



## Robust first-half results despite significant headwinds, especially in Bioenergy; organic sales growth of 4% and EBIT margin of 27.5%. 2020 outlook reinstated

First half organic sales growth of 4% (DKK 3%): Household Care 11%, Food & Beverages 7%, Bioenergy -15%, Agriculture & Feed 17%, Tech. & Pharma -22%. EBIT margin at 27.5% and free cash flow before acquisitions of DKK 2.1 billion.

**Ester Baiget, President & CEO:** *"I am very pleased to note that we delivered solid results of 4% organic sales growth with strong earnings and cash flows during what was a turbulent first six months of the year. The agility and resilience of Novozymes' business demonstrates that fundamentals are in place to deliver innovation and sustainable solutions to customers. The pandemic is still very present, and we continue to take all necessary measures to keep our employees safe, protect the business and maintain our ability to supply our customers. But as countries and economies carefully reopen, we now reinstate our 2020 outlook with an organic sales performance of -2% to +2%, an EBIT margin of around 26% including much weaker currency effects, and free cash flow before acquisitions of 2.4 to 2.8 billion DKK."*

**August 11, 2020**

Interim report for 1H 2020.  
Company announcement  
no. 49

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### Highlights 1H 2020:

- Organic sales growth of 4% (3% in reported DKK)
- Very strong growth in Household Care driven by the continued roll-out of the freshness platform, supported by stockpiling; strong but mixed developments in Food & Beverages with baking as the main growth driver; solid growth in Agriculture & Feed supported by a one-off benefit in BioAg and timing of Feed sales; significant decline in Bioenergy and Technical & Pharma, our two business segments most severely impacted by COVID-19
- Emerging markets reported strong organic growth at 9% while developed markets grew by 1%, hampered by the decline in the U.S. ethanol market
- EBIT margin solid at 27.5%; underlying margin improvement of ~200 basis points
- Free cash flow before acquisitions strong at DKK 2.1 billion; net investments at DKK 0.4 billion
- Acquisition of PrecisionBiotics Group, well aligned with strategic direction in Human Health
- Strong innovation agenda with six product launches; five broad market launches including the first enzyme for cleaning medical instruments and devices
- Strong balance sheet and a NIBD/EBITDA of 0.9x allow for continued commitment to stock buybacks and dividend policy

**2020 outlook:** Novozymes reinstates its full-year 2020 organic sales outlook at -2% to +2%. Household Care, Food & Beverages and Agriculture & Feed are all expected to deliver mid-single-digit growth while Bioenergy and Technical & Pharma carry the most uncertainty in terms of the full-year performance. The EBIT margin is expected at around 26% supported by productivity improvements and cost control, while much weaker currency effects, lower operational leverage and the acquisition of PrecisionBiotics Group are all expected to hamper margin performance. The 2019 underlying EBIT margin was ~26%. Free cash flow before acquisitions is expected at DKK 2.4 to 2.8 billion with ROIC including goodwill at 18 to 19%. The stock buyback program totaling up to DKK 1.5 billion and the dividend policy and capital structure policy all remain unchanged.

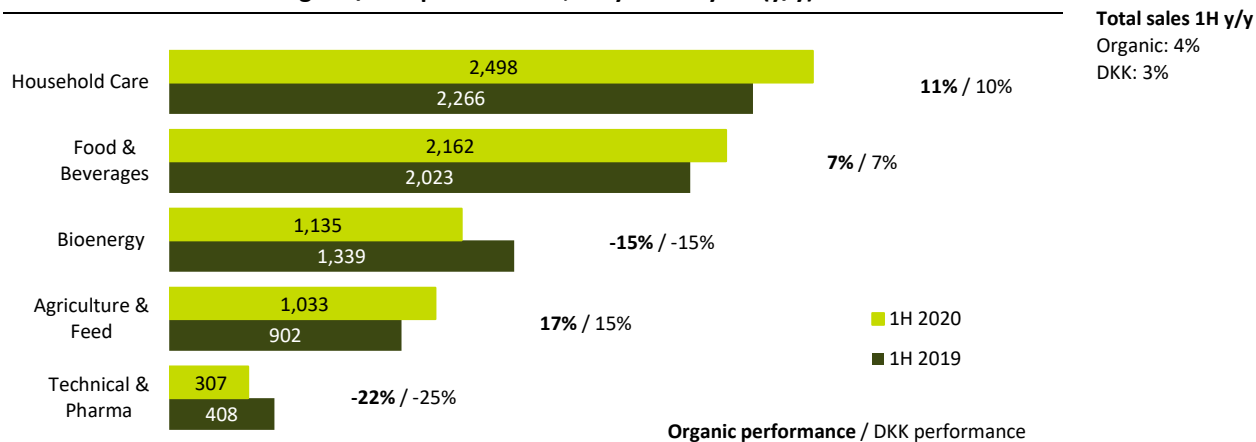
	2020 outlook	1H 2020	1H 2019
Sales performance, organic	-2% to +2%	4%	-3%
EBIT margin	~26%	27.5%	30.0%
ROIC, incl. goodwill	18 to 19%	19.3%	21.9%
Free cash flow before acquisitions, DKKbn	2.4 to 2.8	2.1	1.2

## Selected key data

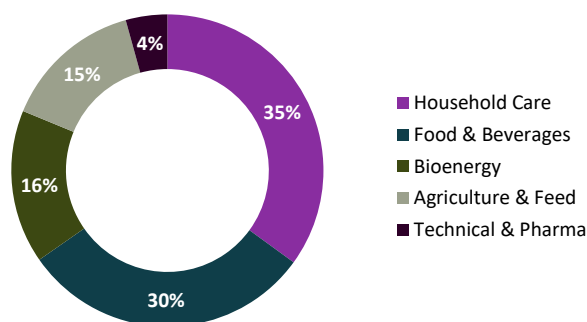
	1H 2020	1H 2019	Q2 2020	Q2 2019
<b>Sales performance, organic</b>	<b>4%</b>	<b>-3%</b>	<b>-2%</b>	<b>-2%</b>
Household Care	11%	-2%	11%	-1%
Food & Beverages	7%	-2%	3%	-3%
Bioenergy	-15%	-4%	-37%	-1%
Agriculture & Feed	17%	-6%	27%	-7%
Technical & Pharma	-22%	2%	-34%	-2%
<b>Sales, DKKm</b>	<b>7,135</b>	<b>6,939</b>	<b>3,349</b>	<b>3,458</b>
Sales performance, DKK	3%	-1%	-3%	-1%
Gross margin	56.3%	55.1%	55.4%	54.6%
EBITDA, DKKm	2,566	2,716	1,172	1,551
EBIT, DKKm	1,962	2,084	867	1,189
EBIT margin	27.5%	30.0%	25.9%	34.4%
Net profit, DKKm	1,461	1,595	646	898
Net profit performance	-8%	1%	-28%	16%
Net investments excl. acquisitions, DKKm	364	396	226	253
Free cash flow before acquisitions, DKKm	2,051	1,218	1,226	798
NIBD/EBITDA (x)	0.9	0.7	1.0	0.6
ROIC, incl. goodwill	19.3%	21.9%	17.2%	24.7%
EPS, DKK	5.19	5.55	2.30	3.14
EPS (diluted), DKK	5.16	5.53	2.28	3.12
Avg. USD/DKK	678	661	677	664

## Sales by business area

### Sales in DKK million and organic/DKK performance, 1H year-on-year (y/y)



### Distribution of sales by business area, 1H 2020



### Household Care

Sales in Household Care grew by 11% organically year-on-year in the first half of 2020. The strong sales performance was driven by the freshness platform, increased enzymatic penetration of detergents, especially in emerging markets, and an unexpected surge in sales driven by COVID-19-related effects, especially in developed markets. Sales in DKK grew by 10% in the first half of the year.

**Household Care 1H y/y**  
 Organic: 11%  
 DKK: 10%

The second-quarter organic sales growth of 11% was broad-based across main customer segments and geographies. Performance in both developed and emerging markets was strong, particularly in Europe, the Middle East & Africa and Latin America. The COVID-19 related stockpiling effects continued into April but eased towards the end of the quarter. In addition, growth was driven by increased demand for higher performance quality detergents, consumers washing more loads and the continued roll-out of our freshness technology.

### Food & Beverages

Food & Beverages reported 7% organic sales growth year-on-year in the first half of 2020. The strong sales growth was led by baking, accompanied by solid results in both grain and food & nutrition. Sales in beverages declined slightly following a negative COVID-19-related impact in the brewing industry. The strong results for Food & Beverages in the first half of 2020 were supported by increased at-home consumption caused by the COVID-19 pandemic, although the impact across the subsegments was mixed. Sales in DKK grew by 7% in the first half of the year.

**Food & Beverages 1H y/y**  
 Organic: 7%  
 DKK: 7%

In the second quarter, Food & Beverages grew 3% organically year-over-year. The good momentum in baking from the second half of 2019 and the first quarter of 2020 continued in the second quarter of 2020. The performance was broad-based and supported by increased at-home consumption with growth in both fresh-keeping and flour correction technologies as well as in solutions targeting consumer health trends such as acrylamide reduction. Food & nutrition performed well in the second quarter mainly driven by dairy while beverages declined following a negative COVID-19-related impact in the brewing industry. Enzymes for vegetable oil processing and Frontia® for improved yield in grain milling, performed well.

## Bioenergy

Sales in the first half of the year declined significantly due to a severe U.S. demand disruption as stay-at-home restrictions following the COVID-19 outbreak were put in place. These led to a sharp decline in gasoline demand and consequently a significant drop in the demand for ethanol. As a result, sales in Bioenergy declined by 15% for the period, both organically and in reported DKK. The negative development in Bioenergy in the first half of the year was roughly in line with the production numbers as reported by the U.S. Environmental Information Administration (EIA).

### Bioenergy 1H y/y

Organic: -15%  
DKK: -15%

In the second quarter of 2020, Bioenergy declined by 37% organically and by 39% in DKK compared to the second quarter of 2019. The decline was linked to the significant drop in ethanol production in North America, as the full impact of the COVID-19-related stay-at-home restrictions materialized. The decline in gasoline and ethanol demand eased somewhat towards the end of the second quarter. Sales of enzymes for ethanol production in Europe declined while sales to Latin America grew slightly.

## Agriculture & Feed

Sales in Agriculture & Feed grew by 17% organically and by 15% in DKK in the first half of the year compared to the same period last year. Both the agricultural and the feed businesses contributed to growth, with the former outgrowing the latter in relative terms.

### Agriculture & Feed 1H y/y

Organic: 17%  
DKK: 15%

Organic growth in the second quarter was 27%, which included a positive settlement contribution related to the former BioAg setup. Excluding the settlement, Agriculture & Feed still delivered healthy double-digit growth in the quarter, albeit from a relatively easy comparator.

The setup in the agricultural business progressed well across partnerships and included the second quarter launch of the biocontrol product Taegro® for Europe and South America, together with Syngenta.

Sales of enzymes for animal feed were positively impacted by timing in the first half of the year. Growth was supported by Balancius™ for improved gut health in poultry as well as inventory moves across the value chain. Sales of microbials for animal health were roughly flat compared to the same period of last year.

Novozymes did not recognize any deferred income as revenue in the first half of 2020, while recognizing DKK 24 million in the first half of 2019 (Q2 2019: DKK 0 million). As the BioAg alliance was terminated in April last year, the remaining and related balance of the deferred income of DKK 287 million was recognized as other operating income in the second quarter of last year.

## Technical & Pharma

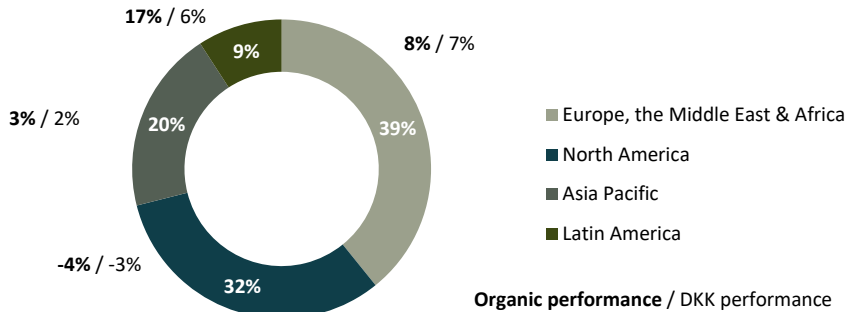
Sales in Technical & Pharma declined by 22% organically and by 25% in DKK in the first half of 2020 compared to the same period last year. This was due to the continuation of last year's decline in Chinese textile production, with volumes shifting away from China to countries with lower enzyme penetration. The decline was further amplified by COVID-19-related lockdowns and its impact on the textile and apparel industry.

### Technical & Pharma 1H y/y

Organic: -22%  
DKK: -25%

## Sales by geography

### Distribution of sales by geography, 1H 2020



Novozymes grew sales by 4% organically year-on-year in the first half of 2020. Emerging markets grew by 9% and developed markets grew by 1% compared to the same period last year. The performance was a result of broad-based geographical growth across all regions with the exception of North America. The strong increase in demand within Household Care and Food & Beverages across all major regions was driven by a combination of additional end-user consumption and timing-related customer and consumer stockpiling due to Covid-19.

In the second quarter, emerging markets grew by 4%. Developed markets declined by 5% during the period, mainly due to the significant decline in U.S. ethanol production volumes.

### Europe, the Middle East & Africa

Sales grew 8% organically in the first half of the year compared to the same period last year. The regional growth was mainly driven by Household Care, Agriculture & Feed, and Food & Beverages while sales within Technical & Pharma were challenged compared to the same period last year.

**Europe, the Middle East & Africa 1H y/y**  
Organic: 8%  
DKK: 7%

The second quarter grew organically by 6% compared to the same period of last year driven by Household Care and BioAg.

### North America

North America declined 4% compared to the first six months of last year. The decline was driven by the significant second-quarter decline in U.S. ethanol production volumes. Household Care, Food & Beverages, and Agriculture & Feed all posted good growth performances in the first half while Technical & Pharma was in decline.

**North America 1H y/y**  
Organic: -4%  
DKK: -3%

In the second quarter, sales declined by 15% year-on-year due to the significant decline in U.S. ethanol production volumes. The decline was somewhat mitigated by growth in Agriculture & Feed.

### Asia Pacific

Sales grew 3% organically in the first half of 2020, which was driven by broad-based growth in Food & Beverages, Household Care, and Agriculture & Feed. Growth was negatively impacted by the decline in sales to the textile industry as production shifted from China to geographies with less enzyme usage in addition to COVID-19-driven uncertainty.

**Asia Pacific 1H y/y**  
Organic: 3%  
DKK: 2%

Sales in the second quarter grew organically by 1% compared to the same period of last year. Growth was driven by Agriculture & Feed and Household Care, while Technical and Pharma declined.

## Latin America

Organic sales grew 17% year-on-year in Latin America in the first half of the year. The strong growth was driven mainly by Household Care and Bioenergy.

**Latin America 1H y/y**

Organic: 17%

DKK: 6%

In the second quarter, sales to Latin America grew 8% organically compared to the same period of last year, mainly driven by Household Care.

## Income statement

Total costs excluding net other operating income, net financials, share of losses in associates and taxes amounted to DKK 5,218 million in the first half and DKK 2,504 million in the second quarter of 2020. This was DKK 102 million (-2%) and DKK 220 million (-8%) less respectively than in the same periods of 2019. Developments in both the first half and the second quarter were mainly driven by lower operating costs.

**Total costs 1H y/y**  
-2%

The gross margin ended at 56.3% in the first half and at 55.4% in the second quarter of 2020. This was an increase of 1.2 and 0.8 percentage points respectively compared to the same periods of 2019. Higher operational leverage, improved production efficiency and lower input costs as well as the one-off settlement related to the former BioAg setup were the main drivers of the gross margin improvement. Changes in price, product mix and currencies had a negligible effect on the gross margin.

**Gross margin 1H**  
56.3%

Operating costs totaled DKK 2,100 million in the first half and DKK 1,012 million in the second quarter of 2020. This was a decrease of DKK 101 million (-5%) and DKK 141 million (-12%) compared to the same periods of 2019. The reductions were mainly driven by savings on employment costs and lower travel costs. The sales and distribution costs in the second quarter of 2020 included transaction costs of DKK 20 million associated with the acquisition of PrecisionBiotics Group. Operating costs accounted for 29% of sales in the first half and 30% of sales in the second quarter of 2020. This was roughly 2 and 3 percentage points lower respectively than in the same periods of 2019.

**Operating costs 1H y/y**  
-5%

- Sales and distribution costs were up 1% and accounted for 11.3% of sales in the first half and fell 6% to account for 11.2% of sales in the second quarter of 2020
- Research and development costs decreased 7% and made up 13.0% of sales in the first half and dropped 14% to account for 14.0% of sales in the second quarter of 2020
- Administrative costs were down 9% and accounted for 5.1% of sales in the first half and fell 20% to make up 5.0% of sales in the second quarter of 2020

Other operating income amounted to DKK 45 million in the first half and DKK 22 million in the second quarter of 2020. This was DKK 420 million and DKK 433 million respectively less than in the corresponding periods of 2019. Other operating income in the second quarter of 2019 included the recognition of DKK 287 million in deferred income related to the termination of the BioAg alliance and DKK 153 million in proceeds from the divestment of a pharma-related royalty. These were the main reasons for the decrease in other operating income between the two periods.

Depreciation and amortization amounted to DKK 604 million in the first half and DKK 305 million in the second quarter of 2020. This was DKK 28 million and DKK 57 million less respectively than in the corresponding periods of 2019, despite a higher depreciation charge on the Innovation Campus in Lyngby, as effects from the termination of the BioAg alliance were included in the second quarter of 2019.

**Depreciation and amort. 1H**  
DKK 604 million

EBIT amounted to DKK 1,962 million in the first half and DKK 867 million in the second quarter of 2020 for EBIT margins of 27.5% and 25.9% respectively. This was a decrease of DKK 122 million, or 2.5 percentage points, in the first half and DKK 322 million, or 8.5 percentage points, in the second quarter compared to EBIT and the EBIT margins for the same periods of 2019. However, the EBIT margin in the second quarter of 2019 benefited from the two abovementioned non-recurring other operating incomes, while the EBIT margin for the same period of 2020 included transaction costs from the acquisition of PrecisionBiotics Group and the settlement related to the former BioAg setup. Adjusted for these one-off items, the underlying EBIT margin in the first half of 2019 was ~25% whereas the underlying EBIT margin in the same period of 2020 was ~2 percentage points higher at ~27%. The improvement was mainly driven by a higher sales and gross margin as well as lower operating costs. The underlying EBIT margin in the second quarter of 2020 was ~25% and on par with the underlying EBIT margin in the second quarter of 2019.

**EBIT 1H**  
DKK 1,962 million  
**EBIT margin 1H**  
27.5%

Net financial costs and the share of losses in associates were DKK 134 million in the first half and DKK 58 million in the second quarter of 2020. This was an increase of DKK 21 million for the first half and a decrease of DKK 22

**Net financial costs and share of losses in associates 1H**  
DKK 134 million

million for the second quarter. Net financial costs in the first half of 2019 benefited from non-recurring interest income relating to a favorable tax settlement. Adjusted for the non-recurring interest income in the first half of 2019, net financial costs in the first half of 2020 were roughly on par with the same period of 2019.

Profit before tax amounted to DKK 1,827 million in the first half and DKK 808 million in the second quarter of 2020. This was DKK 142 million (-7%) and DKK 301 million (-27%) respectively less than in the same periods of 2019.

The effective tax rate of 20.0% for the first half and the second quarter of 2020 was an increase of 1 percentage point compared to the effective tax rate of 19.0% in the same periods of 2019.

**Effective tax rate 1H**  
20.0%

Net profit amounted to DKK 1,461 million in the first half and DKK 646 million in the second quarter of 2020. This was a decrease of DKK 134 million (-8%) and DKK 252 million (-28%) respectively compared to the same periods of 2019. The decreases were mainly attributable to the decrease in EBIT.

**Net profit 1H**  
DKK 1,461 million

## Cash flows and balance sheet

Cash flow from operating activities amounted to DKK 2,415 million in the first half and DKK 1,452 million in the second quarter of 2020. This was an increase of DKK 801 million and DKK 401 million respectively compared to the same periods of 2019. The improvement in operating cash flow was mainly due to higher sales, gross margin expansion and lower operating costs. The cash flow from operating activities in the second quarter of 2020 also benefited from the settlement related to the former BioAg setup and a COVID-19-related postponement of certain tax payments in Denmark. Changes in net working capital affected cash flows positively both in the first half and in the second quarter of 2020, mainly driven by a decrease in both receivables and contract assets.

**Operating cash flow 1H**  
DKK 2,415 million

Net investments excluding acquisitions totaled DKK 364 million in the first half and DKK 226 million in the second quarter of 2020. This was DKK 32 million and DKK 27 million less than in the same periods of 2019.

**Net investments excl. acquisitions 1H**  
DKK 364 million

Free cash flow before acquisitions amounted to DKK 2,051 million in the first half and DKK 1,226 million in the second quarter of 2020, increasing by DKK 833 million and DKK 428 million respectively compared to the same periods of 2019. The increases were mainly attributable to higher cash flows from operating activities.

**Free cash flow before acquisitions 1H**  
DKK 2,051 million

Shareholders' equity was DKK 10,816 million at June 30, 2020, corresponding to an equity ratio of 52.2%. This was a decrease of DKK 206 million and 2.7 percentage points respectively compared to the shareholders' equity of DKK 11,022 million and the 54.9% equity ratio reported at June 30, 2019. The decrease in shareholders' equity reflects Novozymes' capital structure strategy of increased dividend payments and continued stock buybacks.

**Equity ratio 1H**  
52.2%

Net interest-bearing debt (NIBD) and the NIBD-to-EBITDA ratio were DKK 4,778 million and 0.9x respectively at June 30, 2020. This was an increase of DKK 1,038 million and 0.2x respectively compared to the net interest-bearing debt and the NIBD-to-EBITDA ratio at June 30, 2019. The increase in net interest-bearing debt was mainly due to the acquisition of PrecisionBiotics Group as well as dividend payments and stock buybacks.

**NIBD/EBITDA 1H**  
0.9x

Return on invested capital (ROIC) including goodwill was 19.3% in the first half and 17.2% in the second quarter of 2020. This was 2.6 and 7.5 percentage points lower respectively than in the same periods of 2019. The decreases in ROIC were attributable to both higher average invested capital and lower net operating profit after tax. The average invested capital in the first half of 2019 benefited from the deferred income recognized in relation to termination of the BioAg alliance. Together with the acquisition of PrecisionBiotics Group in 2020, these were the main drivers of the increases in average invested capital between the two periods. The decreases in net operating profit after tax were mainly due to the decline in EBIT between the periods.

**ROIC incl. goodwill 1H**  
19.3%

The holding of treasury stock was 4,762,789 B shares at June 30, 2020, which was equivalent to 1.7% of the common stock.

**Treasury stock 1H**  
1.7%



## 2020 outlook

As countries and economies carefully reopen, Novozymes reinstates its full-year 2020 outlook for organic sales performance of -2% to +2%. The wide range reflects an unusually high level of uncertainty due to the ongoing COVID19 pandemic, and also includes a slightly negative year-on-year organic sales performance in the month of July. In reported DKK, the outlook is close to 3 percentage points lower. Household Care, Food & Beverages and Agriculture & Feed are all expected to deliver mid-single-digit growth while Bioenergy and Technical & Pharma carry the most uncertainty in terms of the full-year performance. The EBIT margin is expected at around 26% supported by productivity improvements and cost control, while much more negative currency effects, lower operational leverage and the acquisition of PrecisionBiotics Group are all expected to hamper margin performance. The 2019 underlying EBIT margin was ~26%. Free cash flow before acquisitions is expected at DKK 2.4 to 2.8 billion with ROIC including goodwill at 18 to 19%. The stock buyback program totaling up to DKK 1.5 billion and the dividend policy and capital structure policy all remain unchanged.

### Organic sales performance

-2 to +2%

At an overall full year organic sales decline of 2%, a main assumption would be if the decline in our Bioenergy business was to accelerate significantly in the second half of the year relative to the 15% decline recorded for the first half of 2020. Such a scenario would be a reality if the U.S. market were to experience a significantly stronger decline in miles driven because tougher stay-at-home orders are re-imposed. Also, in the 2% decline scenario, our Technical industries would continue to be in significant decline mainly as textile and leather solutions would be in low demand.

At an overall full-year organic sales growth of 2%, the main assumptions would be a faster recovery in the consumer markets and less negative supply chain impact in the second half, as well as a full-year US production of ethanol being more in line with the EIA's (Energy Information Administration) 2020 outlook of around 12% decline compared to 2019. Also, the overall 2% growth scenario would imply less of a decline in our Technical & Pharma business for the second half of the year compared to the 22% decline seen in the first half of 2020.

At an EBIT margin outlook of ~26% (underlying EBIT margin 2019: ~26%), relative to the outlook provided on January 24, we have assumed significantly worse currency spot rates, lower operational leverage, and have included the negative impact of the acquisition of PrecisionBiotics Group. On the positive side, we still include lower input costs, productivity improvements and cost control.

### EBIT margin

~26%

A ROIC including goodwill of 18 to 19% includes, relative to the previous outlook of January 24, a lower sales outlook, a lower EBIT margin due to less favorable currencies and the acquisition of PrecisionBiotics Group, as well as a higher level of invested capital from that same acquisition.

### ROIC, incl. goodwill

18 to 19%

Free cash flow before acquisitions is expected at from DKK 2.4 to 2.8 billion. The relatively small change compared to the outlook of January 24 reflects lower earnings mitigated by working capital improvements, backed by a resilient performance in the underlying cash flow generation.

### Free cash flow before acquisitions

DKK 2.4 to 2.8 billion

2020 outlook	August 11*	April 7 / April 29 / July 8	January 24
Sales performance, organic	-2% to +2%	Suspended	1 to 5%
EBIT margin	~26%	Suspended	~27%
ROIC (including goodwill)	18% to 19%	Suspended	20% to 21%
Free cash flow before acquisitions, DKKbn	2.4 to 2.8	Suspended	2.5 to 2.9
For modeling purposes:			
Effective tax rate	19% to 21%	Suspended	19% to 21%
Net financials, DKKm	~ -150	Suspended	~ -200
Net investments, DKKbn	0.8 to 1.0	Suspended	0.8 to 1.0
Stock buyback program	up to DKK 1.5bn	up to DKK 1.5bn	up to DKK 1.5bn

\*Assumes that the exchange rates for the company's key currencies remain at the rates prevailing on August 10 for the rest of 2020

## Sustainability outlook

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

		2022 targets
<b>World</b>	Save CO <sub>2</sub> emissions by enabling low carbon fuels in the transport sector	60 million tons of CO <sub>2</sub>
	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
<b>Operations</b>	Reduce absolute CO <sub>2</sub> emissions from operations <sup>1</sup>	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%
<b>Employees</b>	Enable learning <sup>2</sup>	80
	Nurture diversity <sup>3</sup>	86
	Occupational injuries <sup>4</sup>	≤ 1.5
	Pledge employee time to local outreach <sup>5</sup>	~ 1% of time
	Excite employees <sup>2</sup>	81

<sup>1</sup> Compared to 2018 baseline.

<sup>2</sup> Measured by score to relevant questions in annual survey.

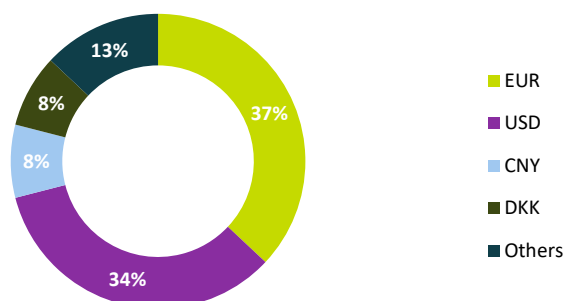
<sup>3</sup> Index calculated based on gender and national representation at various professional levels.

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

<sup>5</sup> Qualitative reporting only.

## Currency exposure

### Sales by currency, 1H 2020



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

	2020				2021	
	Q1	Q2	Q3	Q4	Q1	Q2
<b>USD</b>	100% hedged via forward contracts at USD/DKK 6.58		100% hedged via forward contracts at USD/DKK 6.64		50% hedged via forward contracts at USD/DKK 6.70	

The currency exposure was hedged at an average of USD/DKK 6.58 in first half 2020. For the second half of 2020, the exposure is 100% hedged at an average of USD/DKK 6.64. Further, 50% of the expected 1H 2021 exposure has been hedged at 6.70.

DKK	EUR	USD	BRL	CNY
Average exchange rate 1H 2019	747	661	172	97
Average exchange rate 1H 2020	746	678	140	96
Average exchange rate 1H 2020 compared with 1H 2019	0%	3%	-19%	-1%
Average exchange rate 2019	747	667	169	97
Rate on August 10, 2020	745	633	117	91
Estimated average exchange rate 2020*	746	656	129	94
Estimated average exchange rate 2020 compared with 2019	0%	-2%	-24%	-3%

\* Estimated average exchange rate on August 10, 2020. Assumes that the exchange rates for the company's key currencies remain at the rates prevailing on August 10 for the rest of 2020.

## Accounting policies

The interim report for the first six months of 2020 has been prepared in accordance with IAS 34 and additional Danish regulations for the presentation of quarterly interim reports by listed companies. The interim report for the first six months of 2020 follows the same accounting policies as the annual report for 2019, except for all new, amended or revised accounting standards and interpretations (IFRSs) endorsed by the EU effective for the accounting period beginning on January 1, 2020. These IFRSs have not had any impact on the Group's interim report.

## 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.

## Contact 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 interim report of Novozymes A/S for the first six months of 2020. This interim report has not been audited or reviewed by the company's independent auditor.

The interim report for the first six months of 2020 has been prepared in accordance with International Financial Reporting Standards and IAS 34 as adopted by the EU, and further requirements in the Danish Financial Statements Act for the presentation of quarterly interim reports by listed companies.

In our opinion, the accounting policies used are appropriate, the Group's internal controls relevant for the 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 June 30, 2020, and of the results of the Group's operations and cash flows for the first six months of 2020. Other than as disclosed in the interim report for the first six months of 2020, no changes in the Group's most significant risks and uncertainties have occurred relative to what was disclosed in the annual report for 2019.

Bagsværd, August 11, 2020

### EXECUTIVE MANAGEMENT

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Ester Baiget  
President & CEO

Lars Green  
CFO

Thomas Videbæk  
COO

### BOARD OF DIRECTORS

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Jørgen Buhl Rasmussen  
Chairman

Cornelis (Cees) de Jong  
Vice Chairman

Heine Dalsgaard

Lena Bech Holskov

Sharon James

Anders Hentze Knudsen

Kasim Kutay

Lars Bo Køppler

Kim Stratton

Mathias Uhlén

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**Appendix 1 Main items and key figures****1.1 Key figures**

<b>DKK million</b>	<b>1H 2020</b>	<b>1H 2019</b>	<b>% change</b>	<b>Q2 2020</b>	<b>Q2 2019</b>	<b>% change</b>
Revenue	7,135	6,939	3%	3,349	3,458	(3)%
Gross profit	4,017	3,820	5%	1,857	1,887	(2)%
Gross margin	56.3%	55.1%		55.4%	54.6%	
EBITDA	2,566	2,716	(6)%	1,172	1,551	(24)%
EBITDA margin	36.0%	39.1%		35.0%	44.9%	
Operating profit / EBIT	1,962	2,084	(6)%	867	1,189	(27)%
EBIT margin	27.5%	30.0%		25.9%	34.4%	
Share of result in associates	(1)	(2)		(1)	0	
Net financials	(134)	(113)		(58)	(80)	
<b>Profit before tax</b>	<b>1,827</b>	<b>1,969</b>	<b>(7)%</b>	<b>808</b>	<b>1,109</b>	<b>(27)%</b>
Tax	(366)	(374)	(2)%	(162)	(211)	(23)%
<b>Net profit</b>	<b>1,461</b>	<b>1,595</b>	<b>(8)%</b>	<b>646</b>	<b>898</b>	<b>(28)%</b>
Earnings per DKK 2 share	5.19	5.55	(7)%	2.30	3.14	(27)%
Earnings per DKK 2 share (diluted)	5.16	5.53	(7)%	2.28	3.12	(27)%
Net investments excl. acq.	364	396				
Free cash flow before net acq. and purchase of financial assets	2,051	1,218				
Return on invested capital (ROIC) incl. goodwill	19.3%	21.9%				
Net interest-bearing debt	4,778	3,740				
Equity ratio	52.2%	54.9%				
Return on equity	26.2%	28.4%				
Debt-to-equity	44.2%	33.9%				
NIBD / EBITDA	0.9	0.7				
Number of employees	6,115	6,442				
<b>Novozymes' stock</b>				<b>Jun. 30, 2020</b>	<b>Jun. 30, 2019</b>	
Common stock (million)				285.0	291.0	
Net worth per share (DKK)				37.91	37.84	
Denomination of share (DKK)				2.00	2.00	
Nominal value of common stock (DKK million)				570.0	582.0	
Treasury stock (million)				4.8	5.6	

**1.2 Income statement**

<b>DKK million</b>	<b>1H 2020</b>	<b>1H 2019</b>	<b>Q2 2020</b>	<b>Q2 2019</b>
Revenue	7,135	6,939	3,349	3,458
Cost of goods sold	(3,118)	(3,119)	(1,492)	(1,571)
<b>Gross profit</b>	<b>4,017</b>	<b>3,820</b>	<b>1,857</b>	<b>1,887</b>
Sales and distribution costs	(804)	(798)	(374)	(399)
Research and development costs	(930)	(1,003)	(470)	(545)
Administrative costs	(366)	(400)	(168)	(209)
Other operating income, net	45	465	22	455
<b>Operating profit / EBIT</b>	<b>1,962</b>	<b>2,084</b>	<b>867</b>	<b>1,189</b>
Share of result in associates	(1)	(2)	(1)	-
Net financials	(134)	(113)	(58)	(80)
<b>Profit before tax</b>	<b>1,827</b>	<b>1,969</b>	<b>808</b>	<b>1,109</b>
Tax	(366)	(374)	(162)	(211)
<b>Net profit</b>	<b>1,461</b>	<b>1,595</b>	<b>646</b>	<b>898</b>
<b>Attributable to</b>				
Shareholders in Novozymes A/S	1,460	1,594	645	898
Non-controlling interests	1	1	1	-
<b>Specification of net financials</b>				
Foreign exchange gain/(loss), net	(89)	(102)	(30)	(50)
Interest income/(costs)	(25)	5	(12)	(24)
Other financial items	(20)	(16)	(16)	(6)
<b>Net financials</b>	<b>(134)</b>	<b>(113)</b>	<b>(58)</b>	<b>(80)</b>
<b>Earnings per DKK 2 share</b>	<b>5.19</b>	<b>5.55</b>	<b>2.30</b>	<b>3.14</b>
Average no. of A/B shares outstanding (million)	281.5	287.0	281.0	286.4
<b>Earnings per DKK 2 share (diluted)</b>	<b>5.16</b>	<b>5.53</b>	<b>2.28</b>	<b>3.12</b>
Average no. of A/B shares, diluted (million)	282.9	288.5	282.5	288.1



**1.3 Statement of comprehensive income**

<b>DKK million</b>	<b>1H 2020</b>	<b>1H 2019</b>	<b>Q2 2020</b>	<b>Q2 2019</b>
<b>Net profit</b>	<b>1,461</b>	<b>1,595</b>	<b>646</b>	<b>898</b>
Currency translation of subsidiaries and non-controlling interests	(199)	46	(212)	(146)
Tax on currency translation of subsidiaries	-	-	-	-
<b>Currency translation adjustments</b>	<b>(199)</b>	<b>46</b>	<b>(212)</b>	<b>(146)</b>
Fair value adjustments	(23)	(58)	33	5
Tax on fair value adjustments	5	13	(8)	(1)
Cash flow hedges reclassified to financial costs	46	89	20	42
Tax on reclassified fair value adjustments	(10)	(20)	(4)	(9)
<b>Cash flow hedges</b>	<b>18</b>	<b>24</b>	<b>41</b>	<b>37</b>
<b>Other comprehensive income</b>	<b>(181)</b>	<b>70</b>	<b>(171)</b>	<b>(109)</b>
<b>Comprehensive income</b>	<b>1,280</b>	<b>1,665</b>	<b>475</b>	<b>789</b>
<b>Attributable to</b>				
Shareholders in Novozymes A/S	1,279	1,665	474	790
Non-controlling interests	1	-	1	(1)

## Appendix 2 Distribution of revenue

### 2.1 Business areas

DKK million	2020 1H	2019 1H	% change	% currency impact	% M&A impact	% organic growth
Household Care	2,498	2,267	10	(1)	0	11
Food & Beverages	2,162	2,023	7	0	0	7
Bioenergy	1,135	1,339	(15)	0	0	(15)
Agriculture & Feed	1,033	902	15	(2)	0	17
Technical & Pharma	307	408	(25)	1	(4)	(22)
<b>Sales</b>	<b>7,135</b>	<b>6,939</b>	<b>3</b>	<b>(1) *</b>	<b>0</b>	<b>4</b>

\* The effect from changes in deferred income in BioAg is included in the currency impact. Realized currency impact was -0.4%.

DKK million	2020 Q2	2019 Q2	% change	% currency impact	% M&A impact	% organic growth
Household Care	1,227	1,122	9	(2)	0	11
Food & Beverages	1,049	1,028	2	(1)	0	3
Bioenergy	438	716	(39)	(2)	0	(37)
Agriculture & Feed	512	404	27	0	0	27
Technical & Pharma	123	188	(35)	(1)	0	(34)
<b>Sales</b>	<b>3,349</b>	<b>3,458</b>	<b>(3)</b>	<b>(1) *</b>	<b>0</b>	<b>(2)</b>

\* The effect from changes in deferred income in BioAg is included in the currency impact. Realized currency impact was -1.2%.

DKK million	2020		2019				% change
	Q2	Q1	Q4	Q3	Q2	Q1	Q2/Q2
Household Care	1,227	1,271	1,224	1,267	1,122	1,145	9
Food & Beverages	1,049	1,113	1,074	1,074	1,028	995	2
Bioenergy	438	697	769	712	716	623	(39)
Agriculture & Feed	512	521	484	495	404	498	27
Technical & Pharma	123	184	180	156	188	220	(35)
<b>Sales</b>	<b>3,349</b>	<b>3,786</b>	<b>3,731</b>	<b>3,704</b>	<b>3,458</b>	<b>3,481</b>	<b>(3)</b>

### 2.2 Geography

DKK million	2020 1H	2019 1H	% change	% currency impact	% M&A impact	% organic growth
Europe, Middle East & Africa	2,795	2,602	7	0	(1)	8
North America	2,275	2,339	(3)	1	0	(4)
Asia Pacific	1,411	1,380	2	(1)	0	3
Latin America	654	618	6	(11)	0	17
<b>Sales</b>	<b>7,135</b>	<b>6,939</b>	<b>3</b>	<b>(1) *</b>	<b>0</b>	<b>4</b>
Developed markets	4,738	4,656	2	1	0	1
Emerging markets	2,397	2,283	5	(4)	0	9
<b>Sales</b>	<b>7,135</b>	<b>6,939</b>	<b>3</b>	<b>(1)</b>	<b>0</b>	<b>4</b>

\* The effect from changes in deferred income in BioAg is included in the currency impact. Realized currency impact was -0.4%.

DKK million	2020 Q2	2019 Q2	% change	% currency impact	% M&A impact	% organic growth
Europe, Middle East & Africa	1,347	1,274	6	0	0	6
North America	1,011	1,177	(14)	1	0	(15)
Asia Pacific	697	696	0	(1)	0	1
Latin America	294	311	(5)	(13)	0	8
<b>Sales</b>	<b>3,349</b>	<b>3,458</b>	<b>(3)</b>	<b>(1) *</b>	<b>0</b>	<b>(2)</b>
Developed markets	2,201	2,299	(4)	1	0	(5)
Emerging markets	1,148	1,159	(1)	(5)	0	4
<b>Sales</b>	<b>3,349</b>	<b>3,458</b>	<b>(3)</b>	<b>(1)</b>	<b>0</b>	<b>(2)</b>

\* The effect from changes in deferred income in BioAg is included in the currency impact. Realized currency impact was -1.2%.

DKK million	2020		2019				% change
	Q2	Q1	Q4	Q3	Q2	Q1	Q2/Q2
Europe, Middle East & Africa	1,347	1,448	1,334	1,404	1,274	1,328	6
North America	1,011	1,264	1,255	1,156	1,177	1,162	(14)
Asia Pacific	697	714	764	733	696	684	0
Latin America	294	360	378	411	311	307	(5)
<b>Sales</b>	<b>3,349</b>	<b>3,786</b>	<b>3,731</b>	<b>3,704</b>	<b>3,458</b>	<b>3,481</b>	<b>(3)</b>
Developed markets	2,201	2,537	2,415	2,365	2,299	2,357	(4)
Emerging markets	1,148	1,249	1,316	1,339	1,159	1,124	(1)
<b>Sales</b>	<b>3,349</b>	<b>3,786</b>	<b>3,731</b>	<b>3,704</b>	<b>3,458</b>	<b>3,481</b>	<b>(3)</b>

## Appendix 3 Statement of cash flows

### 3.1 Statement of cash flows

DKK million	1H 2020	1H 2019
<b>Net profit</b>	<b>1,461</b>	<b>1,595</b>
Reversals of non-cash items	1,200	425
Tax paid	(315)	(399)
Interest received	6	59
Interest paid	(28)	(53)
<b>Cash flow before change in working capital</b>	<b>2,324</b>	<b>1,627</b>
<b>Change in working capital</b>		
(Increase)/decrease in receivables and contract assets	267	170
(Increase)/decrease in inventories	(37)	47
Increase/(decrease) in payables, deferred income and contract liabilities	(129)	(233)
Currency translation adjustments	(10)	3
<b>Cash flow from operating activities</b>	<b>2,415</b>	<b>1,614</b>
<b>Investments</b>		
Purchase of intangible assets	(62)	(75)
Sale of property, plant and equipment	1	2
Purchase of property, plant and equipment	(303)	(323)
<b>Cash flow from investing activities before acquisitions, divestments and purchase of financial assets</b>	<b>(364)</b>	<b>(396)</b>
<b>Free cash flow before acquisitions, divestments and purchase of financial assets</b>	<b>2,051</b>	<b>1,218</b>
Business acquisitions, divestments and purchase of financial assets	(584)	430
<b>Free cash flow</b>	<b>1,467</b>	<b>1,648</b>
<b>Financing</b>		
Borrowings	1,123	1,046
Repayment of borrowings	(138)	(315)
Repayment of lease liabilities	(59)	(50)
Shareholders:		
Purchase of treasury stock	(927)	(731)
Sale of treasury stock	345	30
Dividend paid	(1,483)	(1,439)
<b>Cash flow from financing activities</b>	<b>(1,139)</b>	<b>(1,459)</b>
<b>Net cash flow</b>	<b>328</b>	<b>189</b>
Unrealized gain/(loss) on currencies and financial assets, included in cash and cash equivalents	(15)	(2)
<b>Change in cash and cash equivalents, net</b>	<b>313</b>	<b>187</b>
Cash and cash equivalents at January 1	711	723
<b>Cash and cash equivalents at June 30</b>	<b>1,024</b>	<b>910</b>

Undrawn committed credit facilities at June 30, 2020 were DKK 3,954 million.

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

DKK million	Jun. 30, 2020	Jun. 30, 2019	Dec. 31, 2019
Completed IT development projects	187	147	189
Acquired patents, licenses and know-how	1,302	821	743
Goodwill	1,120	967	965
IT development projects in progress	59	37	29
<b>Intangible assets</b>	<b>2,668</b>	<b>1,972</b>	<b>1,926</b>
Land and buildings	3,962	3,141	4,056
Plant and machinery	4,336	4,472	4,501
Other equipment	949	822	993
Assets under construction and prepayments	705	1,797	662
<b>Property, plant and equipment</b>	<b>9,952</b>	<b>10,232</b>	<b>10,212</b>
Deferred tax assets	1,140	955	1,161
Other financial assets (non-interest-bearing)	22	20	22
Investment in associate	36	39	37
Other receivables	30	32	29
<b>Non-current assets</b>	<b>13,848</b>	<b>13,250</b>	<b>13,387</b>
Raw materials and consumables	395	395	365
Goods in progress	767	782	821
Finished goods	1,462	1,603	1,427
<b>Inventories</b>	<b>2,624</b>	<b>2,780</b>	<b>2,613</b>
Trade receivables	2,710	2,492	2,864
Contract assets	50	223	243
Tax receivables	134	125	273
Other receivables	275	260	269
<b>Receivables</b>	<b>3,169</b>	<b>3,100</b>	<b>3,649</b>
Other financial assets (non-interest-bearing)	22	19	15
Cash and cash equivalents	1,024	910	711
Assets held for sale	22	-	62
<b>Current assets</b>	<b>6,861</b>	<b>6,809</b>	<b>7,050</b>
<b>Assets</b>	<b>20,709</b>	<b>20,059</b>	<b>20,437</b>

**4.2 Balance sheet, Liabilities**

DKK million	Jun. 30, 2020	Jun. 30, 2019	Dec. 31, 2019
Common stock	570	582	582
Currency translation adjustments	(142)	(39)	57
Cash flow hedges	37	(2)	19
Retained earnings	10,339	10,469	10,810
<b>Equity attributable to shareholders in Novozymes A/S</b>	<b>10,804</b>	<b>11,010</b>	<b>11,468</b>
Non-controlling interests	12	12	12
<b>Shareholders' equity</b>	<b>10,816</b>	<b>11,022</b>	<b>11,480</b>
Deferred tax liabilities	881	803	879
Provisions	244	198	115
Other financial liabilities (interest-bearing)	3,527	2,136	2,764
Other financial liabilities (non-interest-bearing)	12	13	11
Non-current lease liabilities	429	534	453
<b>Non-current liabilities</b>	<b>5,093</b>	<b>3,684</b>	<b>4,222</b>
Other financial liabilities (interest-bearing)	1,695	1,851	1,380
Other financial liabilities (non-interest-bearing)	18	54	31
Lease liabilities	151	129	163
Provisions	111	132	128
Trade payables	1,112	1,097	1,117
Contract liabilities	51	102	74
Deferred income	26	34	30
Tax payables	334	589	431
Other payables	1,302	1,365	1,381
<b>Current liabilities</b>	<b>4,800</b>	<b>5,353</b>	<b>4,735</b>
<b>Liabilities</b>	<b>9,893</b>	<b>9,037</b>	<b>8,957</b>
<b>Liabilities and shareholders' equity</b>	<b>20,709</b>	<b>20,059</b>	<b>20,437</b>

### 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			
<b>Shareholders' equity at January 1, 2020</b>	<b>582</b>	<b>57</b>	<b>19</b>	<b>10,810</b>	<b>11,468</b>	<b>12</b>	<b>11,480</b>
Net profit for the period				1,460	1,460	1	1,461
Other comprehensive income for the period		(199)	18		(184)	-	(184)
<b>Total comprehensive income for the period</b>		<b>(199)</b>	<b>18</b>	<b>1,460</b>	<b>1,279</b>	<b>1</b>	<b>1,280</b>
Purchase of treasury stock				(927)	(927)		(927)
Sale of treasury stock				345	345		345
Write-down of common stock	(12)			12	-		-
Dividend				(1,482)	(1,482)	(1)	(1,483)
Stock-based payment				29	29		29
Tax related to equity items				92	92		92
<b>Changes in shareholders' equity</b>	<b>(12)</b>	<b>(199)</b>	<b>18</b>	<b>(471)</b>	<b>(664)</b>	<b>-</b>	<b>(664)</b>
<b>Shareholders' equity at June 30, 2020</b>	<b>570</b>	<b>(142)</b>	<b>37</b>	<b>10,339</b>	<b>10,804</b>	<b>12</b>	<b>10,816</b>
<b>Shareholders' equity at January 1, 2019</b>	<b>594</b>	<b>(86)</b>	<b>(26)</b>	<b>10,943</b>	<b>11,425</b>	<b>13</b>	<b>11,438</b>
Net profit for the period				1,594	1,594	1	1,595
Other comprehensive income for the period		47	24		71	(1)	70
<b>Total comprehensive income for the period</b>		<b>47</b>	<b>24</b>	<b>1,594</b>	<b>1,665</b>	<b>-</b>	<b>1,665</b>
Purchase of treasury stock				(731)	(731)		(731)
Sale of treasury stock				30	30		30
Write-down of common stock	(12)			12	-		-
Dividend				(1,438)	(1,438)	(1)	(1,439)
Stock-based payment				43	43		43
Tax related to equity items				16	16		16
<b>Changes in shareholders' equity</b>	<b>(12)</b>	<b>47</b>	<b>24</b>	<b>(474)</b>	<b>(415)</b>	<b>(1)</b>	<b>(416)</b>
<b>Shareholders' equity at June 30, 2019</b>	<b>582</b>	<b>(39)</b>	<b>(2)</b>	<b>10,469</b>	<b>11,010</b>	<b>12</b>	<b>11,022</b>

#### 4.4 Preliminary opening balance, PrecisionBiotics Group

(DKK million)

**Assumed fair value of acquired assets and liabilities are as follows:**

Intangible assets excluding goodwill	639
Property, plant and equipment	1
Inventories	5
Trade and other receivables	35
Cash	65
Deferred tax liabilities	(80)
Financial and other liabilities	(32)
<b>Acquired net assets</b>	<b>633</b>

Purchase price:

Cash	649
Contingent consideration	146
<b>Total purchase price</b>	<b>795</b>

**Goodwill**

**162**

On June 25, 2020, Novozymes acquired all voting shares in PrecisionBiotics Group Limited. PrecisionBiotics Group holds a leading position within probiotics for human gut health and is well positioned with several clinically-backed products already on the market. PrecisionBiotics Group has strong expertise within clinical development, upscaling and commercialization and is well situated in Cork, Ireland, home to a leading academic society within human gut health.

Goodwill of DKK 162 million is attributable to expected synergies with Novozymes' existing business operations and technologies within probiotics and enzymes for human health. The goodwill is not tax-deductible. The purchase agreement includes a contingent consideration of up to DKK 298 million. The consideration is contingent on the achievement of sales and EBITDA targets for 2023, and is recognized at the anticipated fair value at acquisition date.

Net revenue and profit contributed from PrecisionBiotics Group Limited to the consolidated income statement are immaterial for the period. This would also have been the case if the acquisition had been completed on January 1, 2020.

The transaction costs amounted to DKK 20 million and are included in sales and distribution costs.

The fair value and allocation of the acquired assets and liabilities are provisional, pending receipt of the final valuations.

## Appendix 5      Miscellaneous

### 5.1 Product launches in 2020

Q1 2020	Saphera® Fiber - a new solution for dairy to increase fiber content while reducing sugar, providing added value to brands of yoghurt and functional milk. Saphera Fiber is a beta-galactosidase enzyme used to convert lactose contained in milk into GOS fiber.
Q2 2020	Taegro® - a microbial foliar fungicide with broad spectrum potential being launched by Syngenta in Europe and Latin America. By using Taegro, fruit and vegetable growers can protect against diseases such as powdery mildew and botrytis.
Q2 2020	Quara® Boost - a solution for vegetable oil processors to increase their yield by retaining oil that is usually wasted in the gum fraction. By releasing diglycerides from the phospholipids contained in crude vegetable oil, the degummed oil yield is significantly increased and at the same time triglyceride loss in the gum phase is reduced.
Q2 2020	Protana® Prime - a new biological solution that brings the natural umami flavor from plant proteins and enable food manufacturers to produce tasty meat alternatives with less salt and more label friendly.
Q2 2020	Remify® Evertis – our first enzyme solution for cleaning of surgical instruments and devices to help preventing Healthcare Associated Infections

### 5.2 Company announcements for the financial year 2020

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

January 23, 2020	Group financial statement for 2019
January 23, 2020	Updated financial calendar 2020
February 10, 2020	Initiation of stock buyback
February 26, 2020	Novozymes A/S Annual Shareholders' Meeting 2020
February 26, 2020	Novozymes new remuneration policy for the Executive Management, the Senior Leadership, and all employees
March 27, 2020	Reduction of share capital
April 7, 2020	Company announcement
April 29, 2020	Interim report for Q1 2020
June 8, 2020	Novozymes' financial calendar 2021
July 8, 2020	Trading update