Frequently asked questions

On December 12, 2022, Novozymes A/S (“Novozymes”) and Chr. Hansen Holding A/S (“Chr. Hansen”) announced that they have entered into an agreement to create a leading global biosolutions partner through a statutory merger of the two companies (the “Merger”).

The completion of the proposed Merger is subject to, inter alia, approval by the extraordinary general meetings of Novozymes and Chr. Hansen, respectively, which both are currently expected to be held in H1, calendar year 2023, as well as customary merger control and other regulatory approvals from relevant authorities.

The following frequently asked questions and answers (“FAQ”) relate primarily to the rationale of the proposed Merger, the structure and the technical settlement hereof.

What is the rationale behind the proposed Merger?

- The combination will leverage Novozymes’ and Chr. Hansen’s complimentary expertise, powerful capabilities, and innovation and commercial excellence to develop biological solutions that will enable healthier lives, transform food systems, and support the development towards a climate neutral society.

What will happen in the proposed Merger?

- The proposed Merger will be structured as an all-share statutory merger, effectuated in accordance with the Danish Companies Act. The merger consideration offered to the shareholders of Chr. Hansen will consist of newly issued B-shares in Novozymes.

If and when the proposed Merger is completed, the following steps will have taken place:

- Chr. Hansen will be merged with and into Novozymes;
- Novozymes will continue as the surviving company;
- Chr. Hansen will be dissolved, and its shares will be removed from trading and official listing on Nasdaq Copenhagen, and the newly issued B-shares in Novozymes will be admitted to trading and official listing on Nasdaq Copenhagen; and
- Chr. Hansen’s current shareholders will become shareholders in Novozymes.

Where can I find more information about the proposed Merger?

- Relevant documents regarding the proposed Merger are available here at this site.
- You will find, among others, the company announcement, investor presentation, merger plan, merger statement, etc.
- Please note that further information about the proposed Merger will be made available in a disclosure document (the exemption document), which is currently expected to be published during H1 2023. The exemption document will be available here at this site once published.
- Following the publication of the exemption document, the companies plan to convene extraordinary general meetings for the shareholders to adopt the proposed Merger. The notices for the extraordinary general meetings will be published and made available at a later stage.
- We recommend that all shareholders read the documents made available here at this site including the exemption document once published.
If I have 1 Chr. Hansen share, how many Novozymes shares will I get if and when the proposed Merger has been completed?

- If and when the proposed Merger has been completed, you will receive 1.5326 new Novozymes B-shares (of nominally DKK 2 each) for each share in Chr. Hansen (of nominally DKK 10 each) that you own at the time of completion.
- No fractional Novozymes B-shares will be issued and only whole new Novozymes B-shares will be paid and delivered as merger consideration.
- To the extent that you are entitled to receive a fraction of a new Novozymes B-share, then such fraction will be settled in cash based on a price per share equal to the closing price of the Novozymes B-shares on Nasdaq Copenhagen on the first trading day after the registration of the Merger with the Danish Business Authority (or such other date which may subsequently be communicated by company announcement).
- Please note limitations apply for shareholders in certain jurisdictions.

What happens to the Chr. Hansen shares after the proposed Merger?

- If and when the proposed Merger has been completed, Chr. Hansen will be dissolved and its shares will be removed from trading and official listing on Nasdaq Copenhagen. At the same time, the new consideration B-shares of Novozymes will be issued and admitted to trading and official listing on Nasdaq Copenhagen.

When will Chr. Hansen shareholders receive their new B-shares in Novozymes?

- If and when the proposed Merger has been completed, the former holders of Chr. Hansen shares will be notified of their new Novozymes B-shares through the securities system of Euronext Securities Copenhagen. It is currently expected that the proposed Merger will close during Q4, calendar year 2023/Q1 calendar year 2024.
- Please note limitations apply for shareholders in certain jurisdictions.

How will Chr. Hansen shareholders receive their new B-shares in Novozymes?

- If and when the proposed Merger has been completed, Chr. Hansen shareholders will receive the newly issued Novozymes B-shares in their securities accounts with Euronext Securities Copenhagen. The newly issued Novozymes B-shares that Chr. Hansen shareholders will receive in the proposed Merger will be issued in book-entry form, which entails that ownership of the new Novozymes B-shares is recorded electronically on the books and records of Novozymes as maintained by Novozymes’ share issuing agent.
- Please note limitations apply for shareholders in certain jurisdictions.

What material will Novozymes and Chr. Hansen shareholders receive?

- Novozymes and Chr. Hansen will send their respective shareholders a notice to convene an extraordinary general meeting of Novozymes and Chr. Hansen, respectively, expectedly during H1, calendar year 2023 with the purpose of adopting the proposed Merger.
- Prior to the extraordinary general meetings, a disclosure document (the exemption document) containing information describing the proposed Merger and its impact on Novozymes will be prepared and made available to shareholders.
What are the tax consequences for me as a private Danish shareholder?

- It is the intention to implement the proposed Merger as a tax-exempt merger according to the Danish Merger Tax Act.
- Chr. Hansen and Novozymes have made a joint application with the Danish tax authorities for a binding ruling confirming that the relevant requirements are met for a tax-exempt merger.
- The exemption document will contain further information on taxation in relation to the proposed Merger, including confirmation of whether the proposed Merger is carried out according to the Danish Merger Tax Act.

How do I know that the exchange ratio is fair to me?

- Both Boards of Directors unanimously support the Merger and recommend the shareholders to vote in favor of and adopt the Merger and other proposals to be put forward by the Board of Directors of Novozymes and Chr. Hansen, respectively, at the extraordinary general meetings.
- For Chr. Hansen shareholders, the exchange ratio reflects an implied premium of 49% to the Chr. Hansen share price, valuing each Chr. Hansen share at DKK 660.55 per share\(^1\).

How do I vote on the proposed Merger?

- You can vote on the proposed Merger at the extraordinary general meeting, expected to take place during H1, calendar year 2023.
- If the proposed Merger is approved at the extraordinary general meeting of Novozymes and Chr. Hansen, respectively, with the requisite vote, all Chr. Hansen shares will be automatically exchanged to new Novozymes B-shares shortly after the time of completion.
- The completion of the proposed Merger is subject to customary merger control and other regulatory approvals from relevant authorities.

What happens if the proposed Merger is not approved at either the extraordinary general meeting of Chr. Hansen or Novozymes?

- We focus on delivering value to all stakeholders through the proposed Merger, which we believe is in the very interest of all of our shareholders. We believe the proposed Merger has a strong strategic logic and will drive value creation for all shareholders in the long-term through continued ownership of a combined company.
- In case the proposed Merger is not approved, Chr. Hansen will continue its 2025 strategy which has been laid out previously to continue to create value for all our stakeholders on a standalone basis.

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\(^1\) Based on closing share prices of Chr. Hansen shares of DKK 444.20 and Novozymes B-shares of DKK 431.00, as of December 9, 2022
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This document is for informational purposes only and does not constitute a notice to an extraordinary general meeting resolving on the Merger, an exemption document or a merger prospectus and as such, does not constitute or form part of and should not be construed as, an offer to sell, or the solicitation or invitation of any offer to buy, acquire or subscribe for, any securities or any other financial instruments in Novozymes or Chr. Hansen or an inducement to enter into investment activity. Any decision with respect to the proposed statutory merger of Chr. Hansen into Novozymes should be made solely on the basis of information to be contained in the actual notices to the extraordinary general meetings of Novozymes and Chr. Hansen, as applicable, and the exemption document or merger prospectus, as applicable, related to the Merger as well as on an independent analysis of the information contained therein. Investors should consult the exemption document, when published, for more complete information about Novozymes, Chr. Hansen, their respective subsidiaries, their respective securities and the Merger.

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Additional information for US holders

This document relates to the proposed Merger of two Danish public companies. This document, the exemption document and other documents relating to the proposed Merger would be prepared in accordance with European and Danish law and European and Danish disclosure requirements, format and style, all of which differ from those in the United States. The proposed Merger referred to herein and the information to be distributed in connection therewith, including the proposed Merger and related shareholder vote and any related corporate transactions, are subject to disclosure, timing and procedural requirements and practices applicable in Europe and Denmark, which differ from the disclosure requirements of the United States.
The securities referred to herein and to be issued pursuant to the proposed Merger have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “Securities Act”) or under any laws or with any securities regulatory authority of any state, district or other jurisdiction of the United States, and unless so registered may not be offered, pledged, sold, delivered or otherwise transferred (directly or indirectly), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable state and other securities laws. There will not be any public offer of any securities in the United States. The information contained herein does not constitute an offer to sell or solicitation of an offer to buy any securities in the United States. Further details of which US holders are eligible to receive the securities referred to herein, and the procedural steps required to be taken by such persons to so receive such securities, as well as the procedures for those US holders who do not so qualify to receive such securities (if any), will be set forth in the exemption document.

Neither the U.S. Securities and Exchange Commission (SEC) nor any US state securities commission has approved or disapproved of the securities referred to herein to be issued in connection with the proposed Merger or any related corporate transaction, or determined if the information contained herein or in the exemption document to be prepared in connection with the proposed Merger is accurate or complete. Any representation to the contrary is a criminal offence in the United States.

The securities referred to herein have not been and are not presently expected to be listed on any US securities exchange or quoted on any inter-dealer quotation system in the United States. None of Novozymes or Chr. Hansen presently intends to take any action to facilitate a market in such securities in the United States.

Financial statements, and all financial information that is included in the information contained herein or that may be included in the exemption document and any other documents relating to the securities referred to herein, have been or will be prepared in accordance with International Financial Reporting Standards (IFRS) or other reporting standards or accounting practice which may not be comparable to financial statements of companies in the United States or other companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States (US GAAP).

It may be difficult for US holders to enforce their rights and claims arising out of the US federal securities laws, since Novozymes and Chr. Hansen are incorporated under the laws of Denmark and the majority or all of their respective officers and directors are residents of non-US jurisdictions. Judgments of US courts are generally not enforceable in Denmark. US holders may not be able to sue a non-US company or its officers or directors in a non-US court for violations of US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court’s judgment. In addition, original actions, or actions for the enforcement of judgments of US courts, based on the civil liability provisions of the US federal securities laws, may not be enforceable in Denmark.

Each shareholder is advised to read the exemption document and is urged to consult his or her independent professional adviser regarding the tax consequences of the Merger.

Information Regarding Forward-Looking Statements.

This document includes forward-looking statements. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond the Novozymes Group’s, Chr. Hansen Group’s and the Combined Group’s control and all of which are based on the Novozymes Group’s, Chr. Hansen Group’s or the Combined Group’s current beliefs and expectations about future events. Forward-looking statements are sometimes identified by the use of forward-looking terminology such as “aim”, “annualized”, “anticipate”, “assess”, “assume”, “believe”, “continue”, “could”, “estimate”, “expect”, “goal”, “hope”, “intend”, “may”, “objective”, “plan”, “position”, “potential”, “predict”, “project”, “risk”, “see”, “seek”, “should”, “target”, “will” or “would” or the highlights or the negatives thereof, other variations thereon or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this document and include statements that reflect the Novozymes Group’s, Chr. Hansen Group’s or the Combined Group’s intentions, beliefs or current expectations and projections about the their respective future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, targets, strategies and opportunities and the markets in which they respectively operate, and the anticipated timing of
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Financial Information.

Financial objectives are internal objectives of Novozymes, Chr. Hansen and the Combined Group to measure its operational performance and should not be read as indicating that Novozymes, Chr. Hansen or the Combined Group is targeting such metrics for any particular financial year. The ability of Novozymes, Chr. Hansen and the Combined Group to achieve these financial objectives is inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of Novozymes, Chr. Hansen and the Combined Group, and upon assumptions with respect to future business decisions that are subject to change. As a result, the actual results of Novozymes, Chr. Hansen and the Combined Group may vary from these financial objectives, and those variations may be material.

Transaction conditions.

Completion of the Merger is subject to the satisfaction of a number of conditions as more fully described in this document. Consequently, there can be no certainty that completion of the Merger will be forthcoming.

Novozymes refers to Novozymes A/S and the Novozymes Group refers to Novozymes and its subsidiaries. Chr. Hansen refers to Chr. Hansen Holding A/S and the Chr. Hansen Group refers to Chr. Hansen and its subsidiaries. The Combined Group refers to Novozymes and its subsidiaries following completion of the Merger (including the Novozymes Group and Chr. Hansen Group).