

Adopted at the Annual General Meeting on: June 4, 2025

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Chairman Mikkel Viltoft

## **Novozymes Bioindustrial China A/S**

Krogshøjvej 36, 2880 Bagsværd

CVR No 21 59 90 42

## **ANNUAL REPORT 2024**

## Management's Statement

The Executive Board and the Board of Directors have today considered and adopted the Annual Report of Novozymes Bioindustrial China A/S for the financial year 1 January - 31 December 2024.

The Annual Report is prepared in accordance with the Danish Financial Statements Act. We consider the accounting policies applied appropriate and the estimates made reasonable.

In our opinion, the Financial Statements give a true and fair view of the financial position at 31 December 2024 of the Company and of the results of the Company operations for 2024.

In our opinion, Management's Review includes a true and fair account of the matters mentioned and describes the most significant risks and elements of uncertainty facing the Company.

We recommend that the Annual Report be adopted at the Annual Shareholders' Meeting.

Bagsværd, June 4, 2025

### Executive Board

Lisbet Kragelund

### Board of Directors

Mikkel Viltoft  
(Chair)

Rainer Lehmann

Lisbet Kragelund

## Independent auditor's report

To the shareholders of Novozymes Bioindustrial China A/S

### Opinion

We have audited the financial statements of Novozymes Bioindustrial China A/S for the financial year 1 January – 31 December 2024, which comprise accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2024 and of the results of the Company's operations for the financial year 1 January – 31 December 2024 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

### Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Statement on the Management's review**

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, June 4, 2025

**EY Godkendt Revisionspartnerselskab**

CVR no. 30 70 02 28

Jens Thordahl Nøhr

State Authorised Public Accountant

mne32212

## Management Review

### 5 year Financial Highlights

	2024	2023	2022	2021	2020
Gross profit	(1)	1	(1)	(33,035)	(31,924)
Operating profit	(1)	1	(1)	(33,035)	(31,924)
Net financials	11,769,423	5,168,399	(173,681)	(1,090)	(1,075)
Net profit for the year	394,633,084	261,035,112	132,670,108	56,066,583	45,639,311
Fixed assets	768,307,124	768,307,124	768,307,124	768,307,124	768,307,124
Current assets	534,243,929	269,654,852	146,670,867	60,541,788	49,475,204
Total Assets	1,302,551,053	1,037,961,976	914,977,991	828,848,912	817,782,328
Share capital	729,700,000	729,700,000	729,700,000	729,700,000	729,700,000
Total equity	1,299,155,966	1,034,522,882	903,487,770	828,817,662	817,751,079
Equity ratio	99.7%	99.7%	98.7%	100.0%	100.0%
Return on equity	33.8%	26.9%	15.3%	6.8%	4.9%

Key ratios have been prepared as described below:

Equity ratio

Equity as a percentage of total assets

Return on equity

Profit for the year as a percentage of average equity

## Management Review

The purpose of the company is to operate and invest in research and development, production and trade with biological solutions, including biotechnological products and processes, as well as any business related to this as determined by the Board of Directors. The company strives to operate on a sustainable and responsible way, both financially, socially and environmentally.

For the financial year 2024 the company has realized a profit of DKK 394,633,084 which is higher than expectations due to a higher level of received dividends. Profit for the year primarily relates to dividends from subsidiaries with operating profit being close to breakeven as expected.

Equity as of December 31, 2024 was DKK 1,299,155,966.

The company proposes to pay ordinary dividend for the financial year of DKK 400.000.000.

### Expectations for 2025

Operating result for 2025 is expected to be between a loss of DKK 100,000 and a profit of DKK 100,000.

## Accounting policies

The Annual Report has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

Accounting policies are unchanged compared to last year. The financial statements are presented in Danish Kroner (DKK).

With reference to section 112 of the Danish Financial Statements Act, the Company has omitted to prepare consolidated financial statements as Novozymes Bioindustrial China A/S and group enterprises are included in the consolidated financial statements of Novozymes A/S, Bagsværd, CVR No 10 00 71 27.

### Recognition and measurement

The Company's income is recognized in the Annual Report as earned and expenses are recognized when incurred.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

### Translation policies

Transactions in foreign currencies are translated into DKK at the exchange rates at the dates of transaction. Monetary items in foreign currencies are translated into DKK at the exchange rates at the balance sheet date. Realised as well as unrealised exchange gains and losses are recognised in financial income and expenses in the income statement.

### Revenue

Revenue is recognized when the company has satisfied on its performance obligations and the customer has obtained control of the goods sold. The company applies IFRS 15 as interpretation for revenue recognition.

Revenue is measured at the value of the agreed transaction price, less VAT and taxes, as well as rebates and discounts.

### Cost of goods sold

Cost of goods sold include costs that have been incurred in fulfilling performance obligations and recognizing the revenue for the year.

### Gross profit

With reference to section 32 of the Danish Financial Statements Act, revenue and cost of goods sold are not disclosed separately, but are included in Gross profit.

### Other external expenses

Other external expenses comprise items secondary to the Company's activities, including administration, audit etc.

### Financial income and expenses

Financial income and expenses include interest, as well as gains and losses on financial assets, liabilities and transactions in foreign currency.

## Accounting policies (continued)

### Tax

Tax on profit for the year which comprises current tax for the year, change in deferred tax as well as any adjustments of previous years is recognised in the income statement. Deferred tax is measured under the balance sheet liability method and comprises all temporary differences between the carrying amount and the tax base of assets and liabilities.

Deferred tax is measured on the basis of applicable tax rules and at the tax rate expected to be effective when the temporary differences are eliminated. Any changes in deferred tax due to changes to the tax rates are recognised in the income statement.

The Company is jointly taxed with the Danish enterprises in the Novo Holdings A/S Group.

The tax of the individual enterprises is fully allocated on the basis of the expected taxable income

### Investments in subsidiaries and other investments

Investments in subsidiaries are recognised at the cost of the shares. Investments in subsidiaries are subject to impairment test requirements if there are indications of impairment. Impairment losses on the investments are recognised, where the impairment is considered to be of a permanent nature.

Dividends received are recognized in the income statement as income from subsidiaries and other investments. If the cost is higher than the subsidiaries net assets, or if dividends from the subsidiary are larger than the accumulated profits in the ownership period of the subsidiary, this is an impairment indicator, and in these situations an impairment test is performed.

### Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value which normally corresponds to nominal value less any loss allowance for bad debts. Loss allowance for bad debts are determined on the basis of an individual assessment of each receivable.

### Financial liabilities

Financial liabilities are measured at amortised cost, substantially corresponding to nominal value. Financial liabilities include trade payables and intercompany payables.

### Cash flow statement

The Company has not prepared any cash flow statement, see section 86(4) of the Danish Financial Statements Act

## Income statement January 1- December 31, 2024

	Note	<u>2024</u>	<u>2023</u>
		DKK	DKK
<b>Gross profit</b>	1	<u><b>(1)</b></u>	<u><b>1</b></u>
<b>Operating profit</b>		<u><b>(1)</b></u>	<u><b>1</b></u>
Financial income	2	11,841,001	5,259,221
Financial expenses	3	(71,578)	(90,822)
Income from investments in group enterprises	5	<u>385,452,935</u>	<u>257,003,760</u>
<b>Profit before tax</b>		<u><b>397,222,357</b></u>	<u><b>262,172,160</b></u>
Tax on profit for the year	4	<u>(2,589,273)</u>	<u>(1,137,048)</u>
<b>Net profit for the year</b>		<u><b>394,633,084</b></u>	<u><b>261,035,112</b></u>

**Balance sheet at December 31, 2024**

	Note	<u>2024</u>	<u>2023</u>
		DKK	DKK
<b>Assets</b>			
Investments in subsidiaries	5	768,307,124	768,307,124
<b>Financial fixed assets</b>		<u><b>768,307,124</b></u>	<u><b>768,307,124</b></u>
<b>Fixed assets</b>		<u><b>768,307,124</b></u>	<u><b>768,307,124</b></u>
Trade receivables		1,005,393	2,305,683
Receivables from group enterprises	6	533,170,508	267,281,141
Other receivables		68,028	68,028
<b>Receivables</b>		<u><b>534,243,929</b></u>	<u><b>269,654,852</b></u>
<b>Current assets</b>		<u><b>534,243,929</b></u>	<u><b>269,654,852</b></u>
<b>Assets</b>		<u><b>1,302,551,053</b></u>	<u><b>1,037,961,976</b></u>
<b>Liabilities and equity</b>			
Share capital	7	729,700,000	729,700,000
Retained earnings	8	169,455,966	174,822,882
Proposed dividend	8	400,000,000	130,000,000
<b>Equity</b>		<u><b>1,299,155,966</b></u>	<u><b>1,034,522,882</b></u>
Trade payables		0	38,750
Payables to group enterprises		706,854	2,200,295
Corporation tax		2,589,273	1,137,048
Other payables		98,960	63,001
<b>Short-term liabilities</b>		<u><b>3,395,087</b></u>	<u><b>3,439,094</b></u>
<b>Liabilities and equity</b>		<u><b>1,302,551,053</b></u>	<u><b>1,037,961,976</b></u>
Related parties	9		
Contingent liabilities	10		
Events after the reporting date	11		

## Statement of changes in equity

DKK	Share capital	Retained earnings	Proposed dividend	Total
Equity at January 1, 2024	729,700,000	174,822,882	130,000,000	1,034,522,882
Net profit for the year	0	394,633,084	0	394,633,084
Paid dividend	0	0	(130,000,000)	(130,000,000)
Proposed dividend for the year	0	(400,000,000)	400,000,000	0
<b>Equity at December 31, 2024</b>	<b>729,700,000</b>	<b>169,455,966</b>	<b>400,000,000</b>	<b>1,299,155,966</b>

## Notes to the Annual Report

### 1 Employee expenses

Remuneration to the Executive Board was incurred by the Parent Company Novozymes A/S, and no disclosure is made of the remuneration to the Executive Board with reference to section 98B(3) of the Danish Financial Statements Act. The Board does not receive board fees.

There were no employees in the company in 2024 or 2023.

### 2 Financial income

	<u>2024</u>	<u>2023</u>
	DKK	DKK
Foreign exchange gain	29,596	6,999
Interest on receivables from group enterprises	11,811,405	5,252,222
	<u><b>11,841,001</b></u>	<u><b>5,259,221</b></u>

### 3 Financial expenses

Bank charges	(7,030)	(6,508)
Foreign exchange loss	(64,548)	(84,314)
	<u><b>(71,578)</b></u>	<u><b>(90,822)</b></u>

### 4 Tax on profit for the year

Tax on profit for the year	(2,589,273)	(1,137,048)
	<u><b>(2,589,273)</b></u>	<u><b>(1,137,048)</b></u>

### 5 Investments in subsidiaries

	<u>2024</u>
Cost at January 1	768,307,124
<b>Cost at December 31</b>	<u><b>768,307,124</b></u>
<b>Carrying amount December 31</b>	<u><b>768,307,124</b></u>

Name	Ownership share (%)	Share capital	Equity	Net profit for the year
Novonesis Hong Kong Ltd.*	100	HKD 768,285,140	HKD 769,813,066	HKD 287,371,929
Chr. Hansen (Beijing) Trading Co, Ltd	100	CNY 5,000,000	CNY 119,795,624	CNY 10,355,202
Novozymes (Shenyang) Biologicals Co., Ltd.	100	CNY 31,854,507	CNY 57,858,851	CNY 3,974,005
Novozymes (China) investment Co., Ltd.	100	CNY 816,449,373	CNY 2,634,736,759	CNY 165,982,352
Novozymes Onehealth Biotechnology (Shanghai) Co., Ltd	100	CNY 5,000,000	CNY 7,507,770	CNY 2,374,612
Suzhou Hongda Enzyme Co., Ltd	100	CNY 356,744,150	CNY 386,863,192	CNY 28,219,018
Novozymes (China) Biotechnology Co., Ltd.	100	CNY 1,312,510,618	CNY 1,607,160,615	CNY 93,564,021

\* Directly owned

All companies are located in China except for Novozymes Hong Kong Ltd. which is located in Hong Kong

Income from investments in group enterprises consists of dividend from Novonesis Hong Kong of DKK 385,452,935 in 2024 (DKK 257,003,760 in 2023).

## Notes to the Annual Report

### 6 Receivables from group enterprises

Receivables from group enterprises consist of positive balances on cash pool accounts in the Novozymes A/S cash pool arrangement.

### 7 Share capital

Share capital amounts to DKK 729,700,000 and consists of 729,700 shares of 1,000 kr.

### 8 Distribution of profit

	<u>2024</u>	<u>2023</u>
	DKK	DKK
<b>Proposed distribution of profit:</b>		
Proposed dividend	400,000,000	130,000,000
Transferred to retained earnings	(5,366,916)	131,035,112
	<u><b>394,633,084</b></u>	<u><b>261,035,112</b></u>

### 9 Related parties

Novozymes Bioindustrial China A/S is a wholly-owned subsidiary of Novozymes A/S, Bagsværd and is included in the consolidated financial statements of Novozymes A/S. The ultimate parent company preparing consolidated financial statements is the Novo Nordisk Foundation, Gentofte.

The Novo Nordisk Foundation and its subsidiaries, i.e. the Novo Holdings Group and the Novo Nordisk Group, members of the executive boards of these entities and the management of Novozymes A/S as well as their close family members are considered related parties. Related parties moreover comprise enterprises in which the above-mentioned group of people hold considerable interests.

#### Transactions

	<u>2024</u>
	DKK
<b>The Novozymes Group:</b>	
Purchase of goods	4,464,573
Interest income	11,811,405

#### Outstanding balances

	<u>2024</u>
	DKK
<b>The Novozymes Group:</b>	
Receivables from group enterprises	533,170,508
Payables to group enterprises	(706,854)

### 10 Contingent liabilities

The company has no contingent liabilities.

The company is jointly taxed with the Danish companies of the Novo Holdings A/S Group, and is individually liable for the joint taxation liability.

### 11 Events after the reporting date

No events have occurred after the reporting date of importance to the financial statements for 2024.