

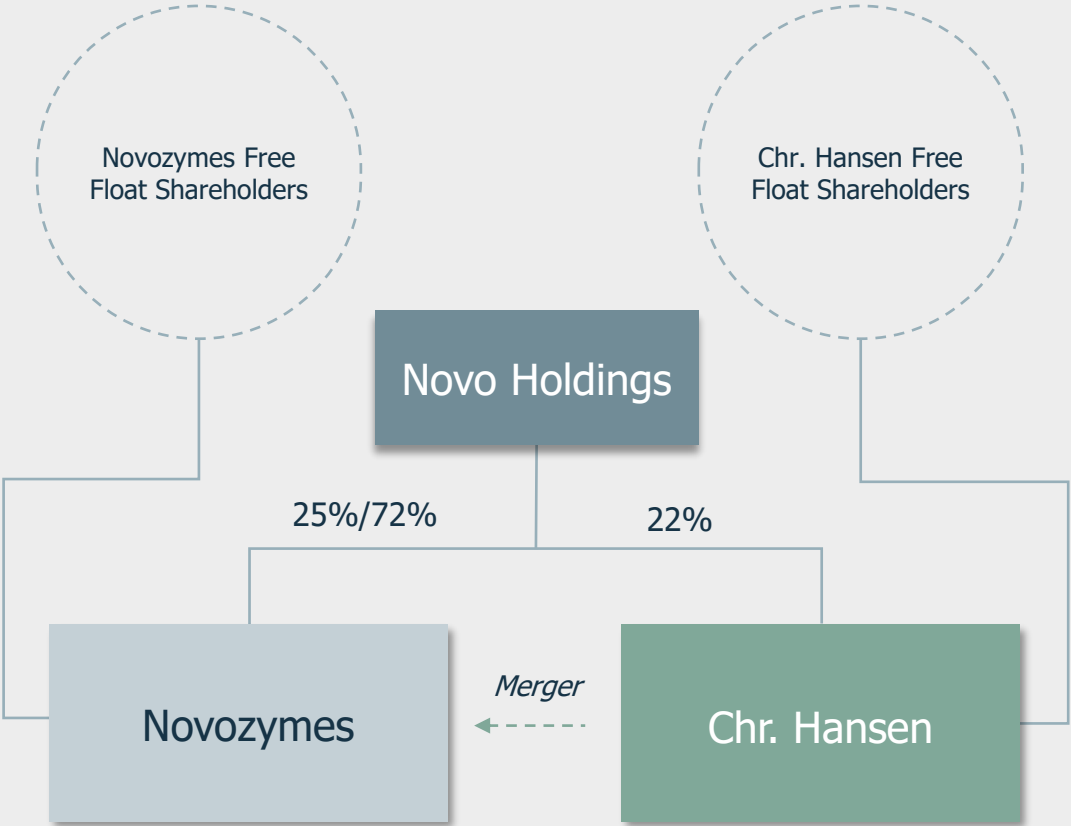


# Creating Novonesis – the global biosolutions partner

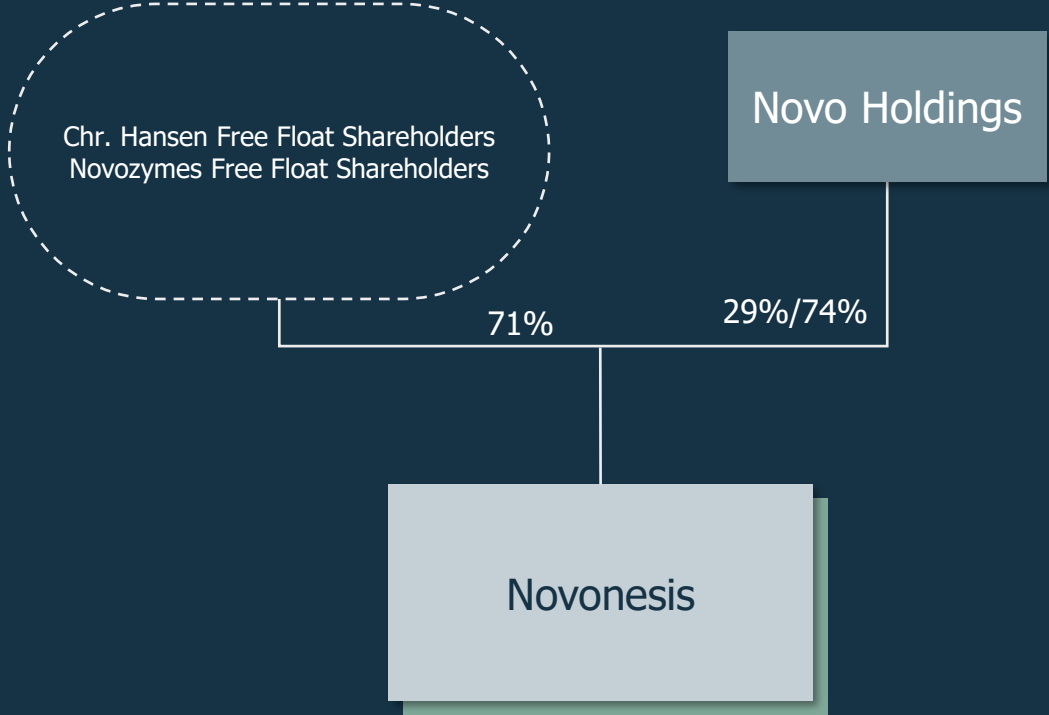
Børsens dag 2024

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# Pre-merger structure



# Post-merger structure



# The merger at a glance...

- The largest merger in Danish history
- Top 5 on OMXC25 based on market cap
- Annual combined revenues of > EUR 3.5 billion and combined EV at announcement of close to DKK 200 billion
- Chr. Hansen (free float) shareholders receive 1.5326 new Novozymes B-shares for each Chr. Hansen share – **implied premium of 49 %** at announcement
- Strong support by Novo Holdings in the form of irrevocable undertakings to both Novozymes and Chr. Hansen in support of the merger, including voting for the merger and acceptance of a lower exchange ratio compared to free float shareholders (implying no premium on their Chr. Hansen holding)

# ... from a Plesner perspective

- Massive case involving more than 90 lawyers from Plesner engaging at all levels of the Novozymes organisation to support the merger
- Fantastic collaboration from start to finish with other advisers (financial (Dyal & Co., FIH Partners, Goldman Sachs), legal, audit (PwC), communication) on both the Novozymes, Chr. Hansen (Gorrissen Federspiel) and Novo Holdings side (Kromann Reumert)

# Getting to 'yes' – what matters?

- **Attractive economics** – getting inside the board room
- **Deal certainty** – showing the path from engagement to completion
- **Financing** – document certain funds financing
- **Regulatory implications** – convincing analysis (and contractual obligations)
- **Shareholder support** – take the deal from the board room to the sellers

**Supported by thorough and convincing preliminary work**

# Achieving deal certainty

- Crucial for both parties to have the highest degree of deal certainty possible due to size and nature of transaction
- Lawyers on both sides tasked with delivering as de-risked transaction as possible
- Areas of focus included:
  - Legal structure of transaction (merger)
  - Timing of shareholder approvals
  - Taxation
  - Regulatory approvals
  - Auditor statements
  - Fairness opinions
  - Contractual obligations, including conditionality and termination rights

# ... while managing novelties of the merger

- The merger presented a range of issues which were largely novelties in the Danish market, including:
  - Differentiated merger consideration to Novo Holdings vis-à-vis free float shareholders
  - Addressing conditionality and termination rights in merger agreement and merger plan
  - Extended timeline to completion for regulatory reasons
  - Handling of share fractions (vendor placement)
  - Handling of shareholders in excluded jurisdictions (as shares will be issued in respect of all shareholders)
  - Ensuring contingency plan in case of delays with timeline implications (extension mechanism in merger agreement)
  - Handling auditors' due diligence and valuation requirements needed to issue report on merger consideration and creditors' position

# Takeovers vs merger – structural considerations

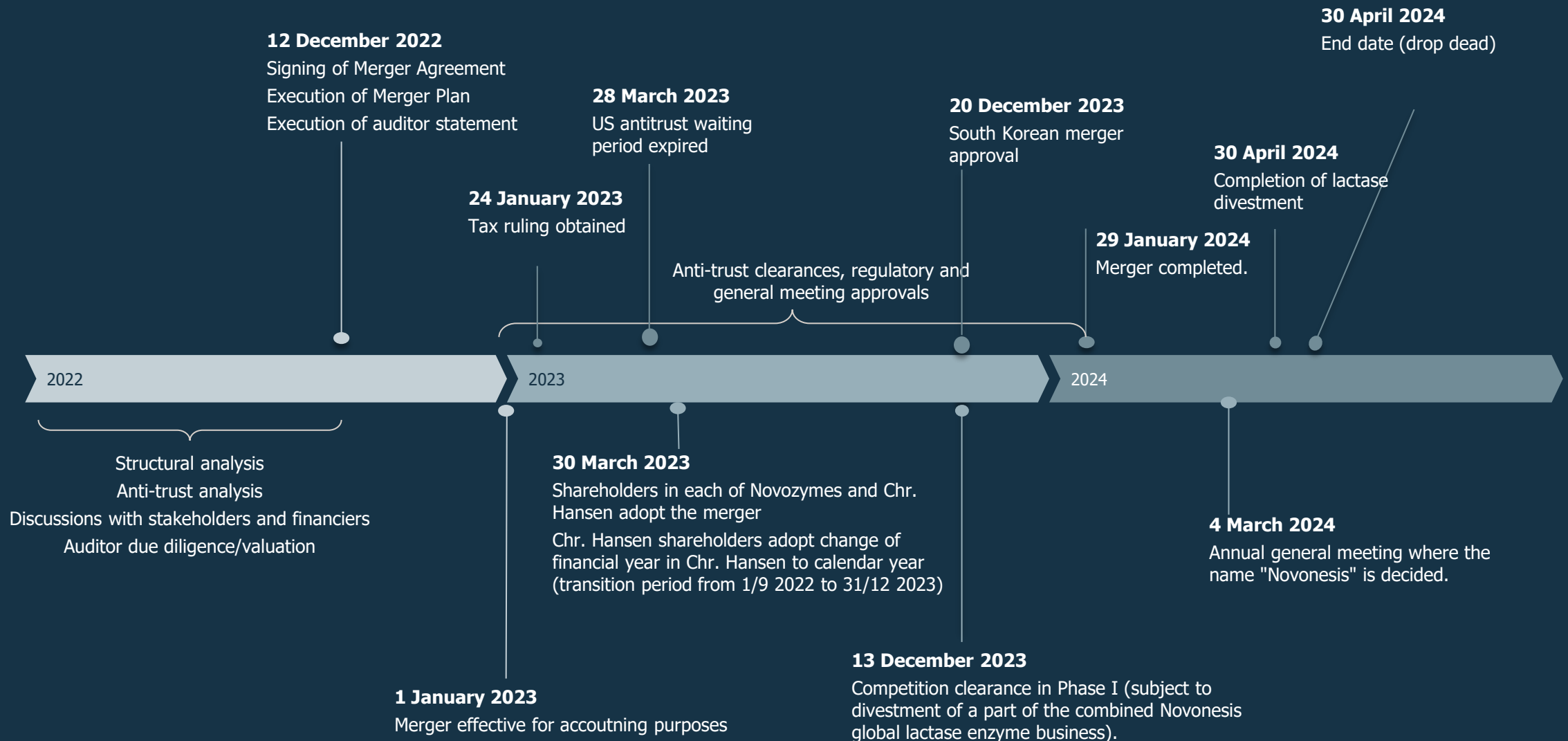
Consideration	Takeover (cash)	Exchange offer (shares)	Merger
Simple and tested structure	✓	X (but tested)	(X)
Timeline implications in case of delays	(X) (9 months under Takeover Code but potential dispensation from DFSA)	(X) (9 months under Takeover Code but potential dispensation from DFSA)	(✓) (statutory cut-off due to filing of annual report for dissolving company)
Early vote/acceptance (market exposure)	No (shares tendered in towards end of offer period)	No (shares tendered in towards end of offer period)	Yes (early EGMs possible)
Threshold for achieving 100% ownership	90%	90%	2/3 (no squeeze out)
Prospectus	No	Yes	(Yes) (Exemption Document)
Ability for Chr. Hansen shareholders to participate in synergies	X	✓	✓
Financial assistance issues in case of cash element	No	No	Potentially
Interloper risk	Lower	Higher	Lower
Target board exposure	Lower	Lower	Higher
Target willingness to engage	Less involved	More involved	Most involved



# Solving for the facts (1/2)

Fact / issue	Implications and solution
<b>Regulatory timeline of ~ 12 to 15 months from engagement to clearance</b>	<ul style="list-style-type: none"> <li>• Takeover with statutory cut-off of 9 months (subject to DFSA exemption)</li> <li>• Merger allows for longer timeline given suspension of registration – ultimate drop dead date is the final date for submission of annual report in dissolving company (30 April 2024)</li> </ul>
<b>Differentiated consideration</b>	<ul style="list-style-type: none"> <li>• Tried and tested in takeovers (Veloxis Pharmaceuticals)</li> <li>• Novelty in merger – analysis concluded that it is permissible (as shareholders can renounce protection under section 45 of the DCA)</li> </ul>
<b>Conditionality</b>	<ul style="list-style-type: none"> <li>• Tried and tested in takeovers (as long as outside control of offeror)</li> <li>• Accepted in practice for mergers (only regulatory conditions allowed)               <ul style="list-style-type: none"> <li>• <b>Parties beware:</b> Not possible to amend merger plan – consider your conditions carefully as not possible to waive</li> </ul> </li> </ul>
<b>Auditor involvement</b>	<ul style="list-style-type: none"> <li>• Takeovers: Valuation report in case of exchange offer</li> <li>• Mergers: Statement on merger consideration and creditors' position               <ul style="list-style-type: none"> <li>• <b>Take away:</b> Expect significant involvement due to statutory requirements</li> <li>• <b>Implication:</b> In case of extension and publication of new merger plan, potential transaction uncertainty regarding merger consideration if values have fluctuated</li> </ul> </li> </ul>

# Timeline (1/2)

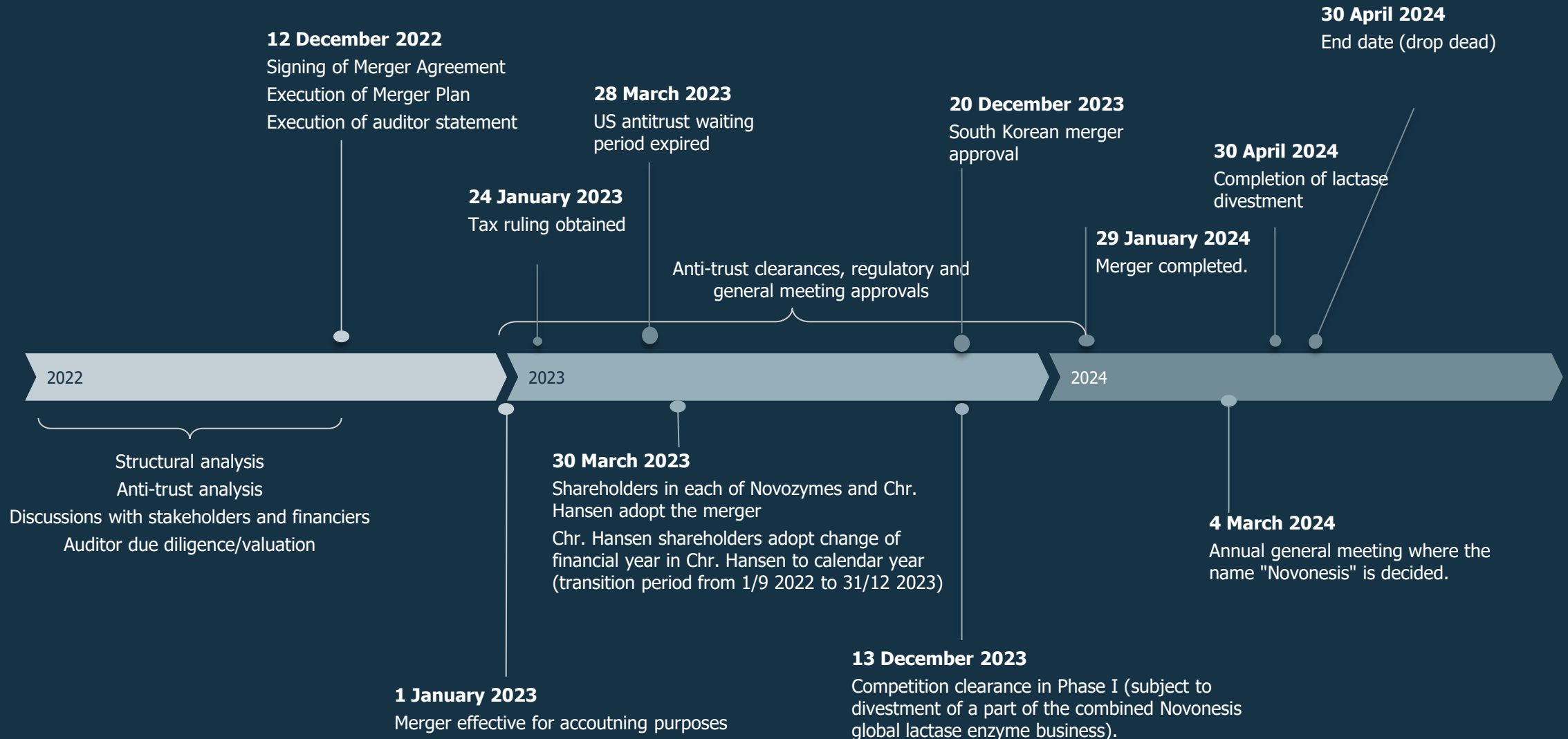




# Solving for the facts (2/2)

Fact / issue	Implications and solution
<p><b>Unforeseen circumstances – termination rights</b></p>	<ul style="list-style-type: none"> <li>• Key design criteria that transaction is only terminable in limited situations – in practice only in narrow MAC and qualified material breach of merger agreement</li> <li>• In takeovers, termination of transaction agreement is typically a condition for closing</li> <li>• Merger plan does not have a termination provision – however, merger agreement does (in which case parties would withdraw from registration of merger) – has not been tested</li> </ul>
<p><b>Extension in case of delays</b></p>	<ul style="list-style-type: none"> <li>• Takeovers: Potential exemption from DFSA on 9 month drop dead date</li> <li>• Mergers: Not possible to exempt drop dead date (submission of annual report)               <ul style="list-style-type: none"> <li>• <b>Solution:</b> Parties to submit new merger plan and revised documentation in case of extension beyond drop dead date</li> </ul> </li> </ul>
<p><b>Tax</b></p>	<ul style="list-style-type: none"> <li>• Takeovers: Tried and tested – fairly simple analysis</li> <li>• Mergers: Tax exempt vs taxable merger – tax risks highly dependent on shareholder base and factual circumstances</li> </ul>
<p><b>Vendor placement</b></p>	<ul style="list-style-type: none"> <li>• Vendor placement used as solution to handle share fractions and shareholders in excluded jurisdictions</li> <li>• Complex settlement exercise</li> </ul>

# Timeline (2/2)



# Plesner

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