Strategy
Growth and priorities for 2020

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Benny D. Loft, CFO, Novozymes
This presentation 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 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 growth platforms, notably the opportunity for marketing biomass conversion technologies or the development of microbial solutions for broad-acre crops; vi) the political conditions, such as acceptance of enzymes produced by genetically modified organisms; vii) the 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 on input 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.
Welcome to our Capital Market Days

### Tuesday, May 5

<table>
<thead>
<tr>
<th>Time</th>
<th>Event</th>
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<tbody>
<tr>
<td>12:30–13:15</td>
<td>Plenum presentation: <strong>Strategy</strong> – Growth &amp; priorities for 2020</td>
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<tr>
<td>13:15–13:45</td>
<td>Plenum presentation: <strong>Sustainability</strong> – Leading the way</td>
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<tr>
<td>14:00–14:45</td>
<td>Plenum presentation: <strong>Innovation</strong> – Competitive advantages in a changing environment</td>
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<tr>
<td>15:00–15:50</td>
<td><strong>Track 1: Household Care</strong> Innovation &amp; emerging markets</td>
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<tr>
<td>16:00–16:50</td>
<td><strong>Track 2: Bioenergy</strong> Advancing grain-based ethanol</td>
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<td>17:00–17:50</td>
<td><strong>Track 3: Food &amp; Beverages</strong> Food for a growing world</td>
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### Wednesday, May 6

<table>
<thead>
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<th>Time</th>
<th>Event</th>
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<tr>
<td>08:30–08:50</td>
<td>Plenum presentation: <strong>Business development</strong> – Platforms for the future</td>
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<td>09:00–09:50</td>
<td><strong>Track 1: BioAgriculture</strong> Technology, accomplishments and priorities</td>
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<td>10:00–10:50</td>
<td><strong>Track 2: Biomass conversion</strong> On the cusp of commercialization</td>
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<td>11:00–11:50</td>
<td><strong>Track 3: Animal Health &amp; Nutrition</strong> An alliance for growth</td>
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Session outline

• Perspectives on development
• Current position
• Strategic direction
• Long-term targets and financial priorities, CFO Benny D. Loft
15 years of innovation-driven returns

Strong absolute returns since 2000
2.5x sales
4x EBIT
5x net profit
DKK ~30bn
In operating cash flows

Driven by topline and leverage
~7% organic sales CAGR
+5.4 %-points gross margin
+10.5 %-points EBIT margin
+12.9 %-points ROIC

Innovation is the recipe
DKK 16bn invested in R&D
+100 new solutions marketed
Novozymes has consistently outperformed global GDP – through volatile oil price cycles

Organic growth has outperformed global GDP by ~4% points on avg.

Novozymes’ quarterly sales in DKK and oil prices

NZ org. sales growth  Global GDP growth (WB/IMF)

WTI Q avg.  Revenue
Diversification through market-expanding innovation has been key to our consistency

Diversity in end markets: Bioenergy, Agriculture & Feed have emerged

Lower top 5 customer concentration: Strong growth in new areas has decreased dependency on Household Care

Geographically, we have succeeded in growing all regions

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**Sales by segment**

- Technical & Pharma
- Agriculture & Feed
- Bioenergy
- Food & Beverages
- Household Care

**2000**

**2014**

37% → 31%

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**Sales by geographical split**

- LATAM
- AP
- NA
- EMEA

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More than 100 new “public” molecules and technologies launched across markets

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<td>Total launches</td>
<td>8</td>
<td>6</td>
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<td>6</td>
<td>6</td>
<td>11</td>
<td>8</td>
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- Product launch
Investing for long-term growth; People, CAPEX and M&A

DKK ~11bn in CAPEX 2000-2014

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<tr>
<th>Year</th>
<th>LATAM</th>
<th>EMEA</th>
<th>APAC</th>
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<td>2000-04</td>
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<td>2005-09</td>
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<td>2010-14</td>
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2x employees – from 3,208 FTE to 6,454 FTE

Latin America
Asia Pacific
North America
Denmark (incl. EMEA)

DKK ~5bn spent on acquisitions

BioAg
Enzymes
Biopharma
Biologicals

BioAg
Enzymes
Biopharma
Biologicals

Earth Bioscience
Philom Bios Turfal
CropBioscience
EMD
Natural Industries
TJ Technologies
BioAg Alliance with Monsanto

BioGaia
Biocon Enzymes
GroPep
BioAg
Alliance with Monsanto

Delta
Divestment Biopharma (Lund)
Divestment Roots

Sybron
Jefferies
Semco
Roots
Octen Gamlen

>1.5bn DKK
> 500m DKK
>100m DKK
<100m DKK

Strategy – Sustainability – Innovation – Household Care – Bioenergy – Food & Beverages
Our set of competitive advantages across the value chain has led to a unique market-leading position

<table>
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<tr>
<th>Scale</th>
<th>Quality</th>
<th>Sustainability</th>
<th>High barriers</th>
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</thead>
<tbody>
<tr>
<td>• Production: 5 core plants in 3 regions</td>
<td>• Superior logistical agility due to full control of value chain</td>
<td>• Triple bottom line</td>
<td>• More than 7,000 patents</td>
</tr>
<tr>
<td>• Research &amp; Development: 2/3 of total investment of industry</td>
<td>• Right quality for customers and regulatory requirements</td>
<td>• Trusted long-term partner</td>
<td>• Diverse biotech know how and investments needed to compete</td>
</tr>
<tr>
<td>• Technical services: half of commercial organization “on site”</td>
<td>• Market &amp; technology coverage</td>
<td>• Pioneering life cycle assessment documentation</td>
<td>• Customer partnerships</td>
</tr>
<tr>
<td>• More than 7,000 patents</td>
<td></td>
<td>• Manufacturing expertise</td>
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Together we find biological answers for better lives in a growing world. Let’s rethink tomorrow.
New purpose is instrument for long-term impact

Who are we?  
(2000–2007)

Unlocking the magic of nature

The Novozymes’ Touch
Spark; Passion;  
Openness; Science

Vision: “We imagine  
a future where our  
biological solutions  
…”

What’s our role in the world?  

Touch the World values
Dare to lead;  
Trust and earn trust;  
Connect to create,  
Unlock Passion

Vision: “We imagine  
a future where our  
biological solutions  
…”

Ambition: Change the world together with our customers

How do we create the biggest impact?  
(2015–)

Touch the World values
Dare to lead;  
Trust and earn trust;  
Connect to create,  
Unlock Passion

Vision: “We imagine a future where our biological solutions …”

10 in 10

Strategy – Sustainability – Innovation – Household Care – Bioenergy – Food & Beverages
Our new strategy puts partnerships front and center for success in creating impact

PARTNERING FOR IMPACT

FOCUS AREAS

RALLY FOR CHANGE
Form partnerships and networks with customers, consumers, organizations and governments to make a sustainable difference.

LEAD INNOVATION
Excite our customers by delivering more significant innovation, tailored to their local markets.

FOCUS ON OPPORTUNITIES
Prioritize the customers, markets and activities that hold the biggest opportunities for creating impact.

GROW PEOPLE
Support Zymers and people around us in unfolding their full potential.
Working in partnerships is embedded in how we do business. But we can do better and more!

Novozymes has a strong track record of partnerships

Working hand-in-hand with partners is in our DNA

Unquestionable focus, longevity, reliability, scale and history of partner collaboration makes Novozymes an ideal partner

Partner benefits

New solutions
We enable partners to bring new, better or lower-cost products to market

Sustainability
We enable partners to market sustainability claims and reach own sustainability goals

Cost reduction
Our solutions reduce costs by saving raw materials, energy, water and chemicals
Long-term financial targets reflect starting point and priorities

2020 financial targets:

Top-line growth is seen as best means for ensuring long-term sustainable earnings growth

We want to maintain high profitability and deliver strong returns on capital

2020 impact targets:

Let’s create the impact the world needs

…and put pressure on ourselves to act with speed

8-10% organic sales growth on average

≥25% ROIC incl. goodwill

≥26% EBIT margin

REACH 6 billion people with our biological solutions

EDUCATE 1 million people about the potential of biology

CATALYZE 5 global partnerships for change

DELIVER 10 transformative innovations

SAVE 100 million tons of CO₂

ENABLE Novozymes’ employees to develop
Growth until 2020 expected to be driven by established industries with additional growth from platforms

~7%
Novozymes’ organic growth average, 2010-2014

~7%
Growth platforms’ organic growth average, 2010-2014

~7%
Established industries’ organic growth average, 2010-2014

Growth platforms
- BioAg
- Biomass Conversion
- Animal Health & Nutrition
- Pharma

Established industries
- Household Care
- Grain-based ethanol
- Food & Beverages
- Technical

Long-term organic growth target 8-10%

1. Established industries are the basis for growth
2. Growth platforms expected to enable 8-10% growth
3. Diversification in revenue streams important for solidity
What are the opportunities for further leverage?

- **Gross margin**
  Technology development supports future productivity improvements, but many unknowns, such as input costs and competition

- **S&D costs**
  A potential area for increased investments, depending on go-to-market models

- **R&D costs**
  Expected to fluctuate around 14% of sales

- **Admin. Costs**
  Expected to marginally decrease as function of growth

- **EBIT margin**
  We target an EBIT margin ≥26%
## Financial priorities;
- Innovation, growth & shareholders

<table>
<thead>
<tr>
<th>2015 to 2020:</th>
<th>8-10%</th>
<th>~14%</th>
<th>~8%</th>
<th>40%</th>
<th>2bn</th>
<th>+</th>
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<tr>
<td></td>
<td>Organic sales growth</td>
<td>R&amp;D</td>
<td>CAPEX</td>
<td>Dividend payout ratio</td>
<td>2015 buyback</td>
<td>Initiatives &amp; returns</td>
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### ROIC expected at ≥ 25%:
- Growth in net profit
- Deferred income from The BioAg Alliance decreasing
- Less growth in invested capital

NIBD/EBITDA target: 0–1

![Net-Interest-Bearing-Debt/EBITDA Graph](image-url)
Conclusion

• Strong competitive position built on heritage and compounded investments in technology and assets

• We have a long term view on investments - with partners, in R&D, in people and in facilities

• Strategic direction reflects priority of growth and to make an impact on the world in partnership!

• And remaining a highly profitable company along the way