

## **Novo Holdings invests in China's Sylvan's fungal biotechnology venture, becoming the biggest planetary health investor in Asia**

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Novo Holdings, a leading global life science investor, and KKR, a leading global investment firm, signed definitive agreements for a direct investment in Sylvan, a world-leading producer of fungal biotechnology solutions. KKR will remain the Company's majority shareholder.

Novo Holdings's investment in Sylvan marks its largest planetary health investment in Asia and its first in the fungal biotechnology sector, both of which are strategic priorities due to their growth prospects and potential for impact on planetary health.

Novo Holdings's Planetary Health Investments team spans three continents (Europe, North America and Asia), and invests in areas where science and technology can deliver returns while tackling global challenges, including feeding a growing world

population, fighting climate change and drought, or creating sustainable cities.

A fungal biotechnology company, Sylvan uncovers the potential of Earth's ancient fungi to provide sustainable solutions to global challenges in food, health, agriculture, and materials. Fungi, which have evolved over millions of years, may hold the key to solving many of the problems the planet faces today and in the future.

The new capital will support Sylvan's expansion by enabling increased production capacity, upgraded R&D infrastructure, and deeper penetration into high-growth markets, particularly in Asia. Sylvan will also benefit from Novo Holdings' extensive network and sector expertise to further strengthen its position in the global mushroom spawn market and develop new high-impact bio-products, such as fungi-based materials, biopesticides, and nutritional supplements.

Sylvan is the world's largest mushroom spawn and fungal biotechnology company headquartered in China. The company seeks to harness the potential of fungal systems to create sustainable solutions to address global challenges in food, health, agriculture, and materials. Today, the Company operates multiple production facilities around the world and serves customers across 65 countries.

From spawning to cultivation, the modern mushroom sector offers significant sustainability benefits and circular economy value to planetary health. It requires minimal land and water compared to traditional agriculture and utilizes agricultural waste as raw materials to produce high-quality proteins. Sylvan views China as an important growth market, where the downstream mushroom cultivation sector has experienced strong industrialization transition tailwinds, which is driving greater demand for spawn and supporting the acceleration of agricultural modernization and rural economic growth across the country.

Jackie Qi, CEO of Sylvan, said, "With this latest milestone, we are in an excellent position to pursue our ambition to become a global leader in fungal biotechnology solutions across four unique markets: Food, Health, Agriculture, and Materials, and will look to leverage their global networks and expertise to take Sylvan to the next level of transformation."

Amit Kakar, Managing Partner and Head of Asia, and Deepa Hingorani, Partner, Head of Planetary Health Asia, Novo Holdings, jointly added, "Sylvan represents a significant milestone for our global Planetary Health strategy and underscores our growing presence in Asia. As a leader in fungal biotechnology, Sylvan is well-positioned to deliver sustainable innovations that support food security, reduce chemical use, and build a circular bioeconomy. We look forward to collaborating with KKR to help Sylvan scale its impact, particularly across dynamic markets in Asia, and advance our shared vision for a healthier and more sustainable planet."