



**Satisfactory performance despite COVID-19 implications. Q3 impacted by destocking, as expected. Full-year EBIT margin and FCF outlook raised. Organic sales growth outlook maintained with midpoint of range as the most likely outcome.**

Organic sales growth of 1% (Q3: -3%) in the first nine months of 2020: Household Care 7% (Q3: -1%), Food & Beverages 5% (Q3: 1%), Bioenergy -11% (Q3: -5%), Agriculture & Feed 4% (Q3: -19%), Technical & Pharma -15% (Q3: 2%). EBIT margin at 27.0% (Q3: 26.1%) FCF bef. acq. at DKK 2.7 billion (Q3: DKK 0.7 billion).

**October 21, 2020**  
Interim report 9M 2020.  
Company announcement  
no. 58

**Ester Baiget, President & CEO:** *“Our performance in the first nine months was satisfactory, especially considering the COVID-19 implications. Results are driven by our versatile portfolio and the organization’s ability to rapidly adapt to a changing environment. Combining this with an increased customer focus, also in the innovation cycle, I’m confident that we’re setting the scene for a stronger future performance. Looking at 2020, we continue to see considerable COVID-19 related uncertainty and consequently we maintain the range for organic sales growth at -2% to +2%. However, we are increasingly gaining confidence that the midpoint of the range is the most likely outcome. We raise the EBIT margin outlook to 26-27% and FCF before acquisitions to DKK 2.6- 3.0 billion.”*

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**In summary:**

- Strong growth in Household Care and solid growth in Food & Beverages driven by innovation and COVID-19 related effects, and despite destocking
- Declines in Bioenergy and Technical & Pharma with COVID-19 and social distancing as main explanations
- Emerging market growth at +3% organically; developed markets flat, mainly due to declining U.S. ethanol production
- Innovation launches in Q3; Microvia™ bacterial hard-surface bio-cleaning solution and LpHera® next-generation solution for higher yield starch processing. In addition, the Fiberex platform was introduced for enhanced corn conversion into ethanol and higher value by-products
- Solid earnings at 27.0% EBIT margin and strong FCF generation at DKK 2.7 billion before acquisitions
- Solid balance sheet with leverage of 0.9x net debt/EBITDA despite recent acquisition and DKK 1.5 billion stock buyback program completed on August 24
- September 1 reorganisation setting the direction towards a clear customer-centric focus across activities

**2020 outlook:** Novozymes maintains the organic sales outlook of -2% to +2% due to the unusually high uncertainty prevailing in the marketplace but with increasing confidence that the mid-point of the range is the most likely scenario. The EBIT margin is raised and now expected at 26-27% (previously ~26%). Free cash flow before acquisitions is now expected at DKK 2.6-3.0 billion (previously DKK 2.4-2.8 billion) and ROIC including goodwill is maintained at 18-19%. The dividend policy and capital structure policy both remain unchanged.

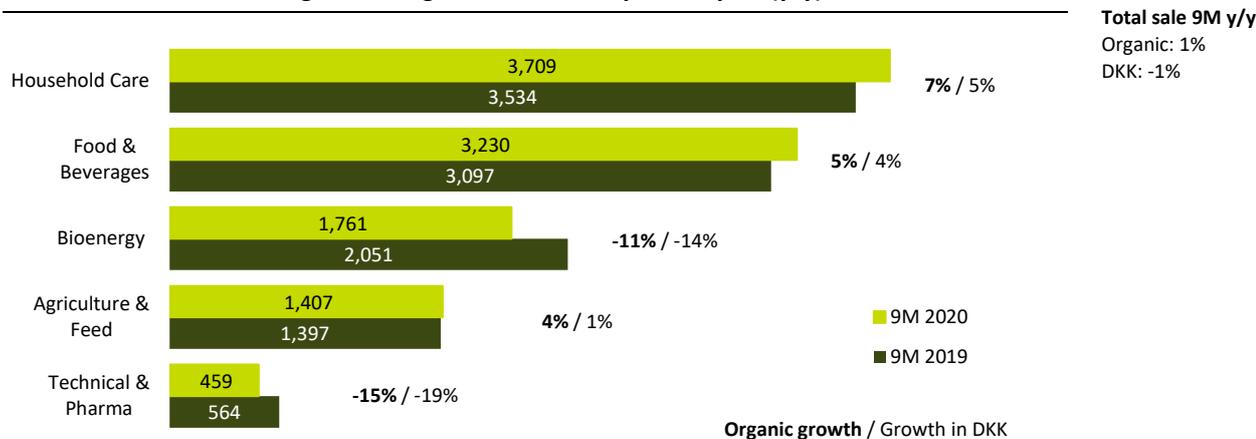
	9M 2020	9M 2019	2020 outlook
Sales performance, organic	1%	-2%	-2% to +2%
EBIT margin	27.0%	27.6%	26-27%
ROIC, incl. goodwill	19%	21%	18-19%
Free cash flow before acquisitions, DKKbn	2.7	2.1	2.6-3.0

## Selected key data

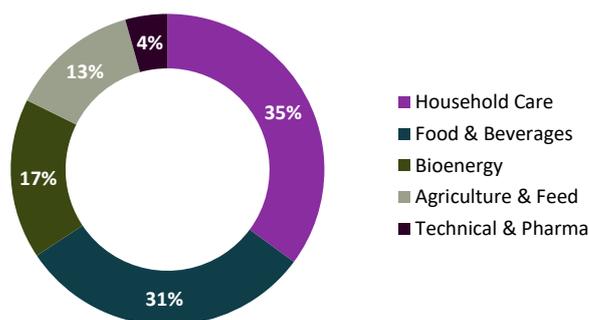
	9M 2020	9M 2019	Q3 2020	Q3 2019
<b>Sales performance, organic</b>	<b>1%</b>	<b>-2%</b>	<b>-3%</b>	<b>1%</b>
Household Care	7%	0%	-1%	5%
Food & Beverages	5%	-1%	1%	1%
Bioenergy	-11%	-4%	-5%	-5%
Agriculture & Feed	4%	-3%	-19%	3%
Technical & Pharma	-15%	-3%	2%	-14%
<b>Sales, DKKm</b>	<b>10,566</b>	<b>10,643</b>	<b>3,431</b>	<b>3,704</b>
Sales performance, DKK	-1%	0%	-7%	1%
Gross margin	56.2%	55.2%	56.1%	55.5%
EBITDA, DKKm	3,775	3,866	1,209	1,150
EBIT, DKKm	2,856	2,936	894	852
EBIT margin	27.0%	27.6%	26.1%	23.0%
Net profit, DKKm	2,172	2,233	711	638
Net profit growth	-3%	-7%	11%	-21%
Net investments excl. acquisitions, DKKm	593	573	229	177
Free cash flow (FCF) before acquisitions, DKKm	2,716	2,051	665	833
NIBD/EBITDA (x)	0.9	0.7	1.0	0.8
ROIC, incl. goodwill	19.2%	20.5%	18.9%	17.7%
EPS, DKK	7.73	7.80	2.54	2.24
EPS (diluted), DKK	7.69	7.76	2.53	2.23
Avg. USD/DKK	663	664	637	671

## Sales by business area

### Sales in DKK million and organic/DKK growth rates, 9M year-on-year (y/y)



### Distribution of sales by business area, 9M 2020



### Household Care

Household Care reported 7% organic growth in the first nine months of 2020 compared to the same period last year. The strong sales performance was driven by the continued rollout of the freshness technology and increased penetration of enzymes for detergents in emerging markets. In addition, the performance in the first half of 2020 was supported by a surge in sales driven by COVID-19 related effects.

The third-quarter organic sales decline of -1% was as expected impacted by destocking following the COVID-19 related sales surge in the first half of 2020 as well as a tougher comparison from last year. The rollout of the freshness technology continued to do well and the technology is now available in multiple formats in selected European markets.

#### Household Care 9M y/y

Organic: 7%  
DKK: 5%

### Food & Beverages

Sales in Food & Beverages grew by a solid 5% organically year-on-year in the first nine months of 2020. The overall performance was supported by increased at-home consumption caused by the COVID-19 pandemic and was driven by solid growth across most segments led by baking. Sales in beverages declined following the negative COVID-19 related impact on the global brewing industry.

#### Food & Beverages 9M y/y

Organic: 5%  
DKK: 4%

In the third quarter, sales grew modestly by 1% organically, partly explained by a tougher comparison from Q3 last year relative to the first half of the year. Starch and food & nutrition performed well while brewing and baking declined. The performance in starch was positively impacted by timing. The decline in brewing was due

to continued COVID-19 related lockdowns while baking experienced destocking, as expected, following a very strong performance during the first half of the year.

## Bioenergy

Sales in Bioenergy declined organically by 11% in the first nine months of 2020 compared to the same period last year. Growth outside the U.S was more than offset by the significant ethanol production decline in the U.S. market. In the U.S. our decline was roughly in line with the year-on-year development in U.S. ethanol production rates. The decline was due to a severe U.S. demand disruption as stay-at-home restrictions following the COVID-19 outbreak led to a sharp decline in gasoline demand and consequently a significant drop in the production and demand for ethanol. After a good start to the year, the U.S ethanol production was in a severe decline in the second quarter. However, the decline eased in the third quarter compared to the lows of April/May.

### Bioenergy 9M y/y

Organic: -11%

DKK: -14%

Third-quarter sales in Bioenergy declined by 5% organically year-on-year and both U.S. production and Novozymes' Bioenergy sales declined less than in the previous quarter. Sales outside the U.S. grew also in the third quarter compared to last year.

## Agriculture & Feed

Sales in Agriculture & Feed grew by 4% organically in the first nine months compared to the same period last year. Agriculture posted solid growth supported by the second-quarter one-off related to the former BioAg setup. Upstream corn inoculants and biocontrol solutions delivered a solid performance whereas the downstream inoculant business was weak. Sales in Animal Feed declined in the first nine months mainly due to lower market demand.

### Agriculture & Feed 9M y/y

Organic: 4%

DKK: 1%

In the third quarter, organic sales performance declined by 19% year-on-year and was mainly due to a higher than expected inventory adjustment in the feed enzyme business as well as weak performance in the Agriculture downstream inoculant business.

Novozymes did not recognize any deferred income as revenue in the first nine of months 2020 while recognizing DKK 24 million in the first nine months of 2019 (Q3 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 2019.

## Technical & Pharma

Sales in Technical & Pharma declined by 15% organically in the first nine months of 2020 compared to the same period last year. This was mainly due to the COVID-19 related negative impact on the global textile and leather industries. The decline was further amplified by the continuation of the decline in Chinese textile production, with volumes shifting away to other countries.

### Technical & Pharma 9M y/y

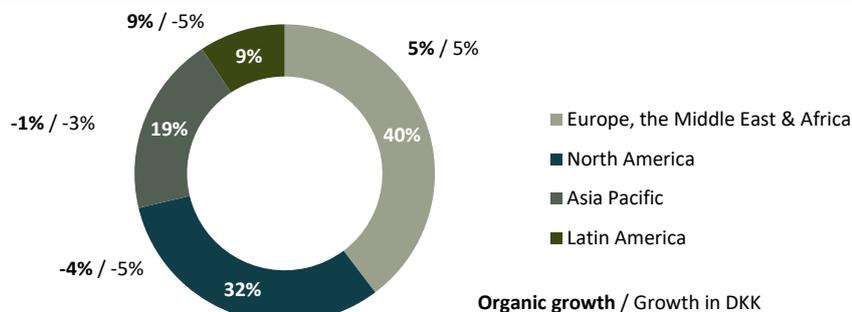
Organic: -15%

DKK: -19%

Third-quarter sales in Technical & Pharma grew by 2% organically year-on-year and improved compared to the previous two quarters, supported by a positive development in the pharma business.

## Sales by geography

### Distribution of sales by geography, 9M 2020



Novozymes grew sales by 1% organically year-on-year in the first nine months of 2020. Emerging markets grew by 3% and developed markets were flat compared to the same period last year. Growth was driven by strong performances in Europe, the Middle East & Africa as well as in Latin America. Asia Pacific declined slightly while North America was significantly impacted by weakness in the U.S. ethanol market.

In the third quarter, emerging and developed markets declined by 6% and 2%, respectively. The performance was mainly the result of declining animal feed sales impacting emerging markets, and declining bioenergy sales impacting developed markets.

### Europe, the Middle East & Africa

Sales grew organically by 5% year-on-year. Growth for the region was mainly driven by laundry detergents and baking while beverages declined due to COVID-19 related impacts.

In the third quarter, sales declined 1% organically year-on-year due to destocking in Household Care and baking as well as continued COVID-19 related headwinds in beverages.

**Europe, the Middle East & Africa 9M y/y**  
Organic: 5%  
DKK: 5%

### North America

North America declined 4% organically year-on-year. The decline was driven by Bioenergy while Household Care, Food & Beverages and Agriculture & Feed all posted healthy growth in the first nine months of the year.

Third quarter organic sales declined 4% compared to the same quarter of last year. The decline was mainly due to Bioenergy but was further amplified by destocking in Household Care.

**North America 9M y/y**  
Organic: -4%  
DKK: -5%

### Asia Pacific

Asia Pacific sales declined 1% organically during the first nine months of the year. The decline was mainly due to the COVID-19 related impact on the textile business but was somewhat mitigated by good and broad-based growth across Food & Beverages.

In the third quarter, sales declined by 7% organically compared to the same period last year. The decline was due to weak performance in Animal Feed as well as in the textile business, but the decline for the latter improved somewhat compared to the decline of the previous two quarters.

**Asia Pacific 9M y/y**  
Organic: -1%  
DKK: -3%

### Latin America

Organic sales in Latin America grew by 9% year-on-year for the first nine months of the year. The strong performance was driven by Household Care as well as Bioenergy.

Performance in the third quarter weakened with an organic sales decline of 3% compared to the same period last year. The decline was driven by animal feed while Bioenergy and Household Care grew.

**Latin America 9M y/y**  
Organic: 9%  
DKK: -5%

## Income statement

Total costs excluding net other operating income, net financials, share of losses in associates and taxes amounted to DKK 7,763 million in the first nine months and DKK 2,545 million in the third quarter of 2020. This was DKK 414 million (-5%) less and DKK 312 million (-11%) less than in the same periods of 2019. The lower total costs were attributable to lower operational and production costs.

**Total costs**  
-5%

The gross margin was 56.2% in the first nine months and 56.1% in the third quarter of 2020 for increases of 1.0 and 0.6 percentage points, respectively, compared to the same periods of 2019. Productivity improvements and lower input costs supported the gross margin while currencies had a roughly neutral impact both in the first nine months and in the third quarter. While the gross margin benefitted from a positive one-off relating to the old BioAg setup in the second quarter, the third quarter's cost of goods sold was impacted negatively by roughly one third of close to DKK 90 million severance cost related to the September 1 reorganization and changes made to the Executive Leadership Team.

**Gross margin**  
56.2%

Operating costs totaled DKK 3,139 million in the first nine months and DKK 1,039 million in the third quarter of 2020 for decreases of DKK 272 million (-8%) and DKK 171 million (-14%) compared to the same periods of 2019. In the third quarter of 2019 Novozymes incurred a substantial amount in severance costs related to restructuring and reorganization. In 2020, Novozymes has realized cost savings related to employment and travel mainly as a result of COVID-19 related restrictions. Sales and distribution costs in the second quarter of 2020 also included transaction costs of DKK 20 million associated with the acquisition of PrecisionBiotics Group and in Q3'20, operating costs were negatively impacted by the remaining two thirds of the close to DKK 90 million severance cost related to the restructuring and changes to the Executive Leadership Team.

**Operating costs**  
-8%

Operating costs accounted for 30% of sales both in the first nine months and in the third quarter, which was roughly 2 percentage points less than in the respective periods of 2019.

- Sales and distribution costs decreased by 4% and made up 11% of sales
- Research and development costs decreased by 8% and made up 13% of sales
- Administrative costs decreased by 16% and made up 5% of sales

Other operating income amounted to DKK 53 million in the first nine months and DKK 8 million in the third quarter of 2020. This was DKK 417 million less than in the first nine months of last year and DKK 3 million more than in the third quarter. 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 919 million in the first nine months and DKK 315 million in the third quarter of 2020. This was DKK 11 million less than in the first nine months of 2019 and DKK 17 million more than in Q3 2019.

**Depreciation and amortization**  
DKK 919 million

EBIT amounted to DKK 2,856 million in the first nine months and DKK 894 million in the third quarter of 2020, translating into EBIT margins of 27.0% and 26.1% respectively. This was a decrease of DKK 80 million, or 0.6 percentage point, in the first nine months and an increase of DKK 42 million, or 3.1 percentage points, in the third quarter compared to the EBIT and EBIT margins for the same periods of 2019.

**EBIT**  
DKK 2,856 million  
**EBIT margin**  
27.0%

The underlying EBIT margin in the first nine months of 2019 was around 26% and was impacted by the two abovementioned non-recurring other operating incomes as well as additional costs associated with the updated strategy and restructuring. This is to be compared to an underlying EBIT margin in the first nine months of 2020 of around 27%. Lower operational costs and a slight improvement in the underlying gross margin were the main driver of the improved underlying EBIT margin while the impact from currencies and the acquisition of PrecisoBiotics Group impacted the reported EBIT margin negatively.

The EBIT margin in the third quarter benefitted from cost savings related to employment and travel but was negatively impacted by declining sales, currencies and the slightly dilutive effect from PrecisionBiotics Group. The underlying EBIT margin in the third quarter was around 29% when adjusting for the severance cost and roughly 1 percentage point lower than the underlying EBIT margin of the third quarter last year.

Net financial costs and the share of losses in associates were DKK 139 million in the first nine months and DKK 5 million in the third quarter of 2020, versus decreases of DKK 53 million and DKK 74 million for the respective periods last year. Net financial cost in the first nine months of 2019 benefitted from interest income relating to a favorable tax settlement in the first quarter. Adjusting for the extraordinary interest income in the first nine months of 2019, net financial costs for the first nine months of 2020 were somewhat lower than last year driven by a gain on USD/DKK currency hedging. The DKK 74 million year-on-year decrease in the third quarter was due to a gain on USD/DKK currency hedging.

**Net financial costs and share of losses in associates**  
DKK 139 million

Profit before tax amounted to DKK 2,715 million in the first nine months and DKK 888 million in the third quarter of 2020. This was DKK 25 million (-1%) lower than in the first nine months of 2019 and DKK 117 million (+15%) higher than in the third quarter of 2019.

The effective tax rate was 20% for the first nine months and for the third quarter, both with increases over the same respective periods of last year. The development was mainly due to changes in uncertain tax provisions which had a positive impact in 2019 compared to 2020.

**Effective tax rate**  
20.0%

Net profit amounted to DKK 2,172 million in the first nine months and DKK 711 million in the third quarter of 2020. This was DKK 61 million (-3%) lower than in the first nine months and DKK 73 million (+11%) higher than in the third quarter of 2019.

**Net profit**  
DKK 2,172 million

## Cash flows and balance sheet

Cash flow from operating activities amounted to DKK 3,309 million in the first nine months and DKK 894 million in the third quarter of 2020. This was an increase of DKK 685 million and a decrease DKK 116 million respectively compared to the same periods of 2019. The improvement in operating cash flow for the first nine months was mainly due to higher cash conversion from better earnings quality. The cash flow from operating activities in the first nine months of 2020 was also supported by a 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 negatively both in the first nine months and in the third quarter of 2020, mainly driven by a decrease in other payables as last year included a large provision related to the reorganization.

**Operating cash flow**  
DKK 3,309 million

Net investments excluding acquisitions totaled DKK 593 million in the first nine months and DKK 229 million in the third quarter of 2020. This was DKK 20 million higher than in the first nine months of 2019 and DKK 52 million higher than in Q3 2019.

**Net investments excl. acq.**  
DKK 593 million

Free cash flow before acquisitions amounted to DKK 2,716 million in the first nine months and DKK 665 million in the third quarter of 2020 which was DKK 665 million higher and DKK 168 million lower respectively compared to the same periods of 2019. The changes in the first nine months and in the third quarter compared to the same periods last year was mainly attributable to changes in cashflow from operations.

**Free cash flow before acquisitions**  
DKK 2,716 million

Shareholders' equity was DKK 10,811 million at September 30, 2020, corresponding to an equity ratio of 53.7%. This was DKK 393 million and 1.9 percentage points less respectively than the shareholders' equity of DKK 11,204 million and the 55.6% equity ratio reported at September 30, 2019. The decrease in shareholders' equity reflects Novozymes' capital structure strategy of increased dividend payments and continued stock buybacks.

**Equity ratio**  
53.7%

Net interest-bearing debt (NIBD) and the NIBD-to-EBITDA ratio were DKK 4,602 million and 0.9x respectively at September 30, 2020 for increases of DKK 1,053 million and 0.2x respectively compared to the net interest-

**NIBD/EBITDA**  
0.9x

bearing debt and the NIBD-to-EBITDA ratio at September 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.

Return on invested capital (ROIC) including goodwill was 19.2% in the first nine months and 18.9% in the third quarter of 2020, 1.3 percentage points lower for the first nine months but 1.2 percentage points higher in the third quarter, compared to the same periods of 2019. The decrease in ROIC for the first nine months was attributable to higher average invested capital and lower net operating profit after tax. The average invested capital in the first nine months of 2019 benefited from the deferred income recognized in relation to the termination of the BioAg alliance. Together with the acquisition of PrecisionBiotics Group in June 2020, these were the main drivers of the increases in average invested capital between the two periods. The lower net operating profit after tax was mainly due to the decline in EBIT between the periods. In the third quarter of 2020, the invested capital was higher compared to the same period of last year but ROIC benefited from the increase in net operating profit after tax. The third quarter increase in net operating profit after tax was mainly driven by the increase in EBIT.

**ROIC**  
19.2%

The holding of treasury stock was 5,877,779 B shares at September 30, 2020, which was equivalent to 2.1% of the common stock.

**Treasury stock**  
2.1%

## 2020 outlook

Due to the unusually high uncertainty and volatility prevailing in the marketplace, Novozymes maintains its full-year 2020 organic sales outlook of -2% to +2% but with increasing confidence that the mid-point of the range is the most likely outcome. In reported DKK, the sales outlook is close to 3 percentage points lower.

Household Care and Food & Beverages are expected to deliver mid-single-digit organic growth, Agriculture & Feed low-single-digit organic growth, while Bioenergy and Technical & Pharma are expected to deliver double-digit organic sales decline.

The EBIT margin is now expected to be 26-27% (previously ~26%) supported by productivity improvements, lower input costs, diligent cost control and less travel and hiring costs. Negative currency effects, lower operational leverage, higher investments in digital capabilities, the acquisition of PrecisionBiotics Group and severance costs are expected to hamper margin performance. The 2019 underlying EBIT margin was as a reference point around 26%.

Free cash flow before acquisitions is expected at DKK 2.6-3.0 billion. The increased outlook is related to stronger earnings expectations as well as a less negative impact on working capital from COVID-19 than previously assumed.

ROIC including goodwill is maintained at 18-19%.

The stock buyback program totaling up to DKK 1.5 billion was completed on August 24 and the company's dividend policy and its capital structure policy are unchanged.

	October 21	August 11	April 7 / April 29 / July 8	January 24
Sales performance, organic	-2 to +2%	-2 to +2%	Suspended	1-5%
EBIT margin	26-27%	~26%	Suspended	~27%
ROIC (including goodwill)	18-19%	18-19%	Suspended	20-21%
Free cash flow before acquisitions, DKKbn	2.6-3.0	2.4-2.8	Suspended	2.5-2.9
<i>For modeling purposes:</i>				
Effective tax rate	19-21%	19-21%	Suspended	19-21%
Net financials, DKKm	~ -150	~ -150	Suspended	~ -200
Net investments, DKKbn	0.8-1.0	0.8-1.0	Suspended	0.8-1.0
Stock buyback program	DKK 1.5bn (finalized)	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 October 20 for the rest of 2020

## Sustainability outlook

Sustainability is at the core of the Novozymes business and as a part of the updated strategy, the company has strengthened its commitment further via the launch of a set of ambitious sustainability targets.

The targets reflect the opportunity of having a positive impact through commercial solutions as well as our responsibility to minimize the negative impact of our operations. Novozymes will focus on people as well as on three global environmental challenges: climate, water and production & consumption.

For each global environmental challenge, Novozymes has defined long-term 2030 commitments to set the direction and mid-term-2022 targets to drive performance. Based on this, Novozymes will define a set of annual internal targets to prioritize and guide implementation in a given year.

In 2020, Novozymes will continue 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 will continue to have a strong focus on safety and wellbeing in the workplace and will strive to maintain a low number of occupational injuries. On the people side, Novozymes will enable learning and growth for employees and nurture diversity within the organization. Novozymes will also focus on employee engagement and motivation to ensure the employee spirit remains high.

		2022 targets
World	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
Operations	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%
Employees	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.

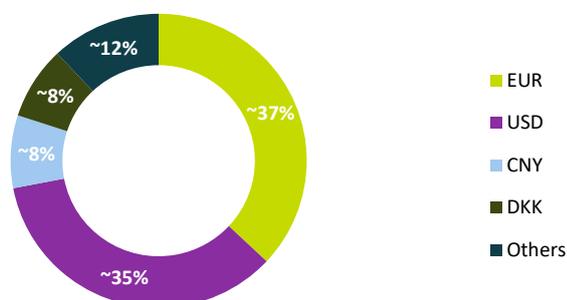
<sup>3</sup> Index calculated based on gender and national representation at various professional levels.

<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, 9M 2020



Other things being equal, a 5% movement in USD/DKK is expected to have an annual positive/negative impact on EBIT of from DKK 130 to 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	Q3	Q4
<b>USD</b>	100% hedged via forward contracts at USD/DKK 6.58				1H 100% and Q3 50% hedged at average USD/DKK 6.50			

The currency exposure was hedged at an average of USD/DKK 6.21 in 2019. For 2020, the exposure is 100% hedged at an average of USD/DKK 6.58. Further, 100% of the expected 1H and 50% of the expected Q3 2021 exposure has been hedged at an average rate of USD/DKK 6.50.

DKK	EUR	USD	BRL	CNY
Average exchange rate 9M 2019	746	664	171	97
Average exchange rate 9M 2020	746	663	133	95
Average exchange rate 9M 2020 compared with 9M 2019	0%	0%	-22%	-2%
Rate on October 20, 2020	744	630	113	94
Estimated average exchange rate 2020*	745	655	128	95
Estimated average exchange rate 2020 compared with 2019	0%	-2%	-25%	-2%

\* Estimated average exchange rate on October 20, 2020.

## New organizational set-up announced on September 1

On September 1, Novozymes announced a simplified organizational set-up directing the company towards a more value-chain focused and customer-centric approach to the business. The changes support the delivery of the financial and non-financial targets described in the 'Better business with biology' strategy and enable the realization of the company's longer-term potential. It entailed a new two-divisional structure that allows for a stronger differentiation between sustainable solutions with clear consumer benefits, and sustainable solutions focusing on maximizing yields and optimizing processes for our customers. Reporting on the new structure will be effective as from the full-year 2020 statement. Under the future two-divisional structure, we will continue to share sales details on segments to allow for continued transparency. We will share historical data on the new sales structure ahead of year-end 2020.

## Accounting policies

This interim report for the first nine 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 accounting policies applied in the interim report for the first nine months of 2020 are consistent with those applied in the annual report for 2019, with the exception of 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 Leadership Team have considered and approved the interim report of Novozymes A/S for the first nine months of 2020. This interim report has not been audited or reviewed by the company's independent auditor.

The interim report for the first nine 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 the Group financial statement gives a true and fair view of developments in the Group's activities and business and of the Group's assets, liabilities, net profit and financial position at September 30, 2020, and of the results of the Group's operations and cash flows for the first nine months of 2020. Other than as disclosed in the interim report for the first nine months of 2020, no changes have occurred in the Group's most significant risks and uncertainties relative to what was disclosed in the annual report for 2019.

Bagsværd, October 21, 2020

### EXECUTIVE MANAGEMENT

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Ester Baiget  
President & CEO

Lars Green  
CFO

Thomas Videbæk  
EVP

### 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>9M 2020</b>	<b>9M 2019</b>	<b>% change</b>	<b>Q3 2020</b>	<b>Q3 2019</b>	<b>% change</b>
Revenue	10,566	10,643	(1)%	3,431	3,704	(7)%
Gross profit	5,942	5,877	1%	1,925	2,057	(6)%
Gross margin	56.2%	55.2%		56.1%	55.5%	
EBITDA	3,775	3,866	(2)%	1,209	1,150	5%
EBITDA margin	35.7%	36.3%		35.2%	31.0%	
Operating profit / EBIT	2,856	2,936	(3)%	894	852	5%
EBIT margin	27.0%	27.6%		26.1%	23.0%	
Share of result in associates	(2)	(4)		(1)	(2)	
Net financials	(139)	(192)		(5)	(79)	
<b>Profit before tax</b>	<b>2,715</b>	<b>2,740</b>	<b>(1)%</b>	<b>888</b>	<b>771</b>	<b>15%</b>
Tax	(543)	(507)	7%	(177)	(133)	33%
<b>Net profit</b>	<b>2,172</b>	<b>2,233</b>	<b>(3)%</b>	<b>711</b>	<b>638</b>	<b>11%</b>
Earnings per DKK 2 share	7.73	7.80	(1)%	2.54	2.24	13%
Earnings per DKK 2 share (diluted)	7.69	7.76	(1)%	2.53	2.23	13%
Net investments excl. acq.	593	573				
Free cash flow before net acq. and purchase of financial assets	2,716	2,051				
Return on invested capital (ROIC) incl. goodwill	19.2%	20.5%				
Net interest-bearing debt	4,602	3,549				
Equity ratio	53.7%	55.6%				
Return on equity	26.0%	26.3%				
Debt-to-equity	42.6%	31.7%				
NIBD / EBITDA	0.9	0.7				
Number of employees	6,180	6,212				
<b>Novozymes' stock</b>				<b>Sep. 30, 2020</b>	<b>Sep. 30, 2019</b>	
Common stock (million)				285.0	291.0	
Net worth per share (DKK)				37.89	38.46	
Denomination of share (DKK)				2.00	2.00	
Nominal value of common stock (DKK million)				570.0	582.0	
Treasury stock (million)				5.9	7.7	

**1.2 Income statement**

<b>DKK million</b>	<b>9M 2020</b>	<b>9M 2019</b>	<b>Q3 2020</b>	<b>Q3 2019</b>
Revenue	10,566	10,643	3,431	3,704
Cost of goods sold	(4,624)	(4,766)	(1,506)	(1,647)
<b>Gross profit</b>	<b>5,942</b>	<b>5,877</b>	<b>1,925</b>	<b>2,057</b>
Sales and distribution costs	(1,187)	(1,242)	(383)	(444)
Research and development costs	(1,407)	(1,523)	(477)	(520)
Administrative costs	(545)	(646)	(179)	(246)
Other operating income, net	53	470	8	5
<b>Operating profit / EBIT</b>	<b>2,856</b>	<b>2,936</b>	<b>894</b>	<b>852</b>
Share of result in associates	(2)	(4)	(1)	(2)
Net financials	(139)	(192)	(5)	(79)
<b>Profit before tax</b>	<b>2,715</b>	<b>2,740</b>	<b>888</b>	<b>771</b>
Tax	(543)	(507)	(177)	(133)
<b>Net profit</b>	<b>2,172</b>	<b>2,233</b>	<b>711</b>	<b>638</b>
<b>Attributable to</b>				
Shareholders in Novozymes A/S	2,171	2,232	711	638
Non-controlling interests	1	1	-	-
<b>Specification of net financials</b>				
Foreign exchange gain/(loss), net	(69)	(164)	20	(62)
Interest income/(costs)	(40)	(10)	(15)	(15)
Other financial items	(30)	(18)	(10)	(2)
<b>Net financials</b>	<b>(139)</b>	<b>(192)</b>	<b>(5)</b>	<b>(79)</b>
<b>Earnings per DKK 2 share</b>	<b>7.73</b>	<b>7.80</b>	<b>2.54</b>	<b>2.24</b>
Average no. of A/B shares outstanding (million)	280.8	286.1	279.5	284.4
<b>Earnings per DKK 2 share (diluted)</b>	<b>7.69</b>	<b>7.76</b>	<b>2.53</b>	<b>2.23</b>
Average no. of A/B shares, diluted (million)	282.4	287.6	281.4	285.7

**1.3 Statement of comprehensive income**

<b>DKK million</b>	<b>9M 2020</b>	<b>9M 2019</b>	<b>Q3 2020</b>	<b>Q3 2019</b>
<b>Net profit</b>	<b>2,172</b>	<b>2,233</b>	<b>711</b>	<b>638</b>
Currency translation of subsidiaries and non-controlling interests	(509)	303	(310)	257
<b>Currency translation adjustments</b>	<b>(509)</b>	<b>303</b>	<b>(310)</b>	<b>257</b>
Fair value adjustments	58	(151)	81	(93)
Tax on fair value adjustments	(13)	33	(18)	20
Cash flow hedges reclassified to financial costs	27	127	(19)	38
Tax on reclassified fair value adjustments	(6)	(28)	4	(8)
<b>Cash flow hedges</b>	<b>66</b>	<b>(19)</b>	<b>48</b>	<b>(43)</b>
<b>Other comprehensive income</b>	<b>(443)</b>	<b>284</b>	<b>(262)</b>	<b>214</b>
<b>Comprehensive income</b>	<b>1,729</b>	<b>2,517</b>	<b>449</b>	<b>852</b>
<b>Attributable to</b>				
Shareholders in Novozymes A/S	1,729	2,517	450	852
Non-controlling interests	-	-	(1)	-

## Appendix 2 Distribution of revenue

### 2.1 Business areas

DKK million	2020 9M	2019 9M	% change	% currency impact	% M&A impact	% organic growth
Household Care	3,709	3,534	5	(2)	0	7
Food & Beverages	3,230	3,097	4	(1)	0	5
Bioenergy	1,761	2,051	(14)	(3)	0	(11)
Agriculture & Feed	1,407	1,397	1	(3)	0	4
Technical & Pharma	459	564	(19)	(1)	(3)	(15)
<b>Sales</b>	<b>10,566</b>	<b>10,643</b>	<b>(1)</b>	<b>(2)</b> *	<b>0</b>	<b>1</b>

\* The effect from changes in deferred income in BioAg is included in the currency impact. Realized currency impact was -1.9%.

DKK million	2020 Q3	2019 Q3	% change	% currency impact	% M&A impact	% organic growth
Household Care	1,211	1,267	(4)	(3)	0	(1)
Food & Beverages	1,068	1,074	(1)	(2)	0	1
Bioenergy	626	712	(12)	(7)	0	(5)
Agriculture & Feed	374	495	(24)	(5)	0	(19)
Technical & Pharma	152	156	(3)	(5)	0	2
<b>Sales</b>	<b>3,431</b>	<b>3,704</b>	<b>(7)</b>	<b>(4)</b> *	<b>0</b>	<b>(3)</b>

\* The effect from changes in deferred income in BioAg is included in the currency impact. Realized currency impact was -4.7%.

DKK million	2020			2019			% change Q3/Q3	
	Q3	Q2	Q1	Q4	Q3	Q2		Q1
Household Care	1,211	1,227	1,271	1,224	1,267	1,122	1,145	(4)
Food & Beverages	1,068	1,049	1,113	1,074	1,074	1,028	995	(1)
Bioenergy	626	438	697	769	712	716	623	(12)
Agriculture & Feed	374	512	521	484	495	404	498	(24)
Technical & Pharma	152	123	184	180	156	188	220	(3)
<b>Sales</b>	<b>3,431</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>(7)</b>

## 2.2 Geography

DKK million	2020 9M	2019 9M	% change	% currency impact	% M&A impact	% organic growth
Europe, Middle East & Africa	4,195	4,006	5	0	0	5
North America	3,335	3,495	(5)	(1)	0	(4)
Asia Pacific	2,056	2,113	(3)	(2)	0	(1)
Latin America	980	1,029	(5)	(14)	0	9
<b>Sales</b>	<b>10,566</b>	<b>10,643</b>	<b>(1)</b>	<b>(2)</b> *	<b>0</b>	<b>1</b>
Developed markets	7,021	7,021	0	0	0	0
Emerging markets	3,545	3,622	(2)	(5)	0	3
<b>Sales</b>	<b>10,566</b>	<b>10,643</b>	<b>(1)</b>	<b>(2)</b>	<b>0</b>	<b>1</b>

\* The effect from changes in deferred income in BioAg is included in the currency impact. Realized currency impact was -1.9%.

DKK million	2020 Q3	2019 Q3	% change	% currency impact	% M&A impact	% organic growth
Europe, Middle East & Africa	1,400	1,404	0	1	0	(1)
North America	1,060	1,156	(8)	(4)	0	(4)
Asia Pacific	645	733	(12)	(5)	0	(7)
Latin America	326	411	(21)	(18)	0	(3)
<b>Sales</b>	<b>3,431</b>	<b>3,704</b>	<b>(7)</b>	<b>(4)</b> *	<b>0</b>	<b>(3)</b>
Developed markets	2,283	2,365	(3)	(1)	0	(2)
Emerging markets	1,148	1,339	(14)	(8)	0	(6)
<b>Sales</b>	<b>3,431</b>	<b>3,704</b>	<b>(7)</b>	<b>(4)</b>	<b>0</b>	<b>(3)</b>

\* The effect from changes in deferred income in BioAg is included in the currency impact. Realized currency impact was -4.7%.

DKK million	2020			2019			% change Q3/Q3	
	Q3	Q2	Q1	Q4	Q3	Q2		Q1
Europe, Middle East & Africa	1,400	1,347	1,448	1,334	1,404	1,274	1,328	0
North America	1,060	1,011	1,264	1,255	1,156	1,177	1,162	(8)
Asia Pacific	645	697	714	764	733	696	684	(12)
Latin America	326	294	360	378	411	311	307	(21)
<b>Sales</b>	<b>3,431</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>(7)</b>
Developed markets	2,283	2,201	2,537	2,415	2,365	2,299	2,357	(3)
Emerging markets	1,148	1,148	1,249	1,316	1,339	1,159	1,124	(14)
<b>Sales</b>	<b>3,431</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>(7)</b>

**Appendix 3 Statement of cash flows****3.1 Statement of cash flows**

<b>DKK million</b>	<b>9M 2020</b>	<b>9M 2019</b>
<b>Net profit</b>	<b>2,172</b>	<b>2,233</b>
Reversals of non-cash items	1,646	860
Tax paid	(405)	(450)
Interest received	8	61
Interest paid	(48)	(71)
<b>Cash flow before change in working capital</b>	<b>3,373</b>	<b>2,633</b>
<b>Change in working capital</b>		
(Increase)/decrease in receivables and contract assets	245	(47)
(Increase)/decrease in inventories	33	42
Increase/(decrease) in payables, deferred income and contract liabilities	(330)	(3)
Currency translation adjustments	(12)	(1)
<b>Cash flow from operating activities</b>	<b>3,309</b>	<b>2,624</b>
<b>Investments</b>		
Purchase of intangible assets	(94)	(91)
Sale of property, plant and equipment	3	3
Purchase of property, plant and equipment	(502)	(485)
<b>Cash flow from investing activities before acquisitions, divestments and purchase of financial assets</b>	<b>(593)</b>	<b>(573)</b>
<b>Free cash flow before acquisitions, divestments and purchase of financial assets</b>	<b>2,716</b>	<b>2,051</b>
Business acquisitions, divestments and purchase of financial assets	(585)	430
<b>Free cash flow</b>	<b>2,131</b>	<b>2,481</b>
<b>Financing</b>		
Borrowings	1,123	1,047
Repayment of borrowings	(467)	(765)
Repayment of lease liabilities	(86)	(81)
Shareholders:		
Purchase of treasury stock	(1,500)	(1,362)
Sale of treasury stock	457	43
Dividend paid	(1,483)	(1,439)
<b>Cash flow from financing activities</b>	<b>(1,956)</b>	<b>(2,557)</b>
<b>Net cash flow</b>	<b>175</b>	<b>(76)</b>
Unrealized gain/(loss) on currencies and financial assets, included in cash and cash equivalents	(30)	4
<b>Change in cash and cash equivalents, net</b>	<b>145</b>	<b>(72)</b>
Cash and cash equivalents at January 1	711	723
<b>Cash and cash equivalents at September 30</b>	<b>856</b>	<b>651</b>

Undrawn committed credit facilities at September 30, 2020 were DKK 4,252 million.

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

DKK million	Sep. 30, 2020	Sep. 30, 2019	Dec. 31, 2019
Completed IT development projects	177	135	189
Acquired patents, licenses and know-how	1,250	784	743
Goodwill	1,106	971	965
IT development projects in progress	83	52	29
<b>Intangible assets</b>	<b>2,616</b>	<b>1,942</b>	<b>1,926</b>
Land and buildings	3,897	3,854	4,056
Plant and machinery	4,198	4,490	4,501
Other equipment	922	1,123	993
Assets under construction and prepayments	700	854	662
<b>Property, plant and equipment</b>	<b>9,717</b>	<b>10,321</b>	<b>10,212</b>
Deferred tax assets	1,127	963	1,161
Other financial assets (non-interest-bearing)	21	21	22
Investment in associate	35	38	37
Other receivables	29	32	29
<b>Non-current assets</b>	<b>13,545</b>	<b>13,317</b>	<b>13,387</b>
Raw materials and consumables	376	405	365
Goods in progress	787	859	821
Finished goods	1,365	1,537	1,427
<b>Inventories</b>	<b>2,528</b>	<b>2,801</b>	<b>2,613</b>
Trade receivables	2,687	2,736	2,864
Contract assets	21	227	243
Tax receivables	112	127	273
Other receivables	278	271	269
<b>Receivables</b>	<b>3,098</b>	<b>3,361</b>	<b>3,649</b>
Other financial assets (non-interest-bearing)	78	22	15
Cash and cash equivalents	856	651	711
Assets held for sale	22	-	62
<b>Current assets</b>	<b>6,582</b>	<b>6,835</b>	<b>7,050</b>
<b>Assets</b>	<b>20,127</b>	<b>20,152</b>	<b>20,437</b>

**4.2 Balance sheet, Liabilities**

<b>DKK million</b>	<b>Sep. 30, 2020</b>	<b>Sep. 30, 2019</b>	<b>Dec. 31, 2019</b>
Common stock	570	582	582
Currency translation adjustments	(451)	218	57
Cash flow hedges	85	(45)	19
Retained earnings	10,596	10,437	10,810
<b>Equity attributable to shareholders in Novozymes A/S</b>	<b>10,800</b>	<b>11,192</b>	<b>11,468</b>
Non-controlling interests	11	12	12
<b>Shareholders' equity</b>	<b>10,811</b>	<b>11,204</b>	<b>11,480</b>
Deferred tax liabilities	882	796	879
Provisions	252	203	115
Other financial liabilities (interest-bearing)	3,485	2,116	2,764
Other financial liabilities (non-interest-bearing)	11	15	11
Non-current lease liabilities	403	511	453
<b>Non-current liabilities</b>	<b>5,033</b>	<b>3,641</b>	<b>4,222</b>
Other financial liabilities (interest-bearing)	1,431	1,437	1,380
Other financial liabilities (non-interest-bearing)	23	114	31
Lease liabilities	139	136	163
Provisions	101	60	128
Trade payables	992	1,040	1,117
Contract liabilities	64	150	74
Deferred income	25	33	30
Tax payables	336	717	431
Other payables	1,172	1,620	1,381
<b>Current liabilities</b>	<b>4,283</b>	<b>5,307</b>	<b>4,735</b>
<b>Liabilities</b>	<b>9,316</b>	<b>8,948</b>	<b>8,957</b>
<b>Liabilities and shareholders' equity</b>	<b>20,127</b>	<b>20,152</b>	<b>20,437</b>

### 4.3 Statement of shareholders' equity

DKK million	Attributable to shareholders in Novozymes A/S						Non-controlling interests	Total
	Common stock	Currency translation adjustments	Cash flow hedges	Retained earnings	Total	Total		
<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				2,171	2,171	1	2,172	
Other comprehensive income for the period		(508)	66		(442)	(1)	(443)	
<b>Total comprehensive income for the period</b>		<b>(508)</b>	<b>66</b>	<b>2,171</b>	<b>1,729</b>	<b>-</b>	<b>1,729</b>	
Purchase of treasury stock				(1,500)	(1,500)		(1,500)	
Sale of treasury stock				457	457		457	
Write-down of common stock	(12)			12	-		-	
Dividend				(1,482)	(1,482)	(1)	(1,483)	
Stock-based payment				33	33		33	
Tax related to equity items				95	95		95	
<b>Changes in shareholders' equity</b>	<b>(12)</b>	<b>(508)</b>	<b>66</b>	<b>(214)</b>	<b>(668)</b>	<b>(1)</b>	<b>(669)</b>	
<b>Shareholders' equity at September 30, 2020</b>	<b>570</b>	<b>(451)</b>	<b>85</b>	<b>10,596</b>	<b>10,800</b>	<b>11</b>	<b>10,811</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				2,232	2,232	1	2,233	
Other comprehensive income for the period		304	(19)		285	(1)	284	
<b>Total comprehensive income for the period</b>		<b>304</b>	<b>(19)</b>	<b>2,232</b>	<b>2,517</b>	<b>-</b>	<b>2,517</b>	
Purchase of treasury stock				(1,362)	(1,362)		(1,362)	
Sale of treasury stock				43	43		43	
Write-down of common stock	(12)			12	-		-	
Dividend				(1,438)	(1,438)	(1)	(1,439)	
Stock-based payment				31	31		31	
Tax related to equity items				(24)	(24)		(24)	
<b>Changes in shareholders' equity</b>	<b>(12)</b>	<b>304</b>	<b>(19)</b>	<b>(506)</b>	<b>(233)</b>	<b>(1)</b>	<b>(234)</b>	
<b>Shareholders' equity at September 30, 2019</b>	<b>582</b>	<b>218</b>	<b>(45)</b>	<b>10,437</b>	<b>11,192</b>	<b>12</b>	<b>11,204</b>	

#### 4.4 Final opening balance, PrecisionBiotics Group Limited

(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	37
Cash	64
Deferred tax liabilities	(80)
Financial and other liabilities	(26)
<b>Acquired net assets</b>	<b>640</b>
Purchase price:	
Cash	652
Contingent consideration	146
<b>Total purchase price</b>	<b>798</b>
<b>Goodwill</b>	<b>158</b>

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 158 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 profitability 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® Everis – our first enzyme solution for cleaning of surgical instruments and devices to help preventing Healthcare Associated Infections.
Q3 2020	Microvia™ - a bacterial bio-cleaning solution for hard surface cleaners.
Q3 2020	LpHera - next generation alpha amylase for starch processing.

### 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
August 11, 2020	Interim report for 1H 2020
September 1, 2020	Changes to management