

IFF Merger with DuPont's Nutrition & Biosciences Business

Investor FAQs



1. What are you announcing? Is IFF acquiring the larger DuPont Nutrition & Biosciences business? Why was it structured this way?

- IFF announced that it has entered into a definitive merger agreement to combine with DuPont's Nutrition & Biosciences business in a Reverse Morris Trust (RMT) transaction.
- The combined company will form a new global integrated solutions leader across consumer-oriented end markets to deliver differentiated, integrated solutions to thousands of customers of all sizes. Together, IFF and N&B will be an immediate leader in the rapid consumer-driven industry evolution toward healthier, "better for you" products.
- Together, IFF and N&B will have a broad scope of capabilities and serve complementary end markets with #1 or #2 positions across in-demand ingredient categories including Taste, Scent, Nutrition, Enzymes, Cultures, Soy Proteins and Probiotics. These offerings will allow us to serve a wide range of end markets, including Food & Beverage, Home & Personal Care and Health & Wellness.
- This well-established structure is expected to be tax-free to DuPont and its shareholders, in addition to generating significant value through expected cost synergies of approximately \$300 million on a run-rate basis by the end of the third year post-closing and more than \$400 million in run-rate revenue synergies.

2. Why are you doing this transaction?

- This combination will allow us to better serve our customers and to accelerate their growth through our ability to provide a more comprehensive solution set, increased scale, category diversification, global reach and a broader set of capabilities across our shared end markets.
- The combined company will be an immediate leader in the rapid consumer-driven industry evolution toward healthier, "better for you" products.
- With a compelling financial profile, the combined company will be well-positioned to respond to customer needs, capitalize on positive market trends and drive strong profitable growth and cash-flows in a competitive market.
- The combined company will draw on the best talent from both organizations who bring deep experience integrating large organizations.

3. How does this combination position IFF to address evolving consumer trends?

- Consumer preferences are evolving to support healthier, "better for you" products, including, for example, sustainable solutions including natural, clean label and alternative protein products.
- Today's market requires manufacturers to innovate like never before. The combined company will provide a broader solution set and leverage

customer relationships, applications and R&D capabilities across the largest customer base in the industry, serving both multinationals and fast-growing small and medium-sized consumer product firms.

4. How will the combined company be structured? Who will be the executive management and Board of Directors?

- For now, it remains business as usual until the close of the transaction. The two parties are targeting closing the transaction by the end of the first quarter of 2021.
- Upon closing, the combined company's Board of Directors will include 7 directors from IFF and 6 DuPont director appointees until the Annual Meeting in 2022, when there will be 6 directors from each company.
- Andreas Fibig will continue to serve as Chairman and CEO of the combined company. Current DuPont Executive Chairman Ed Breen will join the board of the combined company as a DuPont appointee and will serve as Lead Independent Director starting June 1, 2021 or immediately post close if closing occurs after June 1, 2021.
- Additionally, IFF and N&B will form an Integration Office to manage the integration of their organizations, which will be composed of leaders from both companies.

5. What are the financial terms of the transaction?

- The transaction values DuPont's N&B business at \$26.2 billion and the combined company at \$45.4 billion on an enterprise value basis, based on IFF's closing share price on December 13, 2019.
- Under the terms of the transaction, which has been unanimously approved by the Boards of Directors of DuPont and IFF, DuPont shareholders will own 55.4% of the shares of the combined company, and existing IFF shareholders will own 44.6%.
- Upon completion of the transaction, DuPont will receive a one-time \$7.3 billion special cash payment, subject to certain adjustments.
- This well-established, tax-efficient structure is expected to be tax-free to DuPont and its shareholders, in addition to generating significant value through expected cost synergies of approximately \$300 million on a run-rate basis by the end of the third year post-closing.
- The combination will also maintain investment grade status and IFF's current dividend policy, as well as have best-in-class margins and an enhanced ability to drive volumes via cross-selling opportunities across the enhanced portfolio, which is expected to generate more than \$400 million of run-rate revenue synergies by year three post close.

6. Will the company need to pursue a secondary equity offering post-close?

- No. In conjunction with the transaction, the one-time \$7.3 billion special cash payment to DuPont will be financed by fully committed debt financing. The company intends to maintain an investment grade rating and plans to delever from approximately 4.0x at transaction close, including IFF's legacy debt, to below 3.0x by year two following close.





7. Are you confident in the level of due diligence performed for this transaction?

- These are two well-established companies with significant expertise and capabilities across shared end markets.
- We have spent considerable time together to understand their business as we evaluated this transaction, and are exceedingly comfortable that these two businesses are a strong strategic as well as cultural fit.
- We will also form an Integration Office, which will include leaders from both companies, to manage and execute our integration roadmap.

8. What is the accretion vs. dilution schedule for cash EPS for the combined company?

- This is a strategic combination that will propel IFF to be an immediate leader with #1 or #2 positions across our shared end markets and in-demand ingredient categories.
- From a financial perspective, we expect approximately break-even accretion in year two and for meaningful cash EPS accretion in year three including revenue and cost synergies.

9. What is the expected timing to close the transaction?

- The companies are targeting closing the transaction by the end of the first quarter of 2021.

Additional Information and Where to Find It



This communication is not intended to and shall not constitute an offer to sell or the solicitation of an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote of approval, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended (the “Securities Act”). In connection with the proposed combination of Nutrition & Biosciences, Inc. (“N&Bco”), a wholly owned subsidiary of DuPont de Nemours, Inc. (“DuPont”), and International Flavors & Fragrances Inc. (“IFF”), which will immediately follow the proposed separation of N&Bco from DuPont (the “proposed transaction”), N&Bco and IFF intend to file relevant materials with the SEC, including a registration statement on Form S-4 that will include a proxy statement/prospectus relating to the proposed transaction. In addition, N&Bco expects to file a registration statement in connection with its separation from DuPont. INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE REGISTRATION STATEMENTS, PROXY STATEMENT/PROSPECTUS AND ANY OTHER RELEVANT DOCUMENTS WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT IFF, N&BCO AND THE PROPOSED TRANSACTION. A definitive proxy statement will be sent to shareholders of IFF seeking approval of the proposed transaction. The documents relating to the proposed transaction (when they are available) can be obtained free of charge from the SEC’s website at www.sec.gov. The proxy statement, prospectus and/or information statement and other documents (when they are available) will also be available free of charge on IFF’s website at <https://ir.iff.com/> or on DuPont’s website at <https://www.investors.dupont.com/investors/dupont-investors/default.aspx>.

Cautionary Note on Forward-Looking Statements

This communication contains “forward-looking statements” within the meaning of the federal securities laws, including Section 27A of the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). In this context, forward-looking statements often address expected future business and financial performance and financial condition, and often contain words such as “expect,” “anticipate,” “intend,” “plan,” “believe,” “seek,” “see,” “will,” “would,” “target,” similar expressions, and variations or negatives of these words. Forward-looking statements by their nature address matters that are, to different degrees, uncertain, such as statements about the proposed transaction, the expected timetable for completing the proposed transaction, the benefits and synergies of the proposed transaction, future opportunities for the combined company and products and any other statements regarding DuPont’s, IFF’s and N&Bco’s future operations, financial or operating results, capital allocation, dividend policy, debt ratio, anticipated business levels, future earnings, planned activities, anticipated growth, market opportunities, strategies, competitions, and other expectations and targets for future periods. There are several factors which could cause actual plans and results to differ materially from those expressed or implied in forward-looking statements. Such factors include, but are not limited to, (1) the parties’ ability to meet expectations regarding the timing, completion and accounting and tax treatments of the proposed transaction, (2) changes in relevant tax and other laws, (3) any failure to obtain necessary regulatory approvals, approval of IFF’s shareholders, anticipated tax treatment or any required financing or to satisfy any of the other conditions to the proposed transaction, (4) the possibility that unforeseen liabilities, future capital expenditures, revenues, expenses, earnings, synergies, economic performance, indebtedness, financial condition, losses, future prospects, business and management strategies that could impact the value, timing or pursuit of the proposed transaction, (5) risks and costs and pursuit and/or implementation of the separation of N&Bco, including timing anticipated to complete the separation, any changes to the configuration of businesses included in the separation if implemented, (6) risks related to indemnification of certain legacy liabilities of E. I. du Pont de Nemours and Company (“Historical EID”) in connection with the distribution of Corteva Inc. on June 1, 2019 (the “Corteva Distribution”), (7) potential liability arising from fraudulent conveyance and similar laws in connection with DuPont’s distribution of Dow Inc. on April 1, 2019 and/or the Corteva Distributions (the “Previous Distributions”), (8) failure to effectively manage acquisitions, divestitures, alliances, joint ventures and other portfolio changes, including meeting conditions under the Letter Agreement entered in connection with the Corteva Distribution, related to the



transfer of certain levels of assets and businesses, (9) uncertainty as to the long-term value of DuPont common stock, (10) potential inability or reduced access to the capital markets or increased cost of borrowings, including as a result of a credit rating downgrade, (11) inherent uncertainties involved in the estimates and judgments used in the preparation of financial statements and the providing of estimates of financial measures, in accordance with the accounting principles generally accepted in the United States of America and related standards, or on an adjusted basis, (12) the integration of IFF and its Frutarom business and/or N&Bco being more difficult, time consuming or costly than expected, (13) the failure to achieve expected or targeted future financial and operating performance and results, (14) the possibility that IFF may be unable to achieve expected benefits, synergies and operating efficiencies in connection with the proposed transaction within the expected time frames or at all or to successfully integrate Frutarom and N&Bco, (15) customer loss and business disruption being greater than expected following the proposed transaction, (16) the impact of divestitures required as a condition to consummation of the proposed transaction as well as other conditional commitments, (17) legislative, regulatory and economic developments; (18) an increase or decrease in the anticipated transaction taxes (including due to any changes to tax legislation and its impact on tax rates (and the timing of the effectiveness of any such changes)) to be paid in connection with the separation prior to the closing of the transactions could cause an adjustment to the exchange ratio, (19) potential litigation relating to the proposed transaction that could be instituted against DuPont, IFF or their respective directors, (20) risks associated with third party contracts containing consent and/or other provisions that may be triggered by the proposed transaction, (21) negative effects of the announcement or the consummation of the transaction on the market price of DuPont's and/or IFF's common stock, (22) risks relating to the value of the IFF shares to be issued in the transaction and uncertainty as to the long-term value of IFF's common stock, (23) risks relating to IFF's ongoing investigations into improper payments made in Frutarom businesses principally operating in Russia and the Ukraine, including expenses incurred with respect to the investigations, the cost of any remedial measures or compliance programs arising out of the investigations, legal proceedings or government investigations that may arise relating to the subject of IFF's investigations, and the outcome of any such legal or government investigations, such as the imposition of fines, penalties, orders, or injunctions, (24) the impact of the failure to comply with U.S. or foreign anti-corruption and anti-bribery laws and regulations, including with respect to IFF's ongoing investigations into improper payments made in Frutarom businesses principally operating in Russia and the Ukraine, (25) the impact of the outcome of legal claims, regulatory investigations and litigation, including any that may arise out of IFF's ongoing investigations into improper payments made in Frutarom businesses principally operating in Russia and the Ukraine, (26) the ability of N&Bco or IFF to retain and hire key personnel, (27) the risk that N&Bco, as a newly formed entity that currently has no credit rating, will not have access to the capital markets on acceptable terms, (28) the risk that N&Bco and IFF will incur significant indebtedness in connection with the potential transaction, and the degree to which IFF will be leveraged following completion of the potential transaction may materially and adversely affect its business, financial condition and results of operations, (29) the ability to obtain or consummate financing or refinancing related to the transaction upon acceptable terms or at all, and (30) other risks to DuPont's, N&Bco's and IFF's business, operations and results of operations including from: failure to develop and market new products and optimally manage product life cycles; ability, cost and impact on business operations, including the supply chain, of responding to changes in market acceptance, rules, regulations and policies and failure to respond to such changes; outcome of significant litigation, environmental matters and other commitments and contingencies; failure to appropriately manage process safety and product stewardship issues; global economic and capital market conditions, including the continued availability of capital and financing, as well as inflation, interest and currency exchange rates; changes in political conditions, including tariffs, trade disputes and retaliatory actions; impairment of goodwill or intangible assets; the availability of and fluctuations in the cost of energy and raw materials; business or supply disruption, including in connection with the Previous Distributions; security threats, such as acts of sabotage, terrorism or war, natural disasters and weather events and patterns which could result in a significant operational event for DuPont, N&Bco or IFF, adversely impact demand or production; ability to discover, develop and protect new technologies and to protect and enforce DuPont's, N&Bco's or IFF's intellectual property rights; unpredictability and severity of catastrophic events, including, but not limited to, acts of terrorism or outbreak of war or hostilities, as well as management's response to any of



the aforementioned factors. These risks, as well as other risks associated with the proposed merger, will be more fully discussed in the registration statement and merger proxy on Form S-4 to be filed by IFF and the registration statement on Form 10 to be filed by N&Bco. While the list of factors presented here is, and the list of factors to be presented in any registration statement filed in connection with the transaction are, considered representative, no such list should be considered to be a complete statement of all potential risks and uncertainties. Unlisted factors may present significant additional obstacles to the realization of forward looking statements. Further lists and descriptions of risks and uncertainties can be found in each of IFF's and DuPont's Form 10-Q for the period ended September 30, 2019 and each of IFF's and DuPont's respective subsequent reports on Form 10-Q, Form 10-K and Form 8-K, the contents of which are not incorporated by reference into, nor do they form part of, this announcement. Any other risks associated with the proposed transaction will be more fully discussed in any registration statement filed with the SEC. While the list of factors presented here is, and the list of factors that may be presented in a registration statement of IFF or N&Bco would be, considered representative, no such list should be considered to be a complete statement of all potential risks and uncertainties. Unlisted factors may present significant additional obstacles to the realization of forward looking statements. Consequences of material differences in results as compared with those anticipated in the forward-looking statements could include, among other things, business disruption, operational problems, financial loss, legal liability to third parties and similar risks, any of which could have a material adverse effect on IFF's, DuPont's or N&Bco's consolidated financial condition, results of operations, credit rating or liquidity. None of IFF, DuPont nor N&Bco assumes any obligation to publicly provide revisions or updates to any forward-looking statements, whether as a result of new information, future developments or otherwise, should circumstances change, except as otherwise required by securities and other applicable laws.

Participants in the Solicitation

This communication is not a solicitation of a proxy from any investor or security holder. However, DuPont, IFF and certain of their respective directors and executive officers may be deemed to be participants in the solicitation of proxies in connection with the proposed transaction under the rules of the SEC. Information about the directors and executive officers of DuPont may be found in its Annual Report on Form 10-K filed with the SEC on February 11, 2019 and its definitive proxy statement filed with the SEC on May 1, 2019. Information about the directors and executive officers of IFF may be found in its definitive proxy statement filed with the SEC on March 18, 2019. Other information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the registration statements, prospectuses and proxy statement and other relevant materials to be filed with the SEC when they become available.