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Novozymes' and Chr. Hansen's shareholders approve combination to create a leading global biosolutions partner

March 30, 2023

The proposed combination of Novozymes and Chr. Hansen has now been approved by each company's respective shareholders, and with strong support from the shareholders the two biosolutions companies are now one step closer to uniting. The new company is expected to unleash the full potential of biological solutions and generate significant value for all stakeholders and society at large.

Today, Novozymes and Chr. Hansen held their respective extraordinary general meetings, and the shareholders of both companies approved the proposed combination. Following completion of the combination, the new company will be science-based, with powerful capabilities and commercial excellence to develop biological solutions that will enable healthier lives, transform food systems, and accelerate towards a climate neutral society. The approval from the shareholders of both Novozymes and Chr. Hansen marks an important milestone towards uniting the two companies.

Ester Baiget, President and CEO of Novozymes, said:

"We are extremely appreciative of the strong support the shareholders of both Novozymes and Chr. Hansen have shown us today. The combination with Chr. Hansen is a significant, and natural, next step on our journey as it advances all facets of our strategy. The combination will give us significant opportunities to accelerate growth by providing the solutions of today and delivering the answers of tomorrow. The world needs biosolutions and with the support of the shareholders, we are now one important step closer to creating a leading global biosolutions partner."

Cees de Jong, Chair of Novozymes, added:

"The approval from the shareholders of both Novozymes and Chr. Hansen marks an important milestone on our journey towards becoming a combined group and our shareholders have confirmed their support for our strong belief that the two companies will be even better together and generate significant value for all stakeholders. The combination will represent a major leap forward for the global biotechnology industry,

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 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

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customers, and societies that urgently need biosolutions. Together with Chr. Hansen, we will serve as a growth partner to our customers; a value creator to our shareholders; a home to the industry's top talent; and a company that has a significant, positive impact on society and the planet."

Mauricio Graber, CEO of Chr. Hansen, said:

"The strong support shown by shareholders today underpins the clear strategic rationale for combining our two companies. With this proposed combination, we will join forces to create a global bioscience partner based on our complementary technology platforms, a customer-centric approach, and highly dedicated employees across both companies. Building on our shared values, the proposed combination of these two iconic Danish companies represents a natural next step towards addressing the needs of tomorrow."

Dominique Reiniche, Chair of Chr. Hansen, added:

"On behalf of my Board colleagues and the Chr. Hansen management team who have worked hard towards this day over the last few months, I'm proud to witness this historical moment. With Chr. Hansen as a leader in microbials, and Novozymes as a leader in enzymes, we will create a world-class fermentation company. Uniting our two companies is expected to accelerate our already best-in-class performance both in terms of financial and sustainability performance. The combined company will provide the biological solutions necessary to address global megatrends and meet customer demands to produce more, sustainably, and efficiently."

Unleashing the full potential of biosolutions

Novozymes estimates that the current addressable market for biosolutions is around EUR 15 billion, and according to the World Economic Forum, the economic impact of biotechnology is expected to grow three times by 2040 driven by growing needs and demands from increasing populations around the world.

Nations, industries, companies, and consumers are in search for technologies and solutions that allow a better utilization of the world's resources and support healthy populations. This includes enabling carbon neutrality, building more sustainable agricultural systems, and offering healthier and efficient food and nutrition solutions.

The combination of Novozymes and Chr. Hansen is based on a strong rationale to create a leading global partner with a broad biological toolbox and a diversified portfolio across markets that can help address key global needs in an even stronger way.

Novozymes is a world leader in enzymes, proteins, and bioengineering. Its strong innovation capabilities, R&D pipeline, and ability to scale has allowed the company to develop a specialized portfolio of highly impactful bio-based solutions.

Chr. Hansen is a world leader in microbials that enables more sustainable food systems and contributes positively to global health. With a culture collection of around 40,000 strains, Chr. Hansen produces value-added solutions for customers in dairy, food, and beverage, as well as human, animal, and plant health.

The combined technology toolbox of Novozymes and Chr. Hansen will enable a broad and diversified expansion of the portfolio toward specialized, high-value biosolutions.

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Together, Novozymes and Chr. Hansen will comprise a global talent pool of 10,000 diverse and passionate employees around the world, with the expertise to innovate and create value for its customers.

Both Novozymes and Chr. Hansen are companies driven by a powerful purpose to create a better world through biotechnology and the combined group is expected to generate significant value for all stakeholders and society at large while increasing its positive impact on the world.

The completion of the combination remains subject to the satisfaction of a number of conditions, including customary merger control and other regulatory approvals. The closing is expected to be completed in the fourth quarter of 2023 or the first quarter of 2024.

For additional information on the proposed combination, please visit www.power-with-biology.com or www.chr-hansen.com/en/investors/proposed-merger.

The combined group at a glance

- The combined group today would have approximately EUR 3.5 billion in annual revenue
- Expected EBIT margin by 2025, including synergies, but excluding integration costs and Purchase Price Allocation amortization from the combination: 29 %.
- Expected organic sales growth CAGR through 2025, including synergies: 6-8 % (from a 2023 baseline)
- A global network of more than 23 manufacturing sites and close to 40 R&D and application centres and employ around 10,000 talented and purpose-driven employees
- Committed to carbon neutrality by 2050, a 75% reduction in scope 1 and 2 emissions from our own operations by 2030, and a 35% reduction in scope 3 emissions from our full supply chain by 2030
- Target of a 45-to-45% gender balance across all professionals and senior management by 2030

ABOUT CHR. HANSEN

Chr. Hansen is a global, differentiated bioscience company that develops natural ingredient solutions for the food, nutritional, pharmaceutical, and agricultural industries. At Chr. Hansen, we are well positioned to drive positive change through microbial solutions. We have worked for over 145 years to enable sustainable agriculture, better food and healthier living for more people around the world. Our microbial and fermentation technology platforms, including our broad and relevant collection of around 40,000 microbial strains, have game-changing potential. Matching customer needs and global trends, we continue to unlock the power of good bacteria to respond to global challenges such as food waste, global health and the overuse of antibiotics and pesticides. As the world's most sustainable food ingredients company, we touch the lives of more than 1 billion people every day. Driven by our legacy of innovation and curiosity to pioneer science, our purpose – To grow a better world. Naturally. – is at the heart of everything we do.

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ABOUT NOVOZYMES

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This announcement includes forward-looking statements. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond the Novozymes Group's, the Chr. Hansen Group's and the combined group's control and all of which are based on the Novozymes Group's, the Chr. Hansen Group's or the combined group's current beliefs and expectations about future events. Forward-looking statements are sometimes identified by the use of forward-looking terminology such as "aim", "annualized", "anticipate", "assess", "assume", "believe", "continue", "could", "estimate", "expect", "goal", "hope", "intend", "may", "objective", "plan", "position", "potential", "predict", "project", "risk", "seek", "should", "target", "will" or "would" or the highlights or the negatives thereof, other variations thereon or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this announcement and other documents regarding the proposed Combination and include statements that reflect the Novozymes Group's, the Chr. Hansen Group's or the combined group's intentions, beliefs or current expectations and projections about their respective future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, targets, strategies and opportunities and the markets in which they respectively operate, and the anticipated timing of the proposed Combination. These forward-looking statements and other statements contained in this announcement regarding matters that are not historical facts involve predictions. No assurance can be given that such future results will be achieved; actual events or results may differ materially as a result of risks and uncertainties facing the Novozymes Group, the Chr. Hansen Group or the combined group. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed or implied in such forward-looking statements. Forward-looking statements in this announcement speak only as of the date of this announcement. The information contained in this announcement is subject to change without notice and, except as required by applicable laws and regulations, Novozymes, and Chr. Hansen expressly disclaim any obligation or undertaking to update or revise the forward-looking statements contained in this announcement to reflect any change in its expectations or any change in events, conditions or circumstances on which such statements are based and nor does it intend to. Investors should not place undue reliance on forward-looking statements, which speak only as of the date of this announcement. As a result of these risks, uncertainties and assumptions, you should not place undue reliance on these forward-looking statements as a prediction of actual future events or otherwise.

Financial Information

This announcement and the exemption document and other documents relating to the proposed Combination may include financial objectives. Financial objectives are internal objectives of Novozymes, Chr. Hansen and the combined group to measure its operational performance and should not be read as indicating that Novozymes, Chr. Hansen or the combined group is targeting such metrics for any particular financial year. The ability of Novozymes, Chr. Hansen and the combined group to achieve these financial objectives is inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of Novozymes, Chr. Hansen and the combined group, and upon assumptions with respect to future business decisions that are subject to change. As a result, the actual results of Novozymes, Chr. Hansen and the combined group may vary from these financial objectives, and those variations may be material.

Transaction conditions

Completion of the Combination is subject to the satisfaction of a number of conditions as more fully described in company announcement no. 28 of 12 December 2022 and the exemption document and other documents relating to the proposed Combination. Consequently, there can be no certainty that completion of the Combination will be forthcoming.

Novozymes refers to Novozymes A/S and the Novozymes Group refers to Novozymes and its subsidiaries. Chr. Hansen refers to Chr. Hansen Holding A/S and the Chr. Hansen Group refers to Chr. Hansen and its subsidiaries. The combined group refers to Novozymes and its subsidiaries following completion of the Combination (including the Novozymes Group and the Chr. Hansen Group).