

## **The combination of Novozymes and Chr. Hansen is now successfully completed, creating Novonesis – a leading global biosolutions partner**

**Today, the proposed combination of the legacy companies Novozymes and Chr. Hansen is successfully completed, establishing the company Novonesis. Novonesis is a world-leading biosolutions partner for better business, healthier lives, and a healthier planet. The combined company brings together 10,000 people worldwide and an expertise that spans more than 30 different industries. Novonesis is already assisting companies around the world in meeting both business needs and the needs of the planet.**

**COPENHAGEN, Denmark – January 29, 2024.** On December 12, 2022, Novozymes and Chr. Hansen entered into an agreement to create a leading global biosolutions partner through a statutory merger of the two companies. All regulatory approvals and registrations are now in place and the proposed combination is successfully completed following the final registration with the Danish Business Authority today.

### **Ester Baiget, President and CEO of Novonesis, says:**

- We have successfully combined Novozymes and Chr. Hansen and today we come together as one leading global biosolutions partner. Novonesis combines our joint strengths and the wonders of biology, and we are set to lead a new era of biosolutions. We will innovate and develop transformative biosolutions that improve the way we all produce, consume and live. And we have gathered the brightest minds and together with my 10,000 colleagues, we will unlock the limitless potential of biosolutions.

### **Cees de Jong, Chairman of Novonesis, adds:**

- I am pleased to witness the realization of the Novozymes and Chr. Hansen combination, creating a true global biosolutions leader. We will continue to create powerful biosolutions for our customers and partners based on our more than 100 years of innovation and application expertise. Together, we will serve as a growth partner to our customers; a value creator to our shareholders; and a company that has a significant, positive impact on society and the planet. Novonesis builds on a shared heritage of sustainability leadership and will keep leading the way.

The combination of Novozymes and Chr. Hansen will create a leading global biosolutions partner with a broad biological toolbox and a diversified portfolio in attractive markets. The combined group will have annual revenue of approximately EUR 3.7 billion<sup>1</sup> with solid profitability and cash generation.

Half of the portfolio will focus on enabling healthier lives and producing better foods. The other half will address reducing chemical use and targeting climate neutral practices.

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<sup>1</sup> Combined financials are based on Chr. Hansen's unaudited Q4 Interim report 2022/23 and Novozymes' unaudited interim reports for 9M 2023 and Q4 2022. Novozymes figures have been converted from DKK to EUR using a single FX rate of 7.44 for purposes of translation only.

The combined group will operate a global network of R&D and application centers as well as manufacturing sites and will employ around 10,000 talented and purpose-driven employees who are inspired by the power of biosolutions.

The name 'Novonesis' has origin in science's classical roots

'Genesis' is Greek for 'origin' or 'beginning'. By choosing a word with a root in Greek the name honors how ancient Greek thinkers (from Pythagoras to Aristotle) played a key role in the development of science as we know it today.

'Novo' means new. The Novo name is globally associated with strong science capabilities, a purpose driven mindset, a Nordic heritage as well as a great societal contributor. These are all assets and values that are shared by the future combined company.

### Financial ambitions as communicated on December 12, 2022

- An expected organic revenue growth of 6-8% (CAGR) through 2025.<sup>2</sup>
- An expected EBIT margin of 29% by 2025 excluding integration costs and PPA amortization.<sup>3</sup>
- Annual revenue synergies are estimated at EUR 200 million with an EUR 80-90 million EBIT impact achievable within four years of completion and an estimated EUR 80-90 million in cost synergies achievable within three years of completion.
- Beyond 2025, the ambition is to continue to deliver accelerated sustainable growth from the underlying business coupled with new, and de-risked, innovation and growth opportunities.
- EPS, excluding integration costs and PPA amortization, is expected to be mid-single digit percentage accretive in the third year of completion.
- No additional debt is expected to be issued because of the transaction, and leverage at completion is expected to be 1.3-1.7x, which is also the expected future net debt level.
- A continuation of historic shareholder dividend payout ratio of ~50% is expected.

### Sustainability ambitions as communicated on December 12, 2022

- Emissions<sup>4</sup>: Carbon neutrality by 2050; 75% reduction in absolute CO<sub>2</sub> emissions from operations (scopes 1+2) and 35% reduction in absolute CO<sub>2</sub> emissions from supply chain (scope 3) by 2030
- People<sup>5</sup>: Minimum 45% women and 45% men across all professionals and senior management by 2030

<sup>2</sup> Using 2023 as the base year. Expectation reflects each individual company's previously communicated targets adding synergies from the combination. Note that all targets assume constant currencies, no additional acquisitions, no divestments, no special items, a gradual normalization of the global economy.

<sup>3</sup> Estimated integration costs of EUR 250 million, of which approximately EUR 50 million would be capitalized, are expected through 2026. PPA is defined as Purchase Price Allocation. The estimate reflects each individual company's previously communicated targets adding synergies from the combination. Note that all targets assume constant currencies, no additional acquisitions, no divestments, no special items or other extraordinary effects, a gradual normalization of the global economy.

<sup>4</sup> Non-financial ambition based on Novozymes' targets. Base year for CO<sub>2</sub> emissions: Novozymes 2018, Chr. Hansen 2019/2020

<sup>5</sup> Non-financial ambition based on Novozymes' targets.

**Proforma numbers and communication of 2024 outlook**

Proforma numbers for Novonesis including revenue, organic revenue growth, key financial numbers as well as 2024 outlook will be provided no later than March 31.

**Capital Markets Day**

Novonesis will host a Capital Markets Day in London on June 18, 2024. Focus will be on the integration, synergies, financials, and the power of the combined technology platform. Further details will be shared at a later stage.

**Reporting structure and currency**

Novonesis will be reporting in EUR. For the first and third quarters, trading statements providing revenue and organic revenue growth will be released along with any potential updates to the financial outlook. Full consolidated financial statements including profitability for the two divisions will be provided in future half and full-year earnings releases.

Revenue will be reported for two divisions. For each division, additional revenue performance will be provided for the following sales areas:

**Food & Health Biosolutions:**

- 'Food & Beverages' (Novozymes' Food & Beverage and Chr. Hansen's Food Cultures & Enzymes)
- 'Human Health' (Novozymes' Human Health and Chr. Hansen's Human Health)

**Planetary Health Biosolutions:**

- 'Agriculture, Energy & Tech' (Novozymes' Bioenergy, Agriculture & Animal Health/ Nutrition, Grain & Tech Processing and Chr. Hansen's Animal & Plant Health)
- 'Household Care' (Novozymes' Household Care)

**Board of Directors and the Executive Leadership Team**

Novozymes expects to convene an extraordinary general meeting for the purpose of electing new members to the board of directors and to seek approval of Novonesis as a new secondary company name.

The board of directors will initially, in addition to the employee-elected board members, consist of nine shareholder-elected board members to ensure a strong integration of the two companies. It is anticipated that the following individuals will be nominated for election to the board of directors of the combined company at the extraordinary general meeting:

**Proposed Board of Directors (excluding employee elected)**

- Cornelis (Cees) de Jong, as Chair (independent)
- Jesper Brandgaard, as Vice Chair (independent)
- Heine Dalsgaard (non-independent)
- Sharon James (independent)
- Kasim Kutay (non-independent)
- Lise Kaae (independent)
- Kevin Lane (independent)
- Morten Otto Alexander Sommer (independent)
- Kim Stratton (independent)

As announced on October 10, 2023, the following nine executives have been appointed to the future Executive Leadership Team:

### Executive Leadership Team

- Ester Baiget, CEO
- Rainer Lehmann, CFO
- Jacob Paulsen, EVP, Food & Beverage Biosolutions
- Amy Byrick, EVP, Human Health Biosolutions
- Tina Sejersgaard Fanø, EVP, Planetary Health Biosolutions
- Claus Crone Fuglsang, Chief Scientific Officer
- Anders Lund, Chief Operating Officer
- Henrik Joerck Nielsen, EVP, Strategy & Integration
- Morten Enggaard Rasmussen, EVP, People & Stakeholder Relations
- Winnie Bügel, General Counsel – Legal (temporary role)

### About Novonesis

Novonesis is a global company leading the era of biosolutions. By leveraging the power of microbiology with science, we transform the way the world produces, consumes, and lives. In more than 30 industries, our biosolutions are already creating value for millions of consumers and benefitting the planet. Our 10,000 people worldwide work closely with our partners and customers to transform business with biology.

Learn more on [www.novonesis.com](http://www.novonesis.com)

For additional information on the transaction, please visit [www.power-with-biology.com](http://www.power-with-biology.com)

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Novozymes A/S CVR number: 10007127, part of Novonesis Group

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