

MERGER STATEMENT

NOVOZYMES A/S

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12 DECEMBER 2022

In connection with the contemplated statutory merger of Novozymes A/S, CVR no. 10 00 71 27 ("**Novozymes**"), and Chr. Hansen Holding A/S, CVR no. 28 31 86 77 ("**CHH**"), with Novozymes as the surviving company and CHH as the dissolving company (the "**Merger**"), the Board of Directors of Novozymes has prepared this merger statement in accordance with section 238 of the Danish Companies Act.

1 THE CONTEMPLATED MERGER

The Board of Directors has decided to pursue the implementation of the Merger in accordance with the terms set out in the joint merger plan, which has been prepared by the Board of Directors together with the board of directors of CHH (the "**Merger Plan**").

The purpose of the Merger is to combine the businesses of Novozymes and CHH (including their respective subsidiaries) for the purpose of, among others, to create the leading global biosolutions partner and is expected to unleash the full potential of biological solutions and generate significant value for all stakeholders and society at large.

Upon the completion of the Merger, all activities, including all assets and liabilities, of CHH will be transferred as a whole to Novozymes (through universal succession) and upon completion of such transfer, CHH will be deemed as dissolved without liquidation.

According to the Merger Plan, completion of the Merger is subject to the below conditions:

- a) Resolutions are adopted to complete the Merger in accordance with applicable law and the terms set out in the Merger Plan by the general meetings of Novozymes and CHH, respectively;
- b) Any applicable waiting period (and any extension thereof) shall have expired or been earlier terminated and/or any applicable approvals or clearances shall have been obtained by

Novozymes, as relevant, in each case under (i) the antitrust law of the jurisdictions listed in exhibit 1 of the Merger Plan, (ii) the foreign direct investment law of the jurisdictions listed in exhibit 2 of the Merger Plan and (iii) the antitrust law and/or foreign direct investment law of any other jurisdiction other than those listed in exhibits 1 and 2 of the Merger Plan, provided (in respect of (iii)) Novozymes in good faith reasonably considers (having consulted CHH) that such approvals or clearances of the Merger contemplated by the Merger Plan in the relevant jurisdictions is material to the Merger and should therefore be obtained prior to completion of the Merger;

- c) To the extent required by law, receipt of the statutory approval of a document prepared pursuant to Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, as amended, or delegated regulations issued thereunder, and such statutory approval not having been withdrawn;
- d) The Consideration Shares (as defined below) having been approved for admission to trading and official listing by Nasdaq Copenhagen;
- e) Except in respect of antitrust law and foreign direct investment law as shall be exhaustively governed by item b), no legislation, rules or other regulation having been adopted, or any decision having been made and remaining in effect by a competent court or regulatory authority or any other Government Body that prevents or otherwise prohibits the Merger, nor shall any action have been taken, or any applicable law promulgated, entered, enforced, enacted, adopted, issued or deemed applicable to the Merger contemplated by the Merger Plan by any Government Body, which prohibits, makes illegal, prevents or otherwise prohibits completion of the Merger in accordance with the Merger Plan. For the purpose of the Merger Plan, a "**Government Body**" means any (a) nation, state, commonwealth, province, territory, county, municipality, district or other jurisdiction of any nature; (b) federal, state, local, municipal, foreign or other government; or (c) governmental or quasi-governmental authority of any nature, including any supra-national authority, governmental division, department, agency, commission, instrumentality, official, ministry, operator of a stock exchange or regulated market, unit, body or entity and any court, arbitrator or other tribunal;
- f) No adoption of any laws or any decision having been made following the date of the Merger Plan and remaining in effect by a competent court or regulatory authority or any other Government Body that (i) imposes any obligation on Novozymes, Novo Nordisk Fonden, CVR no. 10 58 29 89, and/or Novo Holdings A/S, CVR no. 24 25 76 30, whether before or after completion of the Merger, to make any offer to any shareholder of CHH pursuant to Chapter 8 of the Danish Capital Markets Act or similar law of other jurisdiction by virtue of the signing

of the Merger Plan, the adoption of the Merger and/or the completion of the Merger (excluding, for the avoidance of doubt, any such obligation resulting solely from any purchase of shares in CHH by Novozymes, Novo Nordisk Fonden, Novo Holdings A/S and/or any of their respective subsidiaries after the date of the Merger Plan, or (ii) prevents Novo Nordisk Fonden (acting via Novo Holdings A/S) from fulfilling any of the commitments or undertakings made by Novo Holdings A/S for the support of the Merger; and

- g) No bankruptcy proceedings under applicable law having been opened or applied for by either of Novozymes in respect of Novozymes or CHH in respect of CHH and Chr. Hansen A/S, CVR no. 12 51 64 79.

The Merger will not take legal effect until the time of fulfillment of the above conditions, and final registration of the Merger with the Danish Business Authority will not take place prior to such time. The application for registration of the Merger may be revoked at any time prior to the final registration of the Merger with the Danish Business Authority.

The Merger will for accounting purposes, as set out in section 237(3)(8) of the Danish Companies Act, become effective as of 1 January 2023.

In connection with the Merger, independent valuer's reports on the creditors' position after the merger (creditor statements) have been prepared separately for Novozymes and CHH by PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab, CVR no. 33 77 12 31, (in their capacity as auditor for both Novozymes and CHH) pursuant to section 242 of the Danish Companies Act. Both reports dated 12 December 2022 conclude that the creditors of Novozymes and CHH, respectively, are assumed to be sufficiently secured after the Merger as compared to the current situation of Novozymes and CHH, respectively.

2 THE MERGER CONSIDERATION

As part of the completion of the Merger, all of the shares in CHH will be cancelled and automatically removed from trading and official listing on Nasdaq Copenhagen.

As consideration, the shareholders of CHH will receive new B shares in Novozymes, subject however, to clauses 2.2 and 2.3 below, with respect to payment for Share Fractions and payment to Restricted Shareholders (as defined below).

Novozyymes' share capital is distributed into shares of nominally DKK 1 each and divided into A shares and B shares. Novozymes' B shares are admitted to trading and official listing on Nasdaq

Copenhagen in nominal values of DKK 2 each.

CHH's share capital is distributed into shares of nominally DKK 10 each and is not divided into share classes. CHH's shares are admitted to trading and official listing on Nasdaq Copenhagen in nominal values of DKK 10 each.

For the purpose of delivering the merger consideration to the shareholders of CHH, Novozymes' share capital will be increased as part of the Merger by the nominal amount of DKK 374,597,292 equal to the issue of in total 374,597,292 new B shares of nominally DKK 1 each (the "**Consideration Shares**").

The Consideration Shares shall carry the same rights as Novozymes' other B shares as per the date for the registration of the completion of the Merger in the Danish Business Authority's IT system and shall be issued via Euronext Securities Copenhagen and be admitted to trading and official listing on Nasdaq Copenhagen.

2.1 **Exchange ratio**

The exchange ratio for the shares in CHH and the Consideration Shares is as follows:

- a) Novo Holdings A/S exchanges a holding of 28,983,112 shares of nominally DKK 10 each in CHH for Consideration Shares according to an exchange ratio, where 1 share of nominally DKK 10 each in CHH is exchanged for 2.0454 Consideration Shares of nominally DKK 1 each. As Novozymes' B shares are traded on Nasdaq Copenhagen in nominal values of DKK 2 each, such exchange ratio corresponds to an exchange ratio of 1 share of nominally DKK 10 each in CHH for 1.0227 B shares of nominally DKK 2 each in Novozymes.
- b) The remaining shareholders of CHH exchange their respective shareholdings in CHH for Consideration Shares according to an exchange ratio, where 1 share of nominally DKK 10 each in CHH is exchanged for 3.0652 Consideration Shares of nominally DKK 1 each. As Novozymes' B shares are traded on Nasdaq Copenhagen in nominal values of DKK 2 each, such exchange ratio corresponds to an exchange ratio of 1 share of nominally DKK 10 each in CHH for 1.5326 B shares of nominally DKK 2 each in Novozymes.
- c) To the extent that Novo Holdings A/S as per the date of the registration of the completion of the Merger in the Danish Business Authority's IT system owns a holding of shares in CHH of more than

28,983,112 shares of nominally DKK 10 each, Novo Holdings A/S exchanges such additional shareholding for Consideration Shares according to the exchange ratio set out under 2.1b).

The different exchange ratio for the consideration provided to Novo Holdings A/S pursuant to 2.1a) above in respect of 28,983,112 shares of nominally DKK 10 each in CHH has been separately consented to by Novo Holdings A/S, and Novo Holdings A/S has given its explicit consent to waive the principle of equal treatment of shareholders pursuant to section 45 of the Danish Companies Act in this regard.

2.2 **Share fractions in settlement of Consideration Shares**

No fractional Consideration Shares will be issued as Consideration Shares and only whole new B shares in Novozymes (in the denomination of DKK 2 nominal value) will be paid and delivered as Consideration Shares. To the extent that the exchange of shares of CHH for Consideration Shares would otherwise entitle a shareholder of CHH to receive a fraction of a Consideration Share, i.e. a holding of Consideration Shares that is not a whole number of Consideration Shares (in the following referred to as "**Share Fractions**"), the number of Consideration Shares to be received by such shareholder of CHH (per each individual account kept by Euronext Securities Copenhagen) shall be rounded down to the nearest whole Consideration Share. The Share Fractions will be settled in cash based on a price per share equal to the closing price of the shares of Novozymes on Nasdaq Copenhagen on the first trading day after the registration of the Merger with the Danish Business Authority (or such other date during the period of settlement determined by Novozymes and communicated in a company announcement). Share Fractions will not be admitted to trading on Nasdaq Copenhagen.

Novozymes will not in connection with the process described in this clause 2.2 become the owner of Consideration Shares corresponding to the Share Fractions.

2.3 **Restricted Shareholders**

To the extent that a shareholder of CHH is restricted from receiving such shareholder's Consideration Shares, due to applicable mandatory law in the country of residence of such shareholder, including restrictions arising from legal requirements for Novozymes or CHH taking certain actions in such country, which may potentially lead to risk of liability for damages and/or criminal liability for Novozymes' management and/or CHH's management (each referred to in the following as a "**Restricted Shareholder**"), Novozymes may procure that the Consideration Shares attributable to such Restricted Shareholder shall be sold by a settlement agent appointed by Novozymes and the cash proceeds (in DKK) from the sale shall then as soon as practicably possible be paid to the such Restricted Shareholder in lieu of the Consideration Shares.

Novozymes will not in connection with the process described in this clause 2.3 become the owner of Consideration Shares which are attributable to any Restricted Shareholder.

2.4 The procedures for the determination of the merger consideration, including fairness opinion

The merger consideration has been determined by the Board of Directors with the intention of achieving a fair distribution of the value in the combined company after completion of the Merger between the shareholders in both Novozymes and CHH, also taking into account Novo Holdings A/S' acceptance of the consideration provided to Novo Holdings A/S according to the exchange ratio set out in clause 2.1a) and Novo Holdings A/S' explicit consent to waive the principle of equal treatment of shareholders pursuant to section 45 of the Danish Companies Act in this regard.

In determining a merger consideration that is deemed fair for both Novozymes' and CHH's shareholders, the Board of Directors has taken a number of factors into consideration. The Board of Directors has primarily considered the respective companies' current market capitalization, the observable relative market capitalization over time between the two companies and the distribution of synergies between the shareholders. The Board of Directors has also considered a number of additional recognized valuation methods of fair value assessments. The Board of Directors is of the opinion that the methods applied for determining the merger consideration are appropriate.

By taking the above factors into account and applying the above valuation methods, the Board of Directors is of the opinion that the Merger is beneficial to Novozymes and its shareholders, and that the total merger consideration offered to the shareholders of CHH is fair and reasonable from a financial point of view. No particular difficulties relating to the fair value assessment of the shares of Novozymes and CHH, respectively, and the determination of the merger consideration, occurred in connection with the Board of Directors' determination of the merger consideration offered to the shareholders of CHH.

For the support of the Board of Directors' determination of the merger consideration, the Board of Directors has obtained an opinion dated 11 December 2022 from Gordon Dyal & Co., LLC, to the effect that, as of such date and based upon and subject to the various assumptions made, procedures followed, matters considered, and qualifications and limitations on the scope of the review undertaken by Gordon Dyal & Co., LLC as set forth in its written opinion, the aggregate merger consideration to be paid by Novozymes pursuant to the Merger Plan is fair from a financial point of view to Novozymes.

Further, independent valuer's reports on the contemplated merger have been prepared separately for Novozymes and CHH by PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab (in their capacity as auditor for both Novozymes and CHH) pursuant to section 241 of the Danish Companies Act. Both reports dated 12 December 2022 conclude that the procedures applied by the Board of Directors of Novozymes and the board of directors of CHH, respectively, in assessing the fair values of Novozymes and CHH, including synergies, and for determining the consideration are appropriate, and that the total consideration for the shares in CHH is fair and reasonable from a financial point of view under the circumstances.

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[Signature pages to follow from the next page]

The board of directors of Novozymes A/S:

Jørgen Buhl Rasmussen (Chair)

Cornelis de Jong (Vice Chair)

Morten Otto Alexander Sommer

Heine Dalsgaard

Kasim Kutay

Kim Narelle Stratton

Sharon James

Anne Elme Breum

Anders Hentze Knudsen

Preben Nielsen

Jens Øbro