



## ***Independent Valuer's Report on the Merger Plan***

To the Shareholders of Chr. Hansen Holding A/S, CVR No 28318677

In connection with the merger of Novozymes A/S and Chr. Hansen Holding A/S with Novozymes A/S as the surviving company, we have been requested to prepare an independent valuer's report on the merger plan dated 12 December 2022 (the "Merger Plan"), under section 241 of the Danish Companies Act with a view to concluding whether the consideration for the shares in the dissolving company is fair and reasonable from a financial point of view under the circumstances, cf. section 241(4) of the Danish Companies Act.

For the purpose of this assurance engagement, "fair and reasonable from a financial point of view under the circumstances" means that the total consideration for the shares in the dissolving company has been determined based on assessed fair values of Chr. Hansen Holding A/S and of Novozymes A/S merged with Chr. Hansen Holding A/S, including expected synergies.

We express reasonable assurance in our conclusion.

Our conclusion is based on the circumstances on the date of signing this report. For the purpose of this assurance engagement, we are not responsible for updating or reissuing any report or conclusion.

Our report is prepared solely with a view to complying with the requirements of the Danish Companies Act with respect to an independent valuer's report on the Merger Plan in connection with a merger and is to be used exclusively by the shareholders of Chr. Hansen Holding A/S and may not be used for any other purposes.

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

### **The Merger Plan**

On 12 December 2022, the Board of Directors of Novozymes A/S and Chr. Hansen Holding A/S prepared the Merger Plan pursuant to section 237 of the Danish Companies Act for the merger between Novozymes A/S and Chr. Hansen Holding A/S with Novozymes A/S as the surviving company. In connection with the merger the activities, including all assets and liabilities as a whole of the dissolving company, Chr. Hansen Holding A/S, will be transferred to the surviving company, Novozymes A/S.

The merger is dependent on the approval by the competition authorities as well as the fulfilment of certain other conditions as described in the Merger Plan, section 2.

### **Consideration for the shares in the dissolving company**

The consideration for the shares in the dissolving company as part of the merger is set out in the Merger Plan, section 6.2:

- a) *"Novo Holdings A/S exchanges a holding of 28,983,112 shares of nominally DKK 10 each in the Dissolving Company (equivalent to approximately 21.98% of the total share capital as per the date of signing of this Merger Plan) for Consideration Shares according to an exchange ratio, where 1 share of nominally DKK 10 each in the Dissolving Company is exchanged for 2.0454 Consideration Shares of nominally DKK 1 each. As the Surviving Company's B shares are traded on Nasdaq Copenhagen in nominal values of DKK 2 each, such exchange ratio corresponds to an exchange ratio of 1 share of nominally DKK 10 each in the Dissolving Company for 1.0227 B shares of nominally DKK 2 each in the Surviving Company.*
- b) *The remaining shareholders of the Dissolving Company exchange their respective shareholdings in the Dissolving Company for Consideration Shares according to an exchange ratio, where 1 share of nominally DKK 10 each in the Dissolving Company is exchanged for 3.0652 Consideration Shares of nominally DKK 1 each. As the Surviving Company's B shares are traded*



*on Nasdaq Copenhagen in nominal values of DKK 2 each, such exchange ratio corresponds to an exchange ratio of 1 share of nominally DKK 10 each in the Dissolving Company for 1.5326 B shares of nominally DKK 2 each in the Surviving Company.*

- c) *To the extent that Novo Holdings A/S as per the date of the registration of the completion of the Merger in the Danish Business Authority's IT system owns a holding of shares in the Dissolving Company of more than 28,983,112 shares of nominally DKK 10 each, Novo Holdings A/S exchanges such additional shareholding for Consideration Shares according to the exchange ratio set out in clause 6.2b)."*

The consideration to the shareholders in Chr. Hansen Holding A/S in total therefore amounts to a nominal amount of DKK 374,597,292 equal to the issue of in total 374,597,292 new B shares in Novozymes A/S of nominally DKK 1.

If the exchange of shares in Chr. Hansen Holding A/S results in a fraction of a share in Novozymes A/S, such a fraction will be settled in a corresponding cash payment, cf. the description in the Merger Plan, section 6.3.

To the extent that a shareholder in Chr. Hansen Holding A/S is restricted from receiving shares in Novozymes A/S, due to applicable mandatory law in the country of residence of the shareholder, Novozymes A/S may procure that the Consideration Shares attributable to such restricted shareholder shall be sold by a settlement agent appointed by Novozymes A/S and the cash proceeds (in DKK) from the sale shall then as soon as practicable be paid to the such restricted shareholder in lieu of the Consideration Shares, cf. the description in the Merger Plan, section 6.4.

The Board of Directors of Chr. Hansen Holding A/S has determined the fair values by applying recognised valuation methods taking into account the Merger Plan. The purpose has been to determine a consideration which in total is fair and reasonable from a financial point of view under the circumstances.

The fair value assessments of Chr. Hansen Holding A/S and of Novozymes A/S merged with Chr. Hansen Holding A/S, including expected synergies, are based on cash flow forecasts and are subject to subjective expectations and assumptions. Inherent risks exist that not all expectations and assumptions will be met and that unforeseen events may occur which imply material deviations from the cash flow forecasts. This may cause material changes to the valuations prepared by the Board of Directors of Chr. Hansen Holding A/S.

Our report on the Merger Plan includes a conclusion on whether the total consideration for the shares in Chr. Hansen Holding A/S is fair and reasonable from a financial point of view under the circumstances and not on the distribution of the consideration between the shareholders in Chr. Hansen Holding A/S, e.g. between Novo Holdings A/S and the other shareholders. Therefore, we do not express a conclusion on the different considerations to the shareholders in Chr. Hansen Holding A/S for the shares in the dissolving company, Chr. Hansen Holding A/S.

### **Responsibilities of the Boards of Directors**

Novozymes A/S and Chr. Hansen Holding A/S are to be merged on terms laid down by the Board of Directors of Novozymes A/S and Chr. Hansen Holding A/S in the Merger Plan. These terms include the total consideration for the shares of the dissolving company. It is the responsibility of the Boards of Directors that the consideration for the shares in the dissolving company is fair and reasonable from a financial point of view under the circumstances and that the procedures applied in assessing the fair values of Novozymes A/S and Chr. Hansen Holding A/S are appropriate.

### **Independent Valuer's responsibilities**

Our responsibility is to express a conclusion to the shareholders of Chr. Hansen Holding A/S on the Merger Plan, including whether the consideration for the shares in the dissolving company is fair and reasonable from a financial point of view under the circumstances, cf. section 241(4) of the Danish Companies Act. Our report on the Merger Plan includes a conclusion on whether the consideration for the shares in Chr. Hansen Holding A/S is fair and reasonable from a financial point of view under the circumstances in total and not on the distribution of the consideration between the shareholders, cf. above.

We conducted our examinations in accordance with ISAE 3000 (revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information and the additional requirements applicable in Denmark to obtain reasonable assurance in respect of our conclusion.



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We have complied with the independence requirements and other ethical requirements in the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour, and ethical requirements applicable in Denmark.

In assessing the fair values of Chr. Hansen Holding A/S and of Novozymes A/S merged with Chr. Hansen Holding A/S, including expected synergies, we considered whether the valuation methods applied by the Board of Directors of Chr. Hansen Holding A/S are appropriate, and whether the significant expectations and assumptions provide a reasonable basis for the valuations.

Our work comprised a review of the Merger Plan prepared by the Boards of Directors of Novozymes A/S and Chr. Hansen Holding A/S and the merger statement prepared by the Board of Directors of Chr. Hansen Holding A/S pursuant to section 237 and 238 of the Danish Companies Act. The Financial Statements of Novozymes A/S and Chr. Hansen Holding A/S, respectively, for 2021 and 2021/22, which have been provided with auditor's reports with unmodified opinions, formed part of the basis of our work. We have furthermore assessed the valuations prepared by the Board of Directors of Chr. Hansen Holding A/S, and assessed the significant expectations and assumptions used in the valuations, including future revenue growth, future earning margins, future capital expenditures, expected synergies and the Weighted Average Cost of Capital ("WACC") applied. The valuations prepared by the Boards of Directors of Chr. Hansen Holding A/S have also been compared to the share prices of Novozymes A/S and Chr. Hansen Holding A/S.

We believe that the work performed provides a reasonable basis for our conclusion.

### **Conclusion**

In our opinion, the procedures applied by the Board of Directors of Chr. Hansen Holding A/S in assessing the fair values of Chr. Hansen Holding A/S and of Novozymes A/S merged with Chr. Hansen Holding A/S, including expected synergies, and for determining the consideration are appropriate. On this basis, in our opinion, the total consideration for the shares in Chr. Hansen Holding A/S is fair and reasonable from a financial point of view under the circumstances.

Hellerup, 12 December 2022

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Kim Tromholt  
State Authorised Public Accountant  
mne33251

Allan Knudsen  
State Authorised Public Accountant  
mne29465