	2,291				
Return on invested capital (ROIC) incl. goodwill	21.1%	24.2%				
Net interest-bearing debt	4,049	2,535				
Equity ratio	56.2%	58.1%				
Return on equity	27.5%	28.4%				
Debt-to-equity	35.3%	22.2%				
NIBD / EBITDA	0.8	0.5				
Number of employees	6,125	6,427				
Novozymes' stock				Dec. 31, 2019	Dec. 31, 2018	
Common stock (million)				291.0	297.0	
Net worth per share (DKK)				39.41	38.47	
Denomination of share (DKK)				2.00	2.00	
Nominal value of common stock (DKK million)				582.0	594.0	
Treasury stock (million)				9.7	9.4	

1.2 Five-year statement 2015 - 2019

DKK million	2019	2018	2017	2016	2015
Revenue	14,374	14,390	14,531	14,142	14,002
Gross profit	7,954	8,255	8,413	8,126	8,129
Gross margin	55.3%	57.4%	57.9%	57.5%	58.1%
Operating profit / EBIT	4,039	4,070	4,047	3,946	3,884
Operating profit margin	28.1%	28.3%	27.9%	27.9%	27.7%
Share of result in associates	(5)	(17)	(14)	(31)	(6)
Net financials	(235)	(117)	(157)	(34)	(257)
Profit before tax	3,799	3,936	3,876	3,881	3,621
Tax	(644)	(709)	(756)	(831)	(796)
Net profit	3,155	3,227	3,120	3,050	2,825
Non-controlling interests	1	1	1	-	2
Net profit to shareholders in Novozymes A/S	3,154	3,226	3,119	3,050	2,823
Foreign exchange gain(loss), net	(205)	(89)	27	(2)	(158)
Interest income/(costs)	4	(3)	(20)	(26)	(27)
Other financial items	(34)	(25)	(164)	(6)	(72)
Net financials	(235)	(117)	(157)	(34)	(257)
Earnings per DKK 2 share	11.06	11.11	10.56	10.15	9.23
Average no. of A/B shares outstanding (million)	285.1	290.4	295.3	300.5	306.0
Earnings per DKK 2 share (diluted)	11.01	11.03	10.49	10.06	9.12
Average no. of A/B shares diluted (million)	286.6	292.4	297.2	303.1	309.4
Return on invested capital (ROIC) incl. goodwill	21.1%	24.2%	25.6%	25.1%	25.9%
Net interest-bearing debt	4,049	2,535	1,642	990	437
Equity ratio	56.2%	58.1%	61.3%	62.9%	65.2%
Return on equity	27.5%	28.4%	27.1%	26.1%	24.7%
NIBD/EBITDA	0.8	0.5	0.3	0.2	0.1

1.3 Income statement

DKK million	2019	2018	Q4 2019	Q4 2018
Revenue	14,374	14,390	3,731	3,714
Cost of goods sold	(6,420)	(6,135)	(1,654)	(1,594)
Gross profit	7,954	8,255	2,077	2,120
Sales and distribution costs	(1,631)	(1,571)	(389)	(413)
Research and development costs	(1,966)	(1,865)	(443)	(449)
Administrative costs	(838)	(792)	(192)	(220)
Other operating income, net	520	43	50	18
Operating profit / EBIT	4,039	4,070	1,103	1,056
Share of result in associates	(5)	(17)	(1)	(9)
Net financials	(235)	(117)	(43)	(43)
Profit before tax	3,799	3,936	1,059	1,004
Tax	(644)	(709)	(137)	(167)
Net profit	3,155	3,227	922	837
Attributable to				
Shareholders in Novozymes A/S	3,154	3,226	922	837
Non-controlling interests	1	1	-	-
Specification of net financials				
Foreign exchange gain/(loss), net	(205)	(89)	(41)	(34)
Interest income/(costs)	4	(3)	14	1
Other financial items	(34)	(25)	(16)	(10)
Net financials	(235)	(117)	(43)	(43)
Earnings per DKK 2 share	11.06	11.11	3.27	2.91
Average no. of A/B shares outstanding (million)	285.1	290.4	282.0	288.0
Earnings per DKK 2 share (diluted)	11.01	11.03	3.25	2.89
Average no. of A/B shares, diluted (million)	286.6	292.4	283.5	289.7

1.4 Statement of comprehensive income

DKK million	2019	2018	Q4 2019	Q4 2018
Net profit	3,155	3,227	922	837
Currency translation of subsidiaries and non-controlling interests	143	181	(160)	140
Tax on currency translation of subsidiaries	(1)	(5)	(1)	(5)
Currency translation adjustments	142	176	(161)	135
Fair value adjustments	(107)	(133)	44	(43)
Tax on fair value adjustments	24	29	(9)	9
Cash flow hedges reclassified to financial costs	164	42	37	25
Tax on reclassified fair value adjustments	(36)	(9)	(8)	(5)
Cash flow hedges	45	(71)	64	(14)
Other comprehensive income	187	105	(97)	121
Comprehensive income	3,342	3,332	825	958
Attributable to				
Shareholders in Novozymes AS	3,342	3,331	825	958
Non-controlling interests	-	1	-	-

Appendix 2 Distribution of revenue

2.1 Business areas

DKK million	2019 12M	2018 12M	% change	% currency impact	% M&A impact	% organic growth
Household Care	4,758	4,625	3	2	0	1
Food & Beverages	4,171	4,122	1	2	0	(1)
Bioenergy	2,820	2,806	0	3	0	(3)
Agriculture & Feed	1,881	2,045	(8)	(3)	0	(5)
Technical & Pharma	744	792	(6)	2	(5)	(3)
Sales	14,374	14,390	0	1 *	0	(1)

* The effect from changes in deferred income in BioAg is included in the currency impact. Realized currency impact was 2.1%.

DKK million	2019 Q4	2018 Q4	% change	% currency impact	% M&A impact	% organic growth
Household Care	1,224	1,157	6	1	0	5
Food & Beverages	1,074	1,045	3	1	0	2
Bioenergy	769	740	4	2	0	2
Agriculture & Feed	484	571	(15)	(6)	0	(9)
Technical & Pharma	180	201	(10)	2	(8)	(4)
Sales	3,731	3,714	0	(1) *	0	1

* The effect from changes in deferred income in BioAg is included in the currency impact. Realized currency impact was 1.3%.

DKK million	2019				2018				% change
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4/Q4
Household Care	1,224	1,267	1,122	1,145	1,157	1,186	1,118	1,164	6
Food & Beverages	1,074	1,074	1,028	995	1,045	1,045	1,043	989	3
Bioenergy	769	712	716	623	740	723	695	648	4
Agriculture & Feed	484	495	404	498	571	517	441	516	(15)
Technical & Pharma	180	156	188	220	201	187	201	203	(10)
Sales	3,731	3,704	3,458	3,481	3,714	3,658	3,498	3,520	0

2.2 Geography

DKK million	2019 12M	2018 12M	% change	% currency impact	% M&A impact	% organic growth
Europe, Middle East & Africa	5,340	5,214	2	0	(1)	3
North America	4,750	4,893	(3)	3	0	(6)
Asia Pacific	2,877	2,902	(1)	2	0	(3)
Latin America	1,407	1,381	2	(3)	0	5
Sales	14,374	14,390	0	1 *	0	(1)
Developed markets	9,436	9,410	0	1	0	(1)
Emerging markets	4,938	4,980	(1)	0	0	(1)
Sales	14,374	14,390	0	1	0	(1)

* The effect from changes in deferred income in BioAg is included in the currency impact. Realized currency impact was 2.1%.

DKK million	2019 Q4	2018 Q4	% change	% currency impact	% M&A impact	% organic growth
Europe, Middle East & Africa	1,334	1,280	4	0	(1)	5
North America	1,255	1,366	(8)	0	0	(8)
Asia Pacific	764	736	4	3	0	1
Latin America	378	332	14	(5)	0	19
Sales	3,731	3,714	0	(1) *	0	1
Developed markets	2,415	2,458	(2)	0	(1)	(1)
Emerging markets	1,316	1,256	5	0	0	5
Sales	3,731	3,714	0	(1)	0	1

* The effect from changes in deferred income in BioAg is included in the currency impact. Realized currency impact was 1.3%.

DKK million	2019				2018				% change
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4/Q4
Europe, Middle East & Africa	1,334	1,404	1,274	1,328	1,280	1,360	1,289	1,285	4
North America	1,255	1,156	1,177	1,162	1,366	1,217	1,162	1,148	(8)
Asia Pacific	764	733	696	684	736	685	717	764	4
Latin America	378	411	311	307	332	396	330	323	14
Sales	3,731	3,704	3,458	3,481	3,714	3,658	3,498	3,520	0
Developed markets	2,415	2,365	2,299	2,357	2,458	2,404	2,270	2,278	(2)
Emerging markets	1,316	1,339	1,159	1,124	1,256	1,254	1,228	1,242	5
Sales	3,731	3,704	3,458	3,481	3,714	3,658	3,498	3,520	0

Appendix 3 Statement of cash flows

3.1 Statement of cash flows

DKK million	2019	2018
Net profit	3,155	3,227
Reversals of non-cash items	1,321	2,062
Tax paid	(1,116)	(761)
Interest received	64	9
Interest paid	(88)	(11)
Cash flow before change in working capital	3,336	4,526
Change in working capital		
(Increase)/decrease in receivables and contract assets	(238)	(361)
(Increase)/decrease in inventories	218	(234)
Increase/(decrease) in payables, deferred income and contract liabilities	(124)	(265)
Currency translation adjustments	4	13
Cash flow from operating activities	3,196	3,679
Investments		
Purchase of intangible assets	(135)	(60)
Sale of property, plant and equipment	6	4
Purchase of property, plant and equipment	(862)	(1,332)
Cash flow from investing activities before acquisitions, divestments and purchase of financial assets	(991)	(1,388)
Free cash flow before acquisitions, divestments and purchase of financial assets	2,205	2,291
Business acquisitions, divestments and purchase of financial assets	430	(4)
Free cash flow	2,635	2,287
Financing		
Borrowings	2,003	2,093
Repayments of borrowings	(1,175)	(1,115)
Repayments of lease liabilities	(108)	
Shareholders:		
Purchase of treasury stock	(2,000)	(2,000)
Sale of treasury stock	75	172
Dividend paid	(1,439)	(1,317)
Cash flow from financing activities	(2,644)	(2,167)
Net cash flow	(9)	120
Unrealized gain/(loss) on currencies and financial assets, included in cash and cash equivalents	(3)	(29)
Change in cash and cash equivalents, net	(12)	91
Cash and cash equivalents at January 1	723	632
Cash and cash equivalents at December 31	711	723

Undrawn committed credit facilities at December 31, 2019 were DKK 3,758 million.

Appendix 4 Balance sheet and Statement of shareholders' equity**4.1 Balance sheet, Assets**

DKK million	Dec. 31, 2019	Dec. 31, 2018
Completed IT development projects	189	105
Acquired patents, licenses and know-how	743	880
Goodwill	965	1,086
IT development projects in progress	29	59
Intangible assets	1,926	2,130
Land and buildings	4,056	2,779
Plant and machinery	4,501	4,452
Other equipment	993	619
Assets under construction and prepayments	662	1,848
Property, plant and equipment	10,212	9,698
Deferred tax assets	1,161	938
Other financial assets (non-interest-bearing)	22	20
Investment in associate	37	42
Other receivables	29	34
Non-current assets	13,387	12,862
Raw materials and consumables	365	372
Goods in progress	821	828
Finished goods	1,427	1,620
Inventories	2,613	2,820
Trade receivables	2,864	2,606
Contract assets	243	279
Tax receivables	273	174
Other receivables	269	219
Receivables	3,649	3,278
Other financial assets (non-interest-bearing)	15	14
Cash and cash equivalents	711	723
Assets held for sale	62	-
Current assets	7,050	6,835
Assets	20,437	19,697

4.2 Balance sheet, Liabilities

DKK million	Dec. 31, 2019	Dec. 31, 2018
Common stock	582	594
Currency translation adjustments	57	(86)
Cash flow hedges	19	(26)
Retained earnings	10,810	10,943
Equity attributable to shareholders in Novozymes A/S	11,468	11,425
Non-controlling interests	12	13
Shareholders' equity	11,480	11,438
Deferred tax liabilities	879	892
Provisions	115	132
Contract liabilities	-	199
Deferred income	-	37
Other financial liabilities (interest-bearing)	2,764	1,469
Other financial liabilities (non-interest-bearing)	11	5
Non-current lease liabilities	453	
Non-current liabilities	4,222	2,734
Other financial liabilities (interest-bearing)	1,380	1,789
Other financial liabilities (non-interest-bearing)	31	110
Lease liabilities	163	
Provisions	128	97
Trade payables	1,117	1,418
Contract liabilities	74	175
Deferred income	30	13
Tax payables	431	575
Other payables	1,381	1,348
Current liabilities	4,735	5,525
Liabilities	8,957	8,259
Liabilities and shareholders' equity	20,437	19,697

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			
Shareholders' equity at January 1, 2019	594	(86)	(26)	10,943	11,425	13	11,438
Net profit for the year				3,154	3,154	1	3,155
Other comprehensive income for the period		143	45		188	(1)	187
Total comprehensive income for the period		143	45	3,154	3,342	-	3,342
Purchase of treasury stock				(2,000)	(2,000)		(2,000)
Sale of treasury stock				75	75		75
Write-down of common stock	(12)			12	-		-
Dividend				(1,438)	(1,438)	(1)	(1,439)
Stock-based payment				45	45		45
Tax related to equity items				19	19		19
Changes in shareholders' equity	(12)	143	45	(133)	43	(1)	42
Shareholders' equity at December 31, 2019	582	57	19	10,810	11,468	12	11,480
Shareholders' equity at January 1, 2018	610	(262)	45	10,861	11,254	13	11,267
Net profit for the year				3,226	3,226	1	3,227
Other comprehensive income for the period		176	(71)		105	-	105
Total comprehensive income for the period		176	(71)	3,226	3,331	1	3,332
Purchase of treasury stock				(2,000)	(2,000)		(2,000)
Sale of treasury stock				172	172		172
Write-down of common stock	(16)			16	-		-
Dividend				(1,316)	(1,316)	(1)	(1,317)
Stock-based payment				97	97		97
Tax related to equity items				(113)	(113)		(113)
Changes in shareholders' equity	(16)	176	(71)	82	171	-	171
Shareholders' equity at December 31, 2018	594	(86)	(26)	10,943	11,425	13	11,438

Appendix 5 Miscellaneous

5.1 Product launches in 2019

Q1 2019	Frontia® Jade – a new addition to our grain-milling platform for the Chinese market, untapping extra value from corn by releasing more starch, fibers and protein
Q1 2019	CTS500 – a new industrial biological soybean inoculant developed in collaboration with Bayer for the Brazilian market, bringing together biological inoculants of selected bacteria with high efficiency and nitrogen fixation
Q2 2019	Innova® Force – a new yeast for the ethanol industry that, in combination with our enzymes, delivers the most reliable and flexible solution available in the market
Q2 2019	Innova® Fit – a dry version for the ethanol industry of our non-GM yeast that enables penetration of the markets in LATAM and EMA, as well as expands our non-GM market in US
Q2 2019	Fortiva® – a unique new offering in ethanol liquefaction to meet demand for increased yield even in high-temperature conditions
Q3 2019	Optimize 500 – improved performance and on-seed stability for soy
Q3 2019	Achieve Advance – a new enzyme for cold temperature automatic dishwasher conditions
Q4 2019	Next generation Medley - most evolved and complete range of liquid blends for both developed and emerging markets to increase simplicity for customers
Q4 2019	Galaya Prime - texturizing solution for yogurt in Europe

5.2 Company announcements for the financial year 2019

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

January 24, 2019	Group financial statement for 2018
January 31, 2019	Change to the Board of Directors
February 27, 2019	Novozymes A/S Annual Shareholders' Meeting 2019
March 29, 2019	Reduction of common stock
March 29, 2019	Summary of capital reduction
April 4, 2019	Novozymes and BioAg: Continuation with Bayer as core partner; new, broader setup allows Novozymes to bring biological solutions to the market together with more partners
April 24	Interim report for the first three months of 2019
April 29	Agreement between Novozymes and Novo Holdings A/S on trading of shares as part of Novozymes' stock buyback program
June 6	Revised full-year outlook
June 16	Strategy update 2020-2022
August 8, 2019	Interim report for the first six months of 2019
August 8, 2019	Change to the Executive Leadership Team
August 9, 2019	Change to the Board of Directors and the Executive Leadership Team
October 9, 2019	Revised full-year outlook
October 15, 2019	Change to the Executive Leadership Team
October 23, 2019	Interim report for the first nine months of 2019
October 25, 2019	Financial calendar 2020
October 30, 2019	Ester Baiget appointed new CEO of Novozymes
December 11, 2019	Proposal of candidates to the Board of Directors