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Organic growth 2016 came in at +2%. EBIT margin expanded to the highest ever.

**Good progress on strategic priorities**
- Our pipeline of significant market-expanding opportunities is advancing as planned
- 4 new products launched in Q4 2016; 8 total launches in 2016
- Organization adjusted to invest in growth areas and pursue opportunities in emerging markets
- Customer relationships and near-market innovation

**2-5% organic growth in 2017**
- Main sales areas expected to grow
- EBIT margin maintained
Novozymes will maintain a significant R&D investment level
• Progress on adjusting pipeline and innovation programs
• Reallocation of resources to high-growth opportunities and growth markets
• Strengthening our technology leadership

Strong pipeline with significant potential
• Hygiene platform to launch first product in 2017
• BioAg launched first new product in 2016

Big opportunities in emerging markets
• Unlock potential in Asia Pacific, Africa and the Middle East; especially within Household Care and Food & Beverages
• Specific initiatives under way in India and Turkey
Solid sales growth in Q4 taking 2016 to 2% growth

- This was driven by a strong contribution in Asia from new product launches in the liquid segment and good underlying market growth. North America grew as consumers traded up
- Latin America declined, while Europe grew slightly
- Our dishwasher segment grew strongly due to increased penetration. We also benefited from new innovation and market share gains. Laundry growth was more modest

2017 focus on emerging markets and launch in hygiene

- New detergent formulation center in India will deliver solutions addressing opportunities we see in Asia, Middle East and Africa
- We expect to launch our first technology in the hygiene area, which potentially can transition into a significant growth platform in the coming years
Technical & Pharma did well in 2016, while Q4 was down

- Good uptake of our Pharma enzymes and albumin. We also saw increased royalties from GSK’s sale of Tanzeum®
- In sales to the Technical industries, textiles and wastewater treatment performed satisfactorily, while leather ended the year slightly positive
- Q4 ended down due to lumpiness in Pharma. Technical ended slightly positive for the quarter supported by continued growth in textile and wastewater treatment
Bioenergy was up 7% in Q4 and 3% down ended down 3% for the full year

Market share in 2016 stable despite intense competition
- Full-year sales down 3%, despite ethanol production up 3% in the US, and 2% globally
- Continued product trialing by ethanol producers incl. enzymes and other solutions put pressure on price/mix

Q4 up 7% as both conventional and biomass contributed
- Strong performance in conventional biofuels, mainly from outside the US
- Sales for biomass closed Q4 strongly, as production of ethanol from biomass conversion becomes more stable

2017 will see new innovation to support sales
- New product launches expected in conventional biofuels, plus customer-specific upgrades in biomass conversion
- Working with customers to improve plant efficiency through digitalization and technical support
2016 showed solid performance of enzymes for Animal Feed

• Animal feed enzyme grew steadily across main markets, plus good traction in trialing of our probiotics
• Modest growth in BioAg sales for 2016, as farmers were influenced by low crop prices leading to lower inoculant sales. New sales pattern led to a very strong Q4
• Commercial launch of Acceleron® B-300 SAT for corn

Strong growth of 22% in Q4

• Sales in BioAg grew strongly as preparation for the 2017 season in North America commenced in Q4
• Sales also included shipments of our newly launched Acceleron® B-300 SAT

Steady sales growth expected to continue in 2017

• Continued strong performance of feed enzymes; especially carbohydrases and proteases
• Acceleron® B-300 SAT on all new corn hybrids in 2017 with a target to reach 90 million acres by 2025
Food & beverages grew 2% in 2016. Beverages and Starch showed strong growth; Baking flat

Food & Beverages growth driven by emerging markets and sales to the starch industry

- Strong growth in Asia Pacific, broadly across segments with baking and starch in China as key drivers
- The Middle East and Africa delivered good results, driven by brewing and starch
- Europe overall was flat, with solid growth in baking and starch offset by lost market share in infant nutrition
- Americas contracted, with modest growth in starch outweighed by a decline in baking

In 2017, we see growth coming from emerging markets, Starch and Food & Nutrition

- To support strong growth in the emerging markets, we are adding sales resources and technical service facilities – including a baking development lab in Turkey
- We are prioritizing our starch business to capture growth in the global starch-refining business and by opening a new growth platform in grain milling
- Food & Nutrition will return to growth as we recover in infant nutrition
- Baking growth opportunities in emerging markets, but price erosion expected in the North American freshkeeping market
Strong pipeline of significant market-expanding growth opportunities

On top of the flow of innovation to existing markets, Novozymes is currently investing in innovation to expand the market for enzyme and microbial technology and thereby grow sales. Most of the innovation programs below have the potential to impact sustainability positively.

<table>
<thead>
<tr>
<th>Area</th>
<th>Innovation</th>
<th>Feasibility</th>
<th>Discovery</th>
<th>Development</th>
<th>Launch</th>
<th>Commercial</th>
</tr>
</thead>
<tbody>
<tr>
<td>Household Care</td>
<td>Hygiene solutions</td>
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<tr>
<td>Household Care</td>
<td>Tailored emerging markets solutions</td>
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<tr>
<td>Food &amp; Beverages</td>
<td>Vegetable oil processing</td>
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<td>Food &amp; Beverages</td>
<td>Grain milling</td>
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<tr>
<td>Agriculture &amp; Feed</td>
<td>Natural growth promotion</td>
<td></td>
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<tr>
<td>Agriculture &amp; Feed</td>
<td>Enhanced corn inoculant</td>
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</tr>
<tr>
<td>Agriculture &amp; Feed</td>
<td>New transformative BioAg solutions</td>
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<tr>
<td>Bioenergy</td>
<td>Biomass conversion</td>
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</tbody>
</table>

Arrows denote progress to next phase over the past 12 months

Total pipeline has:

- 8 programs with significant market-expanding potential
- Significant potential to boost organic growth
- >100 projects
- Projects that improve productivity
- Technology projects to expand the “toolbox”
EBIT margin, net profit growth and ROIC targets all reached as guided back in Jan.16

**EBIT margin expanded through tight cost control**
- Underlying gross margin on par with last year
- Adjusting for the restructuring in 2016, the EBIT margin expanded to above 28%; mainly as a result of lower operational costs
- Net profit grew 8% as net financials improved from lower hedging costs

**In 2017, organic sales growth 2-5% and profitability to be maintained**

**New DKK 2bn stock buyback program planned for 2017**
- Proposed annual dividend, up 14% to DKK 4.00 per share
- New DKK 2 billion stock buyback program planned for 2017
Overview and Strategy
World leader in Bioinnovation

Global
- ~6,500 employees
- ~700 products sold in 140 countries
- Major production footprint in 3 regions

Market Leader in industrial enzymes
- ~48% Novozymes
- ~19% DuPont
- ~33% Others incl. DSM, Chinese, captive etc.

R&D intensive
- ~1,400 people employed in R&D
- ~7,000 patents
- ~13% of sales invested in R&D
- Innovation focused on enzymes and microbes

Profitable
- USD 2bn in sales
- ~28% EBIT margin
- ~25% ROIC

Majority owner Novo A/S
- Controls 25.5% of the capital
- ~70% of the votes
- 2 seats on the board of directors

Company background

- Listed: 2000
- Ticker: NZYM B
- Exchange: Nasdaq Copenhagen
- CEO: Peder Holk Nielsen (since 2013)

5 years of organic growth & EBIT

<table>
<thead>
<tr>
<th>Year</th>
<th>DKKm</th>
<th>EBIT margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>11,234</td>
<td>+4%</td>
</tr>
<tr>
<td>2013</td>
<td>11,746</td>
<td>+7%</td>
</tr>
<tr>
<td>2014</td>
<td>12,459</td>
<td>+7%</td>
</tr>
<tr>
<td>2015</td>
<td>14,002</td>
<td>+4%</td>
</tr>
<tr>
<td>2016</td>
<td>14,142</td>
<td>+2%</td>
</tr>
</tbody>
</table>

EBIT margin: ~28%
Uniquely diversified group, creates synergies and opportunities

Global provider of enzymes to all market segments creates global market leader position. Leveraging competencies across segments accelerates pace of innovation, reduces competition and creates high barriers to entry.

**Household Care**
- Laundry & Dishwasher detergents, Cleaning products
- Organic growth avg. ~5%

**Food & Beverages**
- Baking, Starch to syrups, Brewing & Alcohol, Healthy concepts
- Organic growth avg. ~3%

**Bioenergy**
- Corn ethanol, Cellulosic biofuels
- Organic growth avg. ~3%

**Agriculture & Feed**
- Animal feed, BioAgriculture
- Organic growth avg. ~10%

**Technical & Pharma**
- Textile & Leather, Pulp & Paper, Wastewater, Pharma ingredients
- Organic growth avg. ~6%

LATEST RESULTS • OVERVIEW AND STRATEGY • MARKET OVERVIEW • SUSTAINABILITY • FINANCIALS AND GOVERNANCE
Our Strategy

The strategy for Novozymes when looking to expand into new areas is to assume either the technology risk (developing unproved technology) or the market risk (entry into new markets). If we see both a technology risk and a market risk, but it looks like the right opportunity, we will search for a partner who can help us unlock the potential.

This is how we bring our “Partnering for Impact” strategy to life, by leveraging the competencies of others and at the same time minimizing the risk to our business.

Our Purpose

Together we find biological answers for better lives in a growing world. Let’s rethink tomorrow.

Partnering for Impact

- **Existing tech in new market**: (example; launch advanced protease in Emerging Markets)
- **Find partner, reduce one risk**: (example; BioAg Alliance with Monsanto or Feed Alliance with DSM)
- **New tech in existing market**: (example: introduce a new enzyme in the 1G Ethanol market)
- **Just do it**: (example, launch new version of Novamyl in the baking industry)
Experienced leadership team
– with more than 24 years seniority on average with the business
Our set of competitive advantages across the value chain has led to a unique marketleading position

1. **Scale**
   - Production: 5 core plants in 3 regions
   - Research & Development: 2/3 of total investment of industry
   - Technical services: half of commercial organization “on site”
   - Market & technology coverage

2. **Quality**
   - Superior logistical agility due to full control of value chain
   - Ability to tailor solutions to specific customer and market needs
   - First mover in a number of markets lead by ability to innovate
   - High quality products that meet regulatory requirements
   - Wide range of solutions and product offerings

3. **Sustainability**
   - Sustainability is in our DNA helping our customers to save an estimated 69 million tons of CO2 (2016)
   - Triple bottom line
   - Pioneering life cycle assessment documentation

4. **High Barriers**
   - Unique market-leading position in a global niche
   - Strong technology backbone and competences
   - More than 7,000 patents
   - Diverse biotech know how and investments needed to compete
   - Long term trusted partner for our customers
   - Extensive know how and manufacturing expertise
16 years of innovation-driven returns

Strong returns since 2000
- 2.8x Sales
- 4.7x EBIT
- 6.3x Net Profit
- DKK ~36bn in Cash Flows

Innovation is the recipe
- DKK ~20bn spent on R&D
- +100 new launches
- +5.5% in Gross margin expansions through productivity improvements

Solid financial track record driven by innovation

- 2000
- 2001
- 2002
- 2003
- 2004
- 2005
- 2006
- 2007
- 2008
- 2009
- 2010
- 2011
- 2012
- 2013
- 2014
- 2015
- 2016

Sales DKKm
EBIT margin
R&D/Sales
ROIC
Our global business serves a large number of local markets and industries

**North America**
- **NZ:** Production, R&D
- **Main markets:** Bioenergy, HHC, F&B, BioAg
- **Acc CAPEX:** ~DKK 4bn
- **FTE's:** ~1,300
- **5Y Avg growth:** +1%

**EMEA**
- **NZ:** HQ, Production R&D
- **Main markets:** HHC, F&B, Feed & Pharma
- **Acc CAPEX:** ~ DKK 6bn
- **FTE's:** ~2,900
- **5Y Avg growth:** +6%

**Asia Pacific**
- **NZ:** Production, R&D
- **Main markets:** F&B, HHC, Tech & Feed
- **Acc CAPEX:** DKK ~2,6bn
- **FTE's:** ~1,800
- **5Y Avg growth:** +6%

**Latin America**
- **NZ:** Production
- **Main markets:** HHC, Feed, BioAg & F&B
- **Acc CAPEX:** ~DKK 400m
- **FTE's:** ~350
- **5Y Avg growth:** +17%

**Satellite production site**
- **Main sites with production and R&D**
- **Satellite R&D site**
R&D investments drive growth today and enhance technology leadership for long-term impact

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

Growth platforms
- BioAg
- Biomass Conversion
- Animal Health & Nutrition
- Emerging industries

Basic technologies
Advance understanding, application support, development and formulation of biological systems

R&D investments in production systems and productivity
Developing new technology and business platforms

Continued development in our technology base…

Molecular biology
- Strain development using protein engineering, genetic modification, DNA sequencing, etc

Bio-informatics & Systems biology
- Application of computer algorithms in the computational discovery of enzymes in DNA databases

Screening systems
- Application of high-throughput robotics to find the best enzyme candidates

Industrial-scale fermentation
- Production of enzymes and proteins whilst continuously optimizing and improving yields

…creates opportunities to develop new business platform
Novozymes dedicates 10-15% of R&D spend to productivity improvement programs.

Novozymes has achieved organic sales growth of ~6-7% since 2000 with improving margins.

All our solutions are produced via fermentation technology.

**3 levers to improve profitability**

1. **Improve production strain**
   - Ability to produce more enzymes per m³ fermentation tank through genetic engineering of host organism

2. **Optimize industrial production**
   - Process optimization
   - Equipment optimization
   - Input optimization

3. **Improve enzyme efficacy**
   - Protein engineering of enzymes improves efficacy. Customers buy efficacy, not volume

---

Raw materials

Micro-organisms

Fermentation

Purification

Formulation

Enzymes
Market Overview
Household Care Overview

Current trends
- Shifting demographics and urbanization
- Water scarcity
- Customer consolidation
- Energy transition
- Convenience and cleanliness
- Cost-based optimization of formulation

Growth drivers
- Demand for better products in Emerging Markets.
- Demand for antibacterial and hygiene solutions for laundry
- Demand for energy-efficient solutions (low temp washing)
- Demand to clean more with less water
- New formats (liquids, unit dose compaction, hygiene, etc.)
- Partners with greater reach
- Sourcing raw materials from renewable sources

Growth barriers
- Middle-class consumers' ability to differentiate brand performance
- Competition putting pressure on detergent prices
- Sustained low surfactant prices reducing adoption of enzymes
- Technology development leading to rapid shifts in consumer preferences
- Perception that compaction and low temp washing are less effective
- Stronger partners potentially leading to increased bargaining power
- Focus on cost optimization

Household Care stats
- 5 year organic growth:
  - 2012: +11%
  - 2013: +9%
  - 2014: +4%
  - 2015: +1%
  - 2016: +2%

LATEST RESULTS • OVERVIEW AND STRATEGY • MARKET OVERVIEW • SUSTAINABILITY • FINANCIALS AND GOVERNANCE

Applications
- Laundry & dishwasher detergents

Novozymes market share
- >60%

Competition
- Dupont
Our technology makes a difference

- Eliminate harsh chemicals
- Decrease dose, increase performance
- Remove stains, boost whiteness
- Preserve fabric texture, color
- Save energy, water, time
Hygiene Care will enable a new wave of growth in HHC in both the develop and emerging markets

Four key trends are increasing consumers’ laundry hygiene concerns

1. Cold wash
   - Traditional enzyme solutions have enabled a switch to cold washing

2. Rise of liquids
   - Liquid detergents are a premium product and more user-friendly

3. Changing textiles
   - The lower cost and higher flexibility of synthetics are driving more textile production using these materials

4. Urbanization
   - An increasing population searching for opportunities in the cities

Novozymes invests to ensure innovative, safe and natural solutions to address consumers’ hygiene concerns

- Novozymes is a first mover in hygiene and has a dedicated team of scientists working on solutions that improve laundry hygiene

- Novozymes expects to launch a portfolio of innovations within the hygiene platform over the coming period
Food & Beverages Overview

Current trends
- Shifting demographics and urbanization
- Water scarcity
- Consumer focus on health, wellness and natural products
- Digitalization of the global economy
- Increased cost of raw materials
- Customers consolidating operations but diversifying brands to cater for hyperlocal consumer preferences

Growth drivers
- Demand for better and more convenient foods
- Improved processing and optimization of raw materials
- Demand for substitutes for animal protein
- Customers using data analytics to validate efficiency gains achieved
- Awareness about food safety and “naturally healthy” products
- Growth in market for “food intolerance” products, such as lactose-free
- Demand for optimization in raw materials and production processes
- Customer focus on cost optimization, processing aids and brand building
- Stronger partners with greater reach

Growth barriers
- Consumer preference for traditional foods
- Fragmented local markets and dietary habits as well as regulation
- Demand for rapid innovation in regional markets
- Consumer and industry skepticism about technology in F&B production
- Customer inertia in changing formulations and adopting new technologies
- Fragmented local markets and dietary habits
- Demand for rapid innovation in regional markets

Food & Beverages stats

5 year organic growth
- 2012: 3,186
- 2013: 3,190
- 2014: 3,278
- 2015: 3,715
- 2016: 3,740

Applications
- Baking / Starch conversion / Brewing / Beverage alcohol / Healthy concepts

Novozymes market share
- 2012: 30%
- 2013: 40%

Competition
- DSM, Dupont, regional

Shifting demographics and urbanization
- Water scarcity
- Consumer focus on health, wellness and natural products
- Digitalization of the global economy
- Increased cost of raw materials
- Customers consolidating operations but diversifying brands to cater for hyperlocal consumer preferences
In Food & Beverages we operate in different parts of the value chain. Revenue-wise, the two parts are comparable.

**Processing of Ag inputs**
A global business with global solutions

**Starch processing**
- Brewing
- Juice & wine
- Beverage alcohol
- Oils & fats processing

**Characteristics:**
- Starch processing main business
- Fewer product categories
- DuPont main competitor
- Fragmented global customer base
- ~60% direct sales
- ~60% emerging markets

**Baking**
- Infant food
- Flavor enhancement
- Acrylamide reduction
- Low lactose

**Characteristics:**
- Baking is our main market
- Many products and offerings to many end customers
- Competition more dispersed and local
- ~80% direct sales
- ~30% emerging markets

We cover a broad set of end markets and applications.
Bioenergy Overview

Current trends

Volatile commodity prices squeezing customer margins
Waning public support for biofuels
US corn ethanol industry affected by low corn prices

Digitalization of the global economy
Energy transition

Growth drivers

• Industry consolidation and focus on process economics driving demand for enzymatic solutions that enhance yield and reduce chemical costs
• Growth of low-carbon fuel standards driving demand for cellulosic fuel
• Modern and automated ethanol facilities using data analytics to monitor performance and potential for optimization gains (high tier enzymes)
• Continued stable political mandate driving adoption of biofuels
• Growing calls for CO2 reductions in transportation sector
• Price and yield stability of low-tier enzymes
• Demand for enzymes with optimization potential

Growth barriers

• Reduced demand for premium enzymes in low input cost environment
• Majority of renewable investments going into solar, wind, etc.
• Lack of political support outside of the US for starch-based ethanol
• General lack of willingness to invest in cellulosic ethanol
• Lack of political commitment to expanding blending mandates
• Resistance to exceeding 10% blend in the US
• Competition with electric vehicles to reduce CO2 emissions
• Fluctuating value of co-products reducing demand for high tier enzymes

Bioenergy stats

5 year organic growth
-9% +12% +19% -5% -3%

Applications
Corn ethanol / Biomass conversion
-Mainly a U.S. business today (85%)

Novozymes market share
~50%

Competition
Dupont, regionals and other technologies
Increasing complexity in bioethanol production

Advancing enzyme design:
Using our diagnostic program to deliver custom fermentation solutions, tailored to a plant’s unique operating conditions

From standard to more customized solutions

Past
Basic products for liquefaction and saccharification

Present
Multiple offerings across liquefaction and saccharification

Future
Increasingly customized solutions for liquefaction and saccharification, novel solutions for other process steps

The Ethanol Process:
Enzymes are applied in multiple stages, along with yeast in fermentation

Convert feedstock into fermentable sugars

Ferment sugars to EtOH
Ethanol production and outlook in the U.S.

US Ethanol production grew ~3% in 2016 totalling to an estimated 15.3bn gallons.

Global production was up ~2%

Exports are increasing in particular to countries like Canada, China, Brazil, India and the Middle East.
Novozymes serves 5 out of 8 commercial facilities

While several biomass conversion ethanol plants are already operating, more than 20 solid biomass conversion projects are under development globally (not all publicly announced)

Different business models:
• Co-marketing with Beta Renewables
• Project development
• Large strategic partners e.g. Raizen

Publicly announced, commercial biomass conversion projects under development by region*

**United States**
1. POET/DSM
2. DuPont
3. Abengoa
   - Beta Renewables
   - ZeaChem
   - ICM
   - Sweetwater

**Brazil**
4. Raizen
5. GranBio
   - Solvay
   - CTC

**Europe**
6. Beta Renewables
7. STI
   - Maabjerg Bioenergy
   - Ethanol Europe
   - Energo Chemica

**China**
8. Longlive
   - Petro China
   - Cofco
   - Tianguan Group
   - M&G Chemicals
   - NTL

**India and South East Asia**
   - Beta Renewables
   - India Oil
   - CVC India
   - Brooke Sarawak

*Non-exhaustive
Agriculture & Feed Overview

Partnerships:
- Feed Alliance
- The BioAg Alliance

Current trends

- Transition to sustainable agriculture
- Digitalization of the global economy
- Consumer focus on health, wellness and natural products

Growth drivers

- Favorable regulatory environment benefiting sustainable farming
- Pressure on available farmable land (more with less)
- Demand for more efficient animal feed solutions to increase production
- Global growth in protein consumption due to changes in dietary habits
- Governments in emerging economies focusing on Ag productivity
- Rise of precision agriculture validating yield improvements and enabling tailoring of microbial solutions to farmers’ specific soil conditions
- Growing calls for reduced use of antibiotics in farm animals
- High input costs for farmers driving demand for yield-enhancing and sustainable solutions

Growth barriers

- Customer skepticism and lack of understanding of biologicals
- Fragmented and complicated regulation in local markets
- Lack of scientific proof for biologicals and understanding of the potential of biotechnology in agriculture and feed
- Low pricing of traditional fertilizers and pesticides competing with more sustainable solutions
- Low commodity prices forcing farmers to cut back on seed treatments

Agriculture & Feed stats

- 5 year organic growth: +13% +5% +7% +19% +5%
- Applications: Enzymes for nutritive enhancement of feed for pigs and chicken. Microbes for crop yield enhancement. Probiotics
- Novozymes market share: 25-30% (Feed enzymes).
- Leading producer of inoculants (BioAg)
- Competition: Dupont, AB Vista, regional (Feed Enzymes). BASF, Bayer, regional (BioAg)
How do microbes work?

What are microbes?
Microbes, notably bacteria and fungi, are types of agricultural biologicals that protect crops from pests and diseases and enhance plant productivity and fertility.

Enhance
- Utilizes nutrients in the soil
- Stronger, healthier plants with enhanced root systems
- New options for sustainable agriculture

Protect
- May complement or potentially replace traditional chemistries
- Additional modes of action

Application
Microbial products can help plants take up nutrients and protect against pests, diseases, and weeds.

Foliar spray
Foliar plant spray involves applying fertilizer directly to a plant’s leaves as opposed to putting it in the soil.

In furrow
- Utilizes nutrients in the soil
- Stronger, healthier plants with enhanced root systems
- New options for sustainable agriculture

Seed treatment
Seeds are coated with fertilizer before planting.
How can microbials improve agriculture?

Our biocontrol and bioyield enhancer products are based on microorganisms and naturally occurring fungi to:

- Provide powerful control against insects, diseases and weed pests
- Enhance the crop's nutritional capabilities to improve plant growth, increase stress tolerance and improve yields

Beneficial microbes

- Supply plants with beneficial phosphorus
- Enhance root growth, giving plants a good start and physical support
- Protect plants from disease and repel pests
- Help plants tolerate conditions like heat, flood and drought

Plant health

Disease tolerance

Increase yield

Nutrient uptake

Insect management
Inoculants hold significant opportunity for market expansion across crops and geographies

<table>
<thead>
<tr>
<th>Global Planted Acres¹ (5 year avg. 2009–2013)</th>
<th>Soybean</th>
<th>Pulses</th>
<th>Alfalfa</th>
<th>Canola</th>
<th>Corn</th>
<th>Wheat</th>
<th>Cotton</th>
<th>Rice</th>
</tr>
</thead>
<tbody>
<tr>
<td>~260m</td>
<td>~190m</td>
<td>~15m</td>
<td>~85m</td>
<td>~425m</td>
<td>~549m</td>
<td>~80m</td>
<td>~400m</td>
<td></td>
</tr>
<tr>
<td>Inoculants Treated Acres²</td>
<td>~55-60%</td>
<td>~15%</td>
<td>~50%</td>
<td>~5%</td>
<td>&lt;1%</td>
<td>&lt;1%</td>
<td>&lt;1%</td>
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</table>

**Factors driving inoculant growth:**

1. **Market expansion**
   - Significant opportunity across crops and geographies

2. **Immediate commercial portfolio**
   - Working from strong starting position with existing commercial products

3. **Advantageous commercial footprint**
   - Monsanto’s broad global footprint enabling upstream distribution and leveraging relationships with distributor and retail channels

**BioAg Existing Product Portfolio**

<table>
<thead>
<tr>
<th>NA</th>
<th>LATAM</th>
<th>RoW</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image1" alt="Strong product position" /></td>
<td><img src="image2" alt="Moderate product position" /></td>
<td><img src="image3" alt="Minor product position" /></td>
</tr>
</tbody>
</table>

**Current Inoculants Treatment Regime**

<table>
<thead>
<tr>
<th>Upstream (Seed Company)</th>
<th>Midstream (Distributor/Retailer)</th>
<th>Downstream (Grower)</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image4" alt="No current product position" /></td>
<td><img src="image5" alt="No current product position" /></td>
<td><img src="image6" alt="No current product position" /></td>
</tr>
</tbody>
</table>

1. Source: FAO stats and Internal estimates
2. Internal 2014 estimates

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LATEST RESULTS • OVERVIEW AND STRATEGY • MARKET OVERVIEW • SUSTAINABILITY • FINANCIALS AND GOVERNANCE
Attractive value propositions in animal feed enzymes

**Phytase phosphate**
- Only 3-30%* of phosphate in feed is available to the animal
- Ronozyme NP® releases half of the phosphate bound – Ronozyme HiPhos® releases nearly all of it
- Significant reduction in phosphorous excretion from animals as farmers can save 25-100%* of added mineral phosphate

**ProAct® protein**
- Maximizing protein utilization and improving nutritional value
- Improves protein digestibility by > 20%, increasing feed conversion
- Reduces need for additional protein feed, such as soybean meal

**Others energy**
- Xylanase & glucanase increase non-starch polysaccharide digestion
- Amylase improves starch digestibility, releasing more energy
- Cellulase improves fiber digestion
- Grain feed savings of ~ 2.5%* and less pollution (ammonia, nitrate, nitrous oxide and CO2)

**Forceful pursuit of science leadership with DSM alliance across species, product classes and regions**

**Estimated penetration across swine and poultry**

- Phytase: 80-90%
- Carbohydrase: 35-45%
- Protease: 10-15%

Our partner in Animal Feed
Relevance of innovation cluster

The world needs sustainable efficiency gains in animal production:
- 9+ billion people by 2050
- Protein demand to double next 40 years
- Feed costs in 50% of costs in animal production
- Arable land per capita expected to decrease by 35% from 2000 to 2050
- Antibiotic resistance and regulation are driving the need for alternatives to antibiotics

Improving the yield in animal production would have significantly positive impact in terms of global warming and use of agricultural land.

Approach and status

As part of our efforts to leverage biological solutions to enable efficiency gains in animal products, we aim to leverage our capabilities to develop additives for natural growth promotion.

In 2015 we initiated a partnership with Adisseo with the shared ambition to enter and develop the market for probiotics.

In 2016 H1, Alterion® was released together with Adisseo which is a probiotic for poultry, as the first product in our innovation cluster “Natural growth promotion.”

Alterion® consistently improves the gut health of poultry which yields a lower Feed Conversion Ratio (FCR) and increase Body Weight Gain (BWG).

Launched in Asia, the US and MEA in 2016. Alterion will be rolled out in China in 2017.
Technical & Pharma Overview

Current trends
Water scarcity  Shifting demographics and urbanization  Continuous optimization in textile industry

Growth drivers
- Increasing demand for wastewater solutions due to increasing water quality/pollution cleanup regulations
- Consumer demand in emerging markets for improved textile quality and longevity
- Enzymatic solutions potentially optimizing processes and lowering costs
- Non-animal, recombinant input sources in pharma
- Better and more sustainable drug delivery and formulation (pharma)

Growth barriers
- Water prices potentially so low that there is no incentive to invest in watersaving solutions
- Demand for low-quality textiles and raw materials
- Preference for lower-cost, chemical solutions to enable market growth
- Long and resource-intensive development cycles in pharma

Technical & Pharma stats

5 year organic growth
+1%  +3%  +4%  +5%  +2%

Application
Textiles / Leather / Pulp & Paper / Albumin / Biocatalysis

Novozymes market share
~50% (enzymes only)

Competition
Dupont + regional

LATEST RESULTS • OVERVIEW AND STRATEGY • MARKET OVERVIEW • SUSTAINABILITY • FINANCIALS AND GOVERNANCE
Sustainability
New long-term targets focus on world impact

New IMPACT targets
- 10 transformative innovations
- 5 partnerships for change
- Educate 1 million people
- Enable Zymers to develop
- Save 100 million tons of CO₂
- Reach 6 billion people with our biological solutions

Updated operational targets
- Environment
  - Energy efficiency
  - Water efficiency
  - Reduction in CO₂ intensity
  - Renewable energy
  - Supplier program
  - Gold Class RobecoSAM rating
  - Carbon Disclosure Project A List
- People
  - Occupational accidents
  - Employee absence
  - Employee "satisfaction and motivation"
  - Employee "opportunities for development"
  - Women in senior management

World needs – areas where we can make an impact
- Climate change
- Sustainable growth
- Health and livelihoods
- Education
- Economic growth
- Job creation
- Supply chain management

Company performance – the traditional view on sustainability
- Resource efficiency
- Sustainable raw materials
- Product stewardship
- Human & labor rights
- Employee satisfaction
- Health & Safety
- Business integrity & antitrust
- Corporate governance

Novozymes’ unique contribution:
- Together for Biological Answers for Lives Around the World

Sustainable raw materials
Resource efficiency
Environmental

Sustainable growth
Sustainable raw materials
Environmental

Product stewardship
Human & labor rights
Social

Health and livelihoods
Employee satisfaction
Social

Education
Health & Safety
Governance (economic)

Economic growth
Job creation
Supply chain management
Governance (economic)
We plan to continue our journey of operational excellence.

Novozymes has over time proved how investments in efficiency and optimization programs pay off not only from a sustainability perspective but also from an economic perspective.

In the US we have a biogas plant which turns wastewater into steam.

In Denmark 24% of the total energy consumed comes from renewable sources; mainly windfarms.
We are reducing CO₂ emissions together with our customers by offering solutions that help produce more with less

Dairy: 230 kg CO₂ per ton of mozzarella
Margarine: 23 kg CO₂ per ton of hardstock
Vegetable oil: 44 kg CO₂ per ton of oil
Cereals: 110 kg CO₂ per ton of bread

Beverage: 25 kg CO₂ per 1000 litre of beer
Detergent: 50-150 kg CO₂ per ton of laundry
Textile: 1100 kg CO₂ per ton of fabric
Cosmetics: 190 kg CO₂ per ton of fatty acid ester

Animal feed: 80 kg CO₂ per ton of feed
Agriculture: 15 kg CO₂ per ton of corn
Paper making: 150 kg CO₂ per ton of pulp
Leather: 100 kg CO₂ per ton of hide

In 2016, Novozymes helped customers save 69 million tons of CO₂ through the application of Novozymes’ products.
Remuneration principles ensure close alignment with long term shareholder interests, links remuneration to shareholder gains and losses, and ensures management retention.

**Annual remuneration scheme**

- **Salary and cash bonus**
  - Max 2 months of base salary cash bonus linked to fulfilment of EBIT and sustainability targets
  - Max 3 months of base salary cash bonus linked to fulfilment of personal targets
  - Base salary

**Conditions for long term program**

- The incentive program consists of 50% stock options and 50% stocks with the opportunity to double annual remuneration. Awards will depend on accumulated economic profit generated (75%) as well as average organic sales growth (25%).
- Economic profit is defined as: \(\text{NOPAT} - (\text{Avg. inv. capital} \times \text{WACC})\)
- NOPAT is adjusted for hedging result to eliminate impact of currency fluctuations as well as for any impacts from major acquisitions. A fixed WACC of 6% will be used during the entire program.
- Stock options will be awarded annually (3-year vesting period), stocks in 2020 (no vesting period). Maximum clause caps upside (max. cap = 2x intrinsic value at establishment ex. inflation)
Financials and Governance
Historical performance demonstrates track record of delivery.

16 years of organic growth and improved margins

Profitability has benefitted from productivity improvements and operational leverage 2000-2016

Return to historical growth rates
Organic growth ≥26% EBIT margin

EBIT margin 2000
Gross Margin... Admin reduction S&D reduction R&D expansion EBIT margin 2016

+11 pp.
Historical performance demonstrates track record of delivery.

### Net Interest-bearing Debt

![Net Interest-bearing Debt Chart]

#### Key Metrics
- **Net Interest-bearing Debt (NIBD/EBITDA)**

### ROIC

![ROIC Chart]

#### Key Metrics
- **ROIC**

### CAPEX

![CAPEX Chart]

#### Key Metrics
- **CAPEX to Sales**

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**Targets**

- **<1.0x**
  - Net interest-bearing Debt to EBITDA
- **≥25%**
  - ROIC incl. goodwill
- **~8%**
  - CAPEX to Sales
Novozymes carries limited exposure to raw material fluctuations

Factors impacting COGS:
- Productivity improvements, input prices, currency
- Note: accounting practice implies that there is a time lag between current price levels and COGS

Factors impacting Novozymes’ input prices:
- Geographical location, e.g., differences in input
- Contractual agreements, e.g., timing, duration
- Substitution possibilities, i.e., flexibility in use of different inputs, not dependent upon one source
- Price development on other products produced by our suppliers from the same input

Split of Cost of Goods sold*

- Raw materials; 35%
- Energy/utilities & others; 20%
- Indirect production costs; 45%

Raw materials consist primarily of different carbohydrates. Approximately 50% of raw material input are e.g., sucrose, maltose, glucose, starch.
Since 2000 close DKK ~20bn has been returned to the shareholders through dividend or share buybacks

Proposed dividend of DKK 4.00 per share for 2016 (up 14% from 2015), which will correspond to a total dividend pay-out of DKK 1,190m (pay-out ratio of 39%). Dividend will be disbursed on Feb 27 2017

In addition it has been decided to initiate a new stock buyback program worth up to DKK 2bn, which is expected to begin early 2017 and run for the remainder of the year

Accumulated dividends of DKK ~8bn and stock buybacks of DKK ~12bn have been returned to the shareholders since 2000
Novozymes “B”-shares are listed on the Copenhagen stock exchange under the symbol “NZYM B”

Two share classes; A and B shares
- All “B”- shares listed in Copenhagen under the symbol “NZYM B”
- All “A” share capital and 26,071,400 “B”-shares are held by Novo A/S, who is fully owned by the Novo Nordisk Foundation

As of December 2016
- Novo A/S, owns 25.5% of the share capital and controls 71% of votes (All A shares & ~10% of B shares)
- Novozymes had more than 60,000 shareholders of whom 95% were private shareholders in Denmark
- ~40 institutional investors incl. Novo A/S owned ~50% of the B-shares

Shareholder distribution of B common stock*

<table>
<thead>
<tr>
<th>Region</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>20%</td>
</tr>
<tr>
<td>Denmark</td>
<td>21%</td>
</tr>
<tr>
<td>UK</td>
<td>30%</td>
</tr>
<tr>
<td>Rest of Europe</td>
<td>12%</td>
</tr>
<tr>
<td>Own shares</td>
<td>3%</td>
</tr>
<tr>
<td>Rest of World</td>
<td>4%</td>
</tr>
<tr>
<td>Novo A/S</td>
<td>10%</td>
</tr>
<tr>
<td>Rest of World</td>
<td>4%</td>
</tr>
</tbody>
</table>

*Distribution equals where shares are managed, Dec 2016

Novo A/S was the only major stockholder holding more than 5% of Novozymes common stock Dec 31 2016
Foundation ownership advocates long-term focus

Purpose of the Foundation:
1. provide a stable basis for the commercial and research activities of the companies in Novo A/S
2. support physiological, endocrinological, metabolic and other medical research
3. contribute to the preservation and operation of Novo Nordisk A/S’ research hospital activities
4. support other scientific as well as humanitarian and social purposes
Further investor relations information is available from the company homepage at www.novozymes.com/investor
Forward Looking Statements

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.