

Chr. Hansen

Virtual Capital Markets Day

August 2020

Safe harbor statement

This presentation contains forward-looking statements that reflect management's current views with respect to certain future events and potential financial performance. Forward-looking statements are other than statements of historical facts. The words "believe," "expect," "anticipate," "intend," "estimate," "outlook," "will," "may," "continue," "should" and similar expressions identify forward-looking statements.

Forward-looking statements include statements regarding: objectives, goals, strategies, outlook and growth prospects; future plans, events or performance and potential for future growth; liquidity, capital resources and capital expenditures; economic outlook and industry trends; developments of the Company's markets; the impact of regulatory initiatives; and the strength of competitors. The forward-looking statements in this presentation are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, management's examination of historical operating trends, data contained in records and other data available from third parties.

Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and may be beyond our control. Such risks, uncertainties, contingencies and other important factors could cause the actual results of the Company or the industry to differ materially from those results expressed or implied in this presentation by such forward-looking statements.

The information, opinions and forward-looking statements contained in this presentation speak only as at the date of this presentation, and are subject to change without notice. The Company and its respective agents, employees or advisors do not intend to, and expressly disclaim any duty, undertaking or obligation to, make or disseminate any supplement, amendment, update or revision to any of the information, opinions or forward-looking statements contained in this presentation to reflect any change in events, conditions or circumstances beyond what is required by applicable law or applicable stock exchange rules and regulations.

By viewing this presentation, you acknowledge and agree to be bound by the foregoing limitations and restrictions.

Content overview

STRATEGY	Unlocking the next wave of value creation	Mauricio Graber Chief Executive Officer	4
FOOD CULTURES & ENZYMES	Reinvesting in the core while investing into new areas for growth	Jacob Vishof Paulsen EVP Food Cultures & Enzymes	21
HEALTH & NUTRITION	Leveraging the power of good bacteria for health and sustainable agriculture	Christian Barker EVP Health & Nutrition	35
R&D	Accelerating microbial innovations	Thomas Schäfer Chief Scientific Officer	53
GLOBAL OPERATIONS	Driving scalability and operational efficiencies	Torsten Steenholt EVP Global Operations	62
FINANCIALS	Continued value creation through profitable growth	Søren Westh Lonning Chief Financial Officer	72
APPENDIX	Additional slides for roadshow discussions		82



STRATEGY

Unlocking the next wave of value creation

Mauricio Graber
Chief Executive Officer

CHR HANSEN

Improving food & health

Key messages



With our 2025 Strategy we will form a differentiated bioscience player with a strong purpose that pioneers microbial science to improve food and health, for a sustainable future.



To drive industry-leading profitable growth, we will continue to reinvest in the core while extending our technology platform and growing our lighthouses.



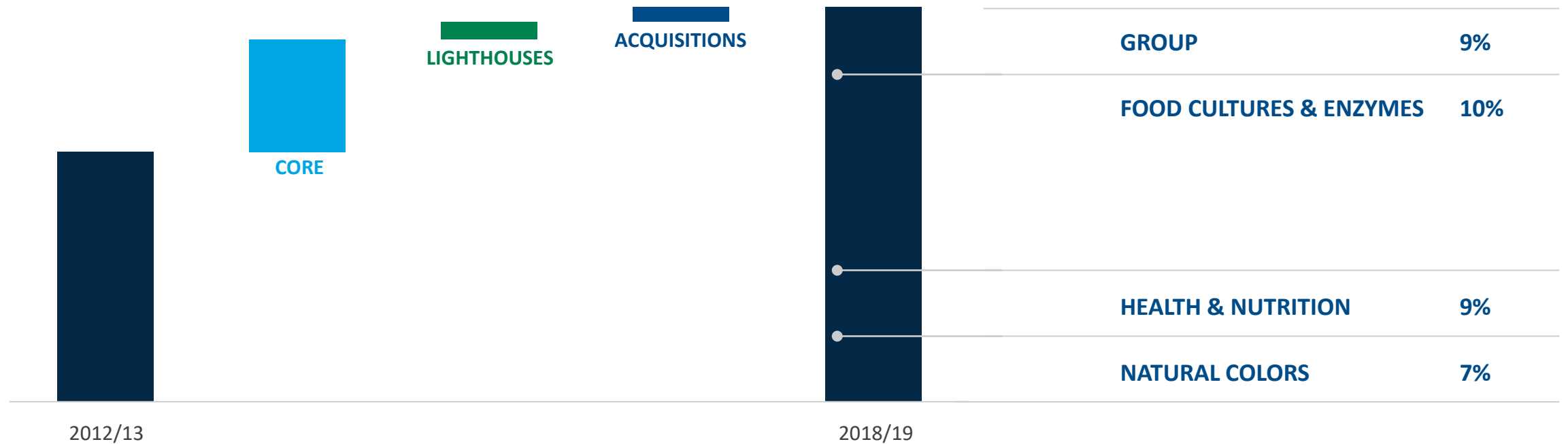
Capital allocation framework unchanged; organic growth remains number one priority followed by acquisitions to strengthen microbial and fermentation technology platforms.

Chr. Hansen has delivered a strong organic growth track record

clearly outperforming peers and underlying markets since the launch of Nature's no. 1

ABSOLUTE REVENUE GROWTH DRIVERS
2012/13 – 2018/19

ORGANIC GROWTH
CAGR 2012/13 – 2018/19



Underlying markets remain attractive

supported by megatrends and a global sustainability agenda

Market growth rates (CAGR 2019/20-2024/25) and key drivers



FOOD CULTURES & ENZYMES

Driven by increasing dairy consumption in emerging markets

Dairy
~2%



HEALTH & NUTRITION

Driven by increasing use of probiotics as supplements and in infant formula, as animal feed ingredients and in crop protection

Human Health
~5-7%

Animal Health
~7-8%

Plant Health
~15-18%



NATURAL COLORS

Driven by clean label trend and regulation

Natural colors and coloring foods
~6%

Megatrends



Growing world population and resource scarcity



Real foods consumerism



Aging population and increasing health awareness



Sustainable agriculture and attention to CO2 emissions



Technology breakthroughs

Purpose and mission

Grow a better world. Naturally.

By pioneering microbial science to improve food and health, for a sustainable future.



25m

Hectares covered with plant health and silage solutions



200m

People consuming Chr. Hansen's probiotic strains



2m

Tons of yogurt waste reduced

Unlocking the next wave of value creation for Chr. Hansen

Strategic ambition until 2024/25

Creating a **differentiated bioscience** company with focus on **microbial** and **fermentation** technology platforms

2012/13 – 2018/19
Nature's no. 1

Where to play

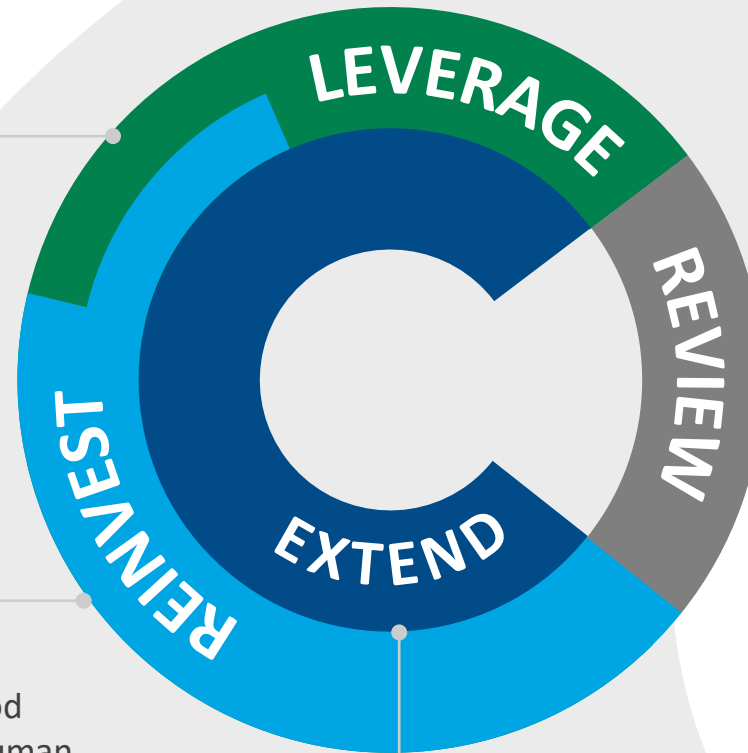
LEVERAGE

Microbial Platform to grow lighthouses and expand into new areas

REINVEST

in core platforms in Food Cultures & Enzymes, Human and Animal Health

2019/20 – 2024/25
2025 Strategy



REVIEW
strategic options for non-microbial assets

EXTEND
Microbial Platform through M&A and partnerships

CHR HANSEN

Improving food & health

Continued focus on leading profitable organic growth & strong cash flow

Financial ambition until 2024/25



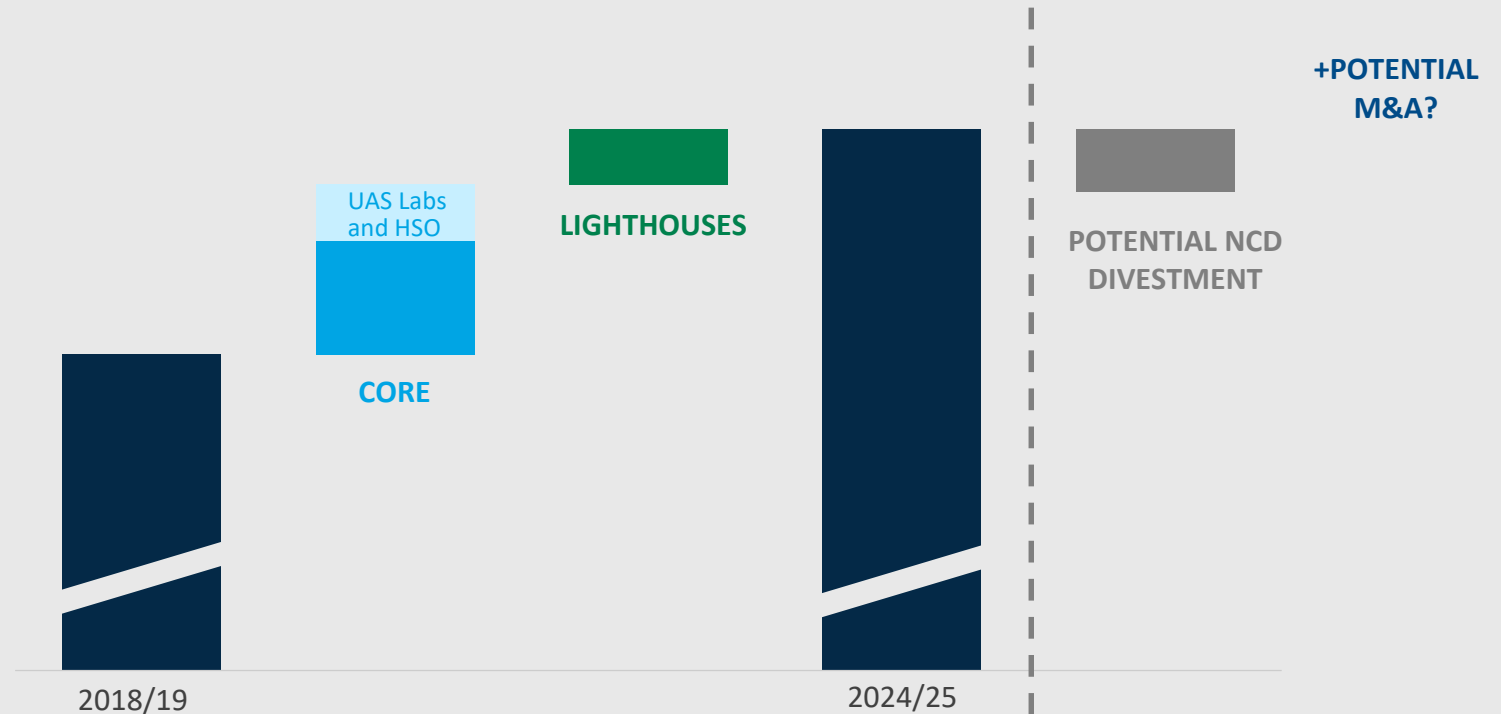
LONG-TERM FINANCIAL AMBITION UNTIL 2024/25

Mid- to high single-digit organic growth CAGR

Underlying expansion in EBIT margin b.s.i. before portfolio changes and FX

Free cash flow b.a.s.i. to grow faster than absolute EBIT b.s.i.

ABSOLUTE REVENUE GROWTH DRIVERS UNTIL 2024/25



REINVEST in core platforms

to defend and further strengthen market positions in dairy and meat, Human and Animal health



FOOD CULTURES & ENZYMES



Dairy
and meat



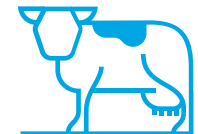
Probiotics
for fermented milk

NEW:
Probiotics
in food



Human Health
Dietary supplements
and infant formula

HEALTH & NUTRITION



Animal Health
Cattle, swine
and poultry

NEW:
Pet food

LEVERAGE Microbial Platform to grow lighthouses

and build strong foothold in exciting, new growth areas



FOOD CULTURES & ENZYMES



Bioprotection

Reduce food spoilage and increase food safety



NEW

Fermented Plant Bases

'Fermented milk' alternatives and fermented beverages



Plant Health

Microbial crop protection for more sustainable farming



Bacthera

Contract manufacturing for live biotherapeutics (Lonza JV)

Estimated addressable markets¹

EUR 200m

2025

EUR 1bn

Long-term

EUR <100m

2025

EUR >100m

Long-term

EUR 400m

2025

EUR >1bn

Long-term

EUR 150-200m

2025

EUR >1bn

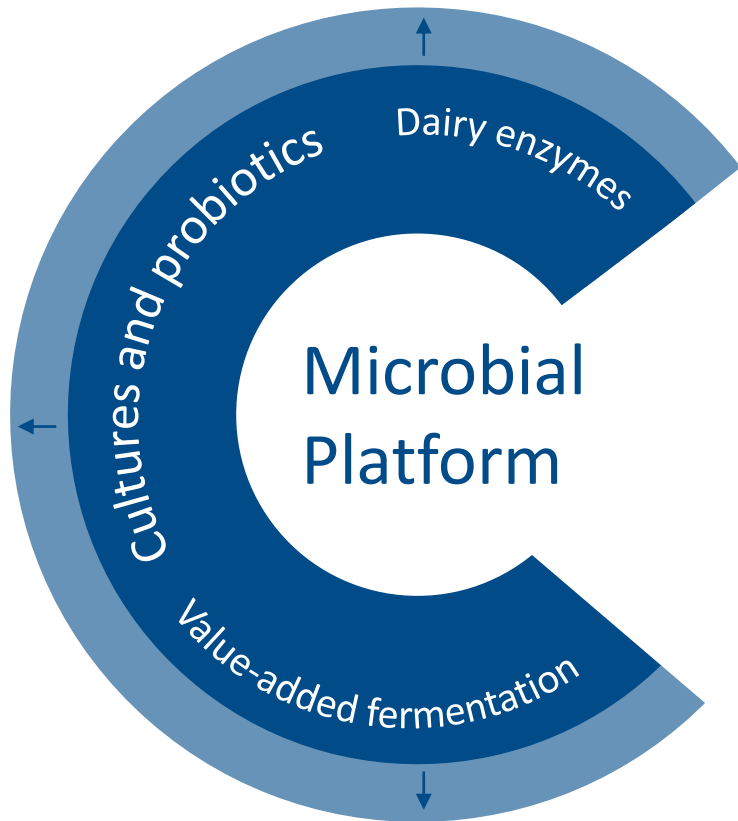
Long-term

LIGHTHOUSE: New business area of strategic importance with minimum revenue potential of EUR 100m per year and above Group growth rates.

¹ Management estimates.

EXTEND Microbial Platform through M&A and partnerships

to further enhance our microbial and fermentation capabilities



COMPLEMENTED WITH BOLT-ON ACQUISITIONS

2015
DIAL



2016
NPC



2016
LGG



2018
Hundsichler



2020
HSO



2020
UAS Labs



STRONG NETWORK OF GLOBAL PARTNERS



FOOD OPTIMIZED

Lonza



CHR HANSEN

Improving food & health

REVIEW strategic options for non-microbial assets

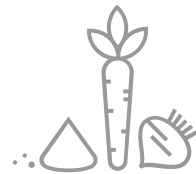
for optimal resource allocation and value creation



NATURAL COLORS



Natural colors



Coloring foods

STRONG FINANCIALS

+9% organic growth (five-year average) and mid-teens EBIT margin

ATTRACTIVE MARKET

growing at ~6% until 2025 driven by consumer demand for naturals

MARKET LEADING OFFERING

with +900 products across 15 pigments and ~40 applications

A GLOBAL PLAYER

with ~600 employees and strong regional presence in +120 countries

2025 Strategy implemented across five dimensions

How to win

1	CUSTOMERS	Further expand customer base and global reach	... and excel in customer centricity by expanding route-to-market, adding resources in application, sales and marketing and advancing our digital agenda.
2	INNOVATION	Accelerate new product development and commercialization	... with dedicated project management and a new governance set-up, as well as through the expansion of R&D partner network and digitalization.
3	OPERATIONS	Realize scalability benefits and operational efficiencies	... through future capacity expansions, process innovations, robotics and automation.
4	PEOPLE	Safeguard culture and invest in talent management	... with a commitment to diversity, creating a safe workplace, driving a mindset of best and attracting millennials.
5	PURPOSE	Drive sustainability agenda to Grow a better world. Naturally.	... and committing to limit global temperature rise to 1.5 degrees.



We work for a better world

We rely on each other

We act with freedom

We deliver results

Safeguard culture and invest

in talent management and diversity



SAFEGUARD CULTURE & SUCCESSFUL ONBOARDING OF NEW EMPLOYEES

- Top 25% score in employee engagement survey
- 100% introduced to culture model



COMMITMENT TO TALENT MANAGEMENT AND DIVERSITY

- 1:1 ratio between female employees and managers



SAFE PLACE TO WORK

- <1.5% lost-time incident frequency



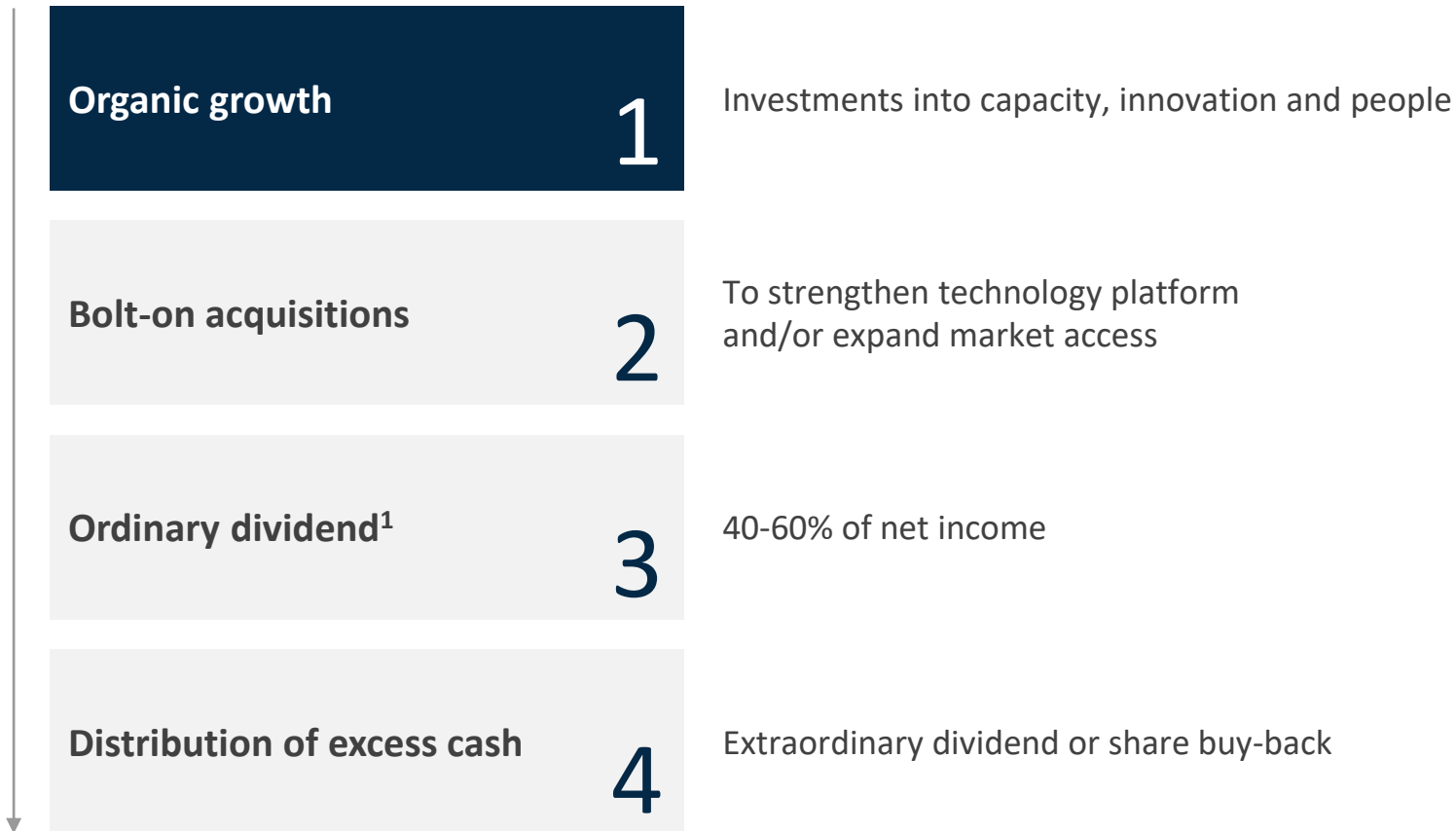
ATTRACTIVE COMPENSATION FOR MANAGEMENT

- Performance metrics aligned with shareholder interests
- In line with industry benchmarks

Creating shareholder value

by reinvesting in organic growth complemented with acquisitions; capital allocation framework unchanged

CAPITAL ALLOCATION PRIORITIES



WHAT WE WILL NOT DO

- X** Pursue acquisitions in unrelated areas
- X** Expand outside microbial and fermentation platform
- X** Expand enzyme business outside food enzymes
- X** Become an integrated solutions provider
- X** Become a full value-chain pharma company

¹ The dividend proposed will depend on the Board of Directors' assessment of factors such as business development, growth strategy, current leverage and financing needs, and there is no guarantee that an ordinary dividend will be proposed or declared in any given year.

Global COVID-19 pandemic does not change Chr. Hansen's strategic agenda

but short-term headwinds likely to pose challenges for the business

SHORT-TERM HEADWINDS



CONSUMER PRICE SENSITIVITY DURING RECESSION, ESPECIALLY IN EMERGING MARKETS



FOCUS ON COST AND BUSINESS CONTINUITY



CHALLENGES IN CONDUCTING TRIALS DURING COVID-19 TRAVEL RESTRICTIONS

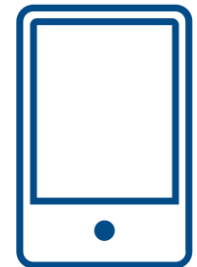
LONG-TERM OPPORTUNITIES



DRIVING GLOBAL HEALTH AGENDA FORWARD



ACCELERATOR FOR A MORE SUSTAINABLE FUTURE

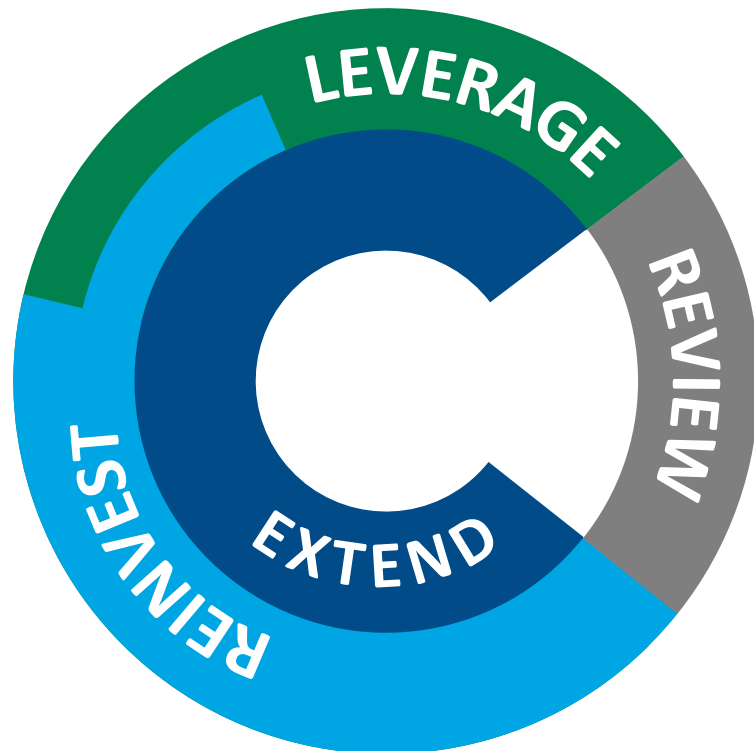


HYPER-CONNECTIVITY AND DIGITAL AS THE 'NEW NORM'

2025 Strategy: Unlocking the next wave of value creation

by pioneering microbial science to improve food and health, for a sustainable future

Where to play



How to win

- 1 CUSTOMERS** Further expand customer base and global reach and excel in customer centricity
- 2 INNOVATION** Accelerate new product development and commercialization
- 3 OPERATIONS** Realize scalability benefits and operational efficiencies
- 4 PEOPLE** Safeguard culture and invest in talent management
- 5 PURPOSE** Drive sustainability agenda to Grow a better world. Naturally.

Key messages



With our 2025 Strategy we will form a differentiated bioscience player with a strong purpose that pioneers microbial science to improve food and health, for a sustainable future.



To drive industry-leading profitable growth, we will continue to reinvest in the core while extending our technology platform and growing our lighthouses.



Capital allocation framework unchanged; organic growth remains number one priority followed by acquisitions to strengthen microbial and fermentation technology platforms.



FOOD CULTURES & ENZYMES

Reinvesting in the core while investing into new areas for growth

Jacob Vishof Paulsen
EVP Food Cultures & Enzymes

CHR HANSEN

Improving food & health

Key messages



Food Cultures & Enzymes operates in an attractive space and is well positioned to continue to outgrow its underlying markets.



Dairy and meat remain a strategic priority and we will invest more in fueling innovation and application resources while continuing to drive efficiencies.

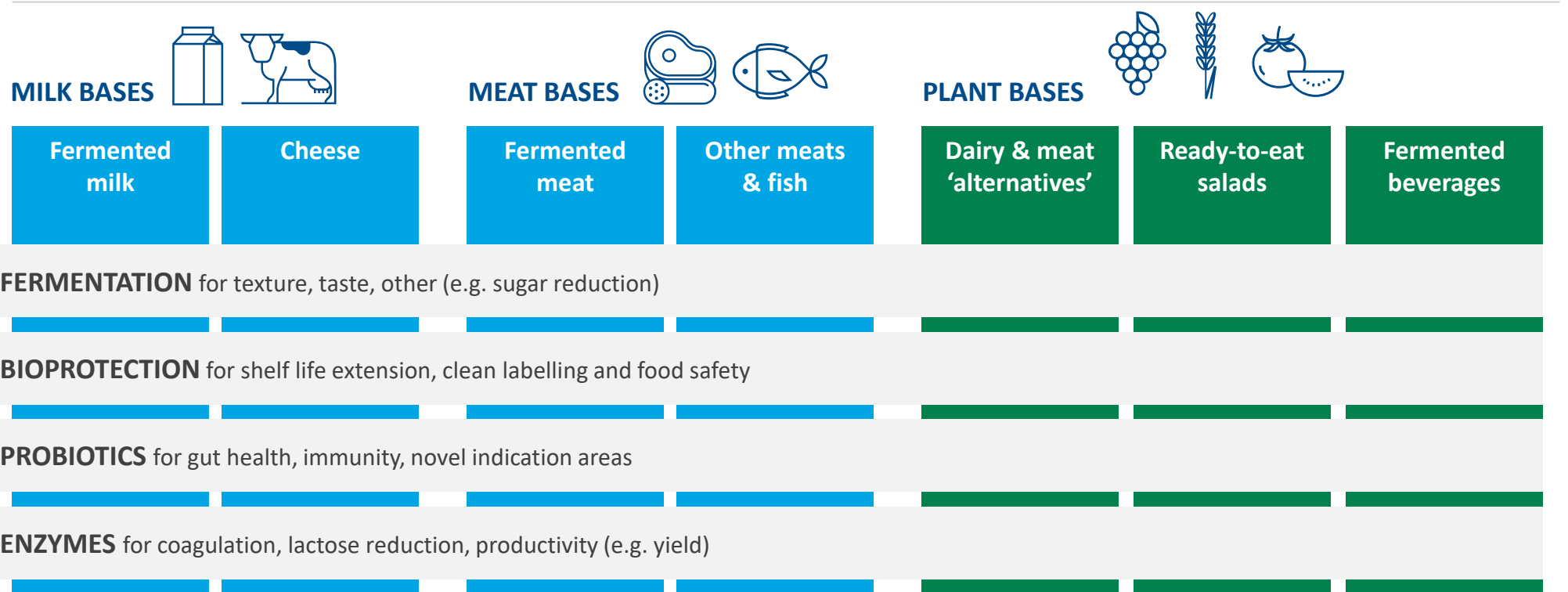


Our fermentation expertise and technology platform is not limited to dairy! Fermented plant bases, bioprotection and probiotics offer attractive growth prospects.

Food Cultures & Enzymes operates in an attractive space

transforming proteins into great food and beverages products

PROTEIN SOURCES



MICROBIAL SOLUTIONS



With our microbial expertise we cater to consumer demand for safe, tasty, healthy and sustainable foods and beverages

CHR HANSEN

Improving food & health

We are the preferred partner

for strategic value-added ingredients

LOW COST – HIGH STRATEGIC VALUE

1-5%
of cost

*depending on
complexity of
product recipe*



Strategic
value

*e.g. quality,
productivity,
sustainability*

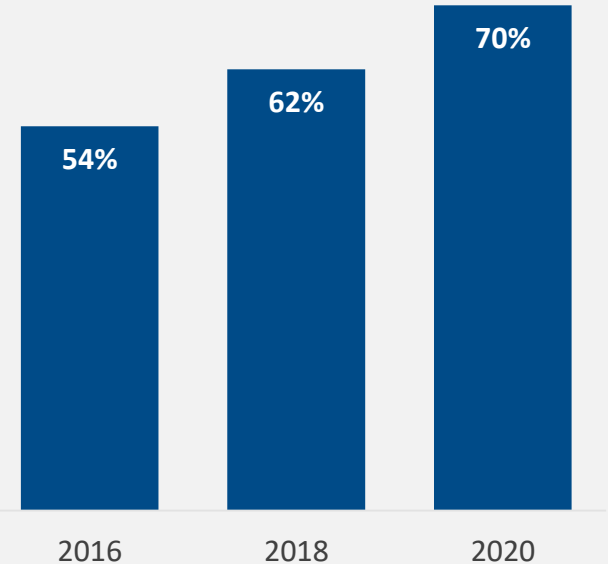


“Innovative, high quality products that are always delivered on time with incredible customer service and technical support – that's what I think about when I hear the name Chr. Hansen.”

Quote from 2020 customer survey

HIGH CUSTOMER SATISFACTION AND LOYALTY

Net promotor score



CHR HANSEN

Improving food & health

Creating value with customers is essential

by supporting our customers in driving efficiencies and making their products stand out from competition

We have product solutions for both driving efficiencies and product differentiation



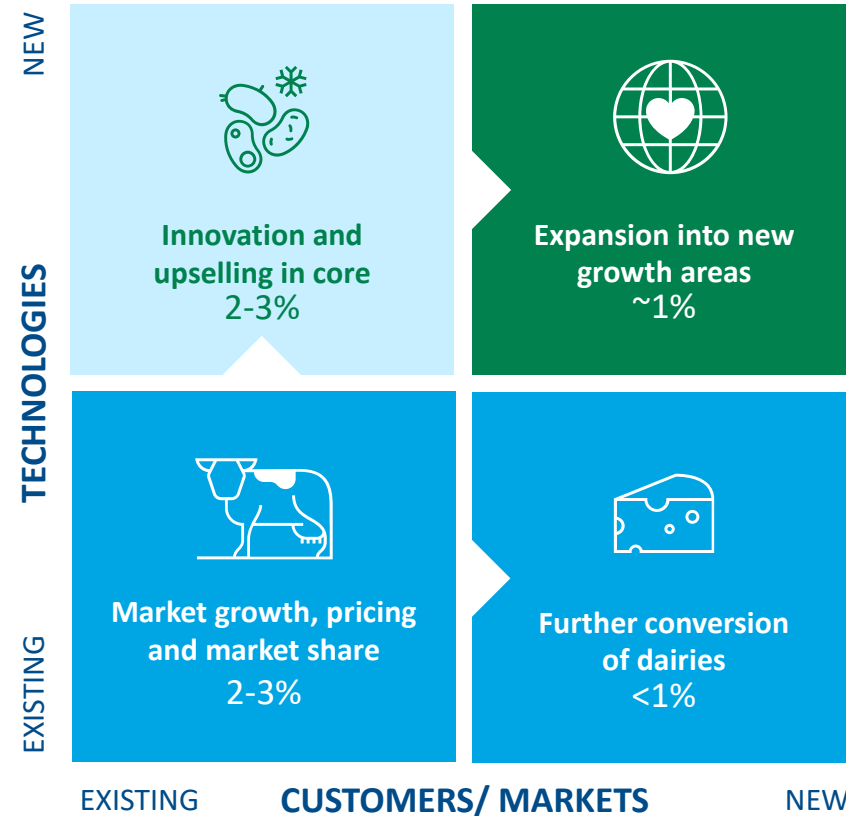
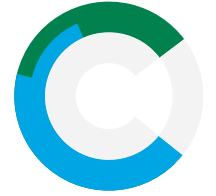
Product	Benefit	Saving in % of COGS ¹
YIELDMAX [®]	Yield improvement	1-1.5%
CHY-MAX [®] Supreme	Yield improvement	1-1.5%
ACIDIFIX [®]	Savings on protein	2-3%
YOFLEX [®] Premium	Protein savings due to better texture	~1%
SWEETY [®]	Sugar saving	~0.5%

Yogurt example	Regular	Lactose-free	Probiotic	Lactose-free clean-label probiotic
Retail price per liter	~1.5 EUR	~2.5 EUR	3 EUR	>3 EUR
Number of Chr. Hansen products included <i>(illustrative)</i>	DVS [®]	DVS [®] NOLA [®] Fit	DVS [®] LGG [®]	DVS [®] NOLA [®] Fit LGG [®] FRESHQ [®]

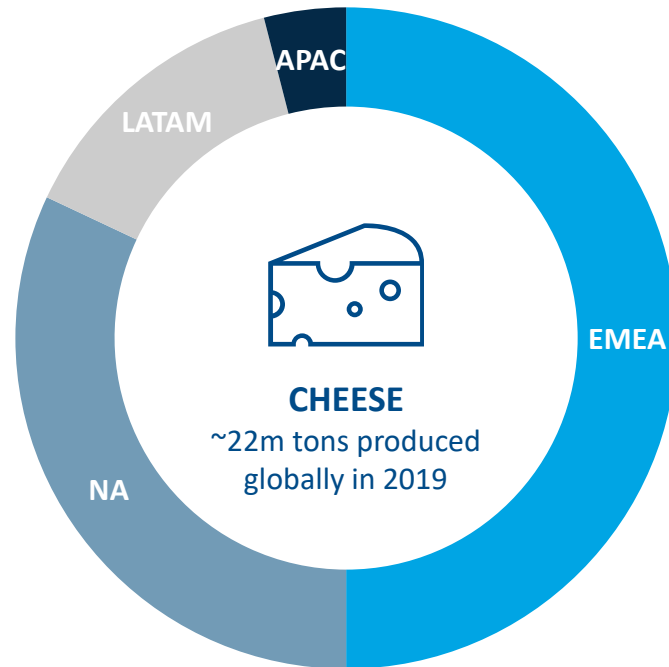
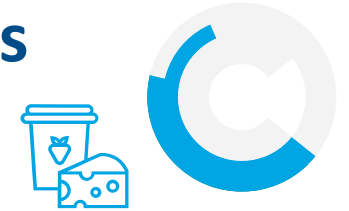
¹ Management estimates. Examples for illustrations, may differ depending on product type and production.

2025 Strategy: Reinvesting in the core

and developing new growth areas to support 5-7% organic growth during the strategy period



Dairy: Fundamental market growth driven by emerging markets

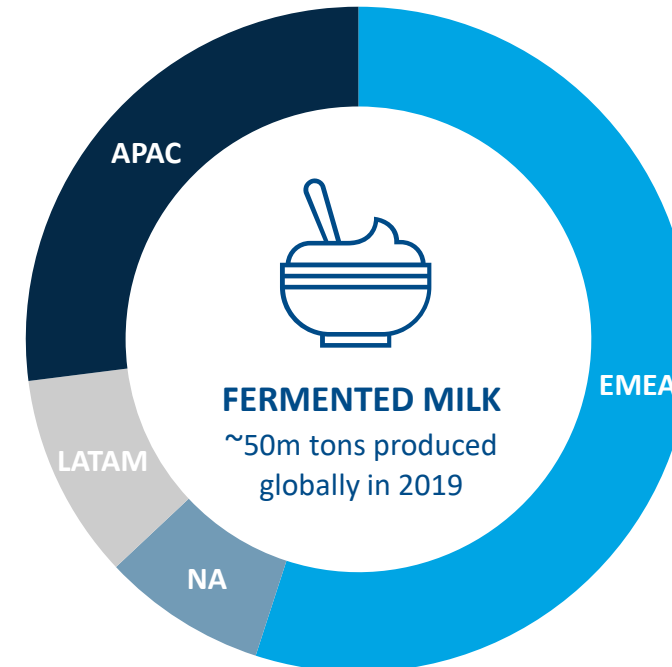


Past growth
2015-19 CAGR
~2-3%

Current growth
2020-21 CAGR
~0-1%

Future growth
2022-25 CAGR
~1-2%

Current conversion: ~55% (potential: 75%)



Past growth
2015-19 CAGR
~4-5%

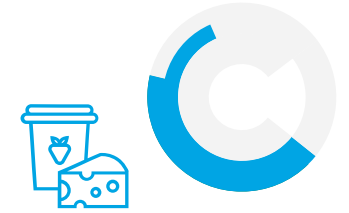
Current growth
2020-21 CAGR
~0-1%

Future growth
2022-25 CAGR
~2-2.5%

Current conversion: ~80% (potential: 90%)

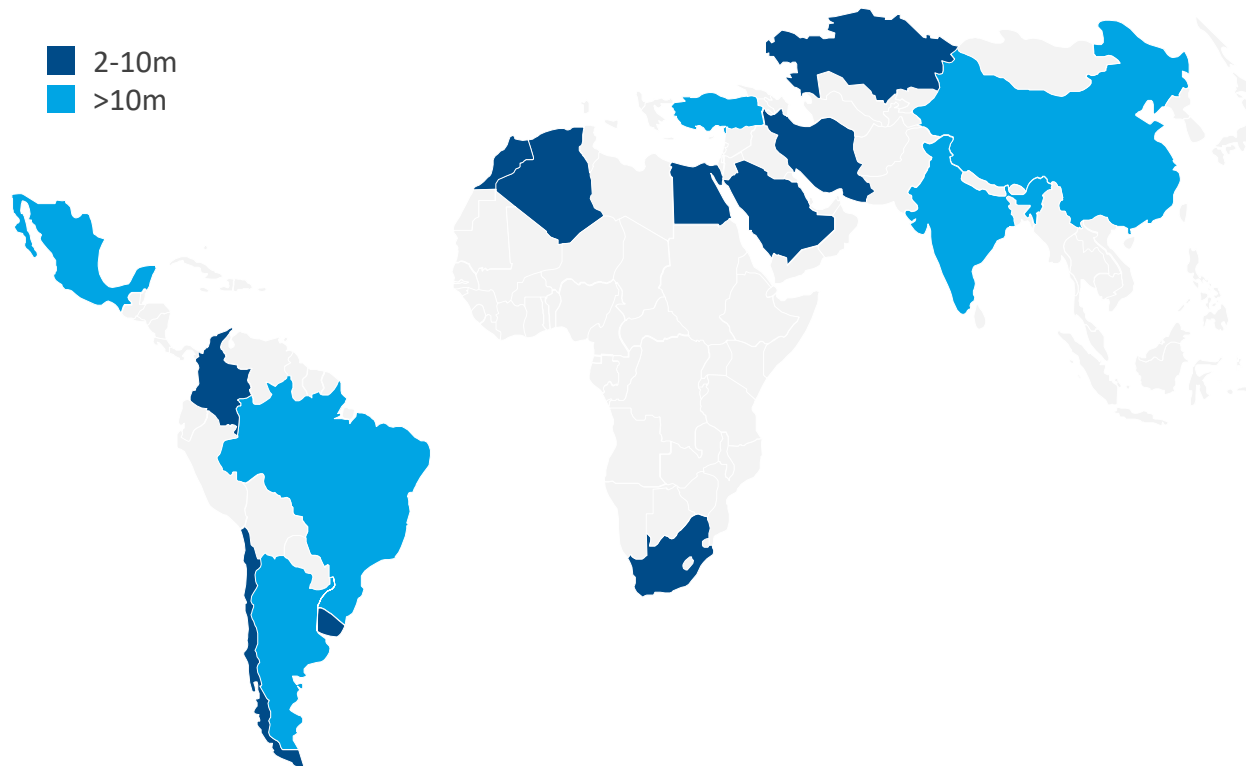
We will build on our strength in emerging markets

by protecting and further expanding our local presence and go-to-market



Most significant emerging industrial dairy markets worldwide still offer significant volume growth upside

Industrially processed milk in tons



COUNTRY	RETAIL YOGURT CONSUMPTION In kg per capita (2019)	INDUSTRIALLY PROCESSED MILK In million tons (2018)	UNDELIVERED NON-INDUSTRIAL MILK In million tons (2018)
India	1	50	~140
China	7	30	5-7
Brazil	6	25	10
Argentina	7	10	<1
Mexico	6	10	1-2
Turkey	27	10	10

INITIATIVES TO FURTHER STRENGTHEN POSITION IN EMERGING MARKETS:

- ⊗ Targeted product development
- ⊗ Local application
- ⊗ Strengthen go-to-market

Source: FAOSTAT, Euromonitor, IDF, national statistics, IFCN, other news search, management estimates.

Global COVID-19 pandemic does not change business fundamentals

Addressing short-term headwinds from lower market growth and COVID-19 restrictions while capturing new opportunities in probiotics



**ACCELERATING INVESTMENTS
IN PROBIOTICS**



**NEW WAYS OF ENGAGING WITH
CUSTOMERS DIGITALLY**



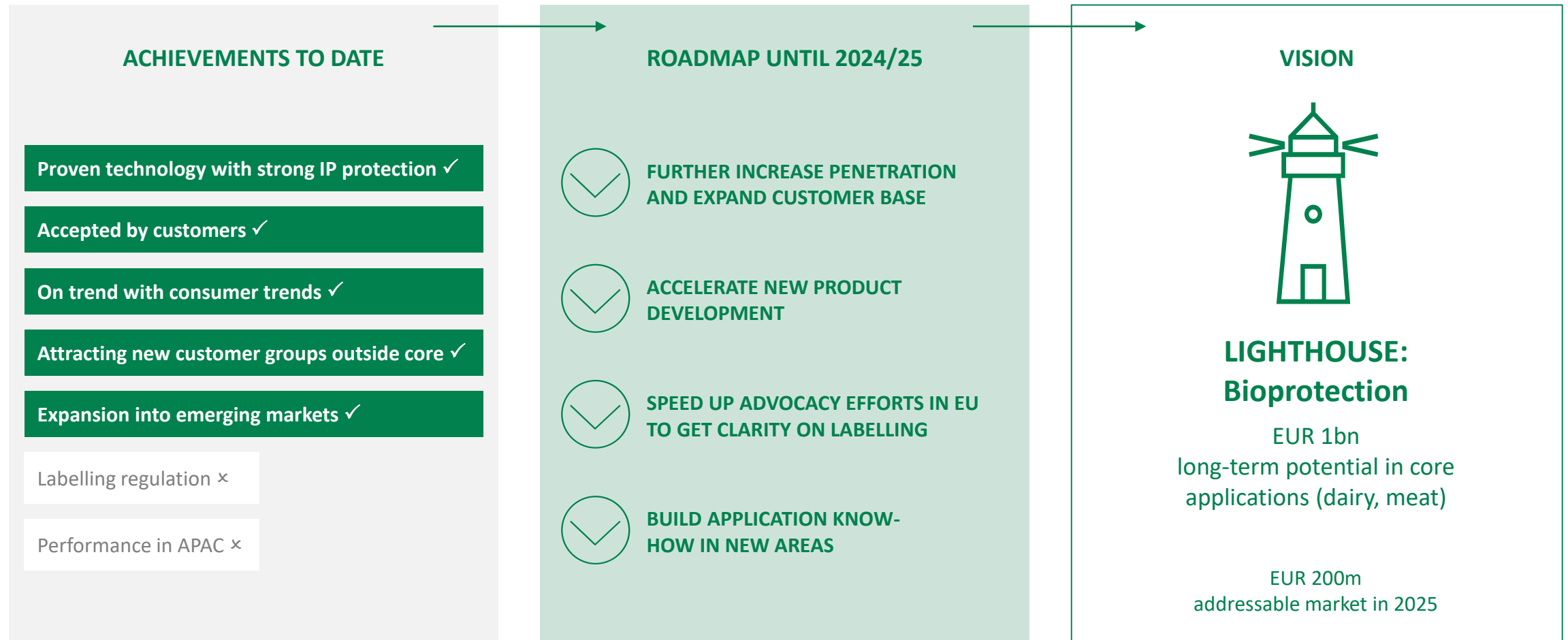
**PROMOTING PRODUCTS THAT
DRIVE YIELD & COST SAVINGS**



**COST DISCIPLINE & PRUDENT
RESOURCE ALLOCATION**

Bioprotection: We continue our journey

by driving new product development and expanding our application capabilities outside dairy



Fermented Plant Bases: New emerging lighthouse

captures trend towards alternative protein sources and healthier beverage choices



GROWTH DRIVERS



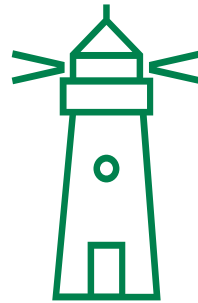
Changing consumer preferences
with focus on health and more sustainable consumption



Government and NGO support
driven by global climate agenda and increasing protein demand



Improving product quality, availability and pricing



NEW LIGHTHOUSE: Fermented Plant Bases

EUR >100m
long-term potential

EUR <100m
addressable market in 2025

'FERMENTED MILK' ALTERNATIVES

Solutions for spoonable and drinkable formats

FERMENTED BEVERAGES

Solutions for non-/low-alcohol beer & fermented tea

'MEAT' ALTERNATIVES

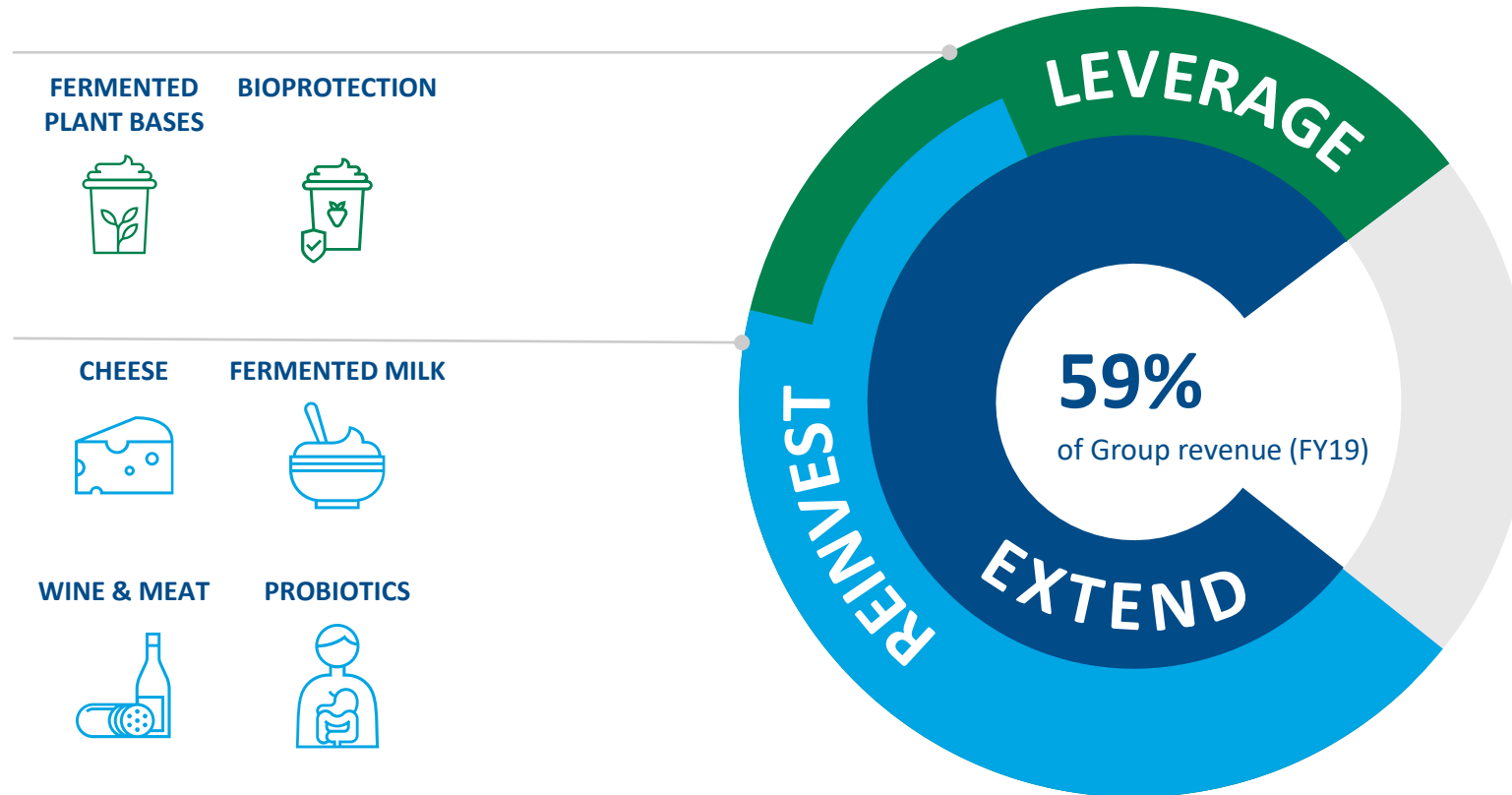
'CHEESE' ALTERNATIVES

ACCELERATE

EXPLORE

With our distinct capabilities and leading competitive positions

we are extremely well positioned



COMPETITIVE STRENGTHS IN FOOD CULTURES & ENZYMES

INNOVATION ENGINE

Strong product offering and leading innovation capabilities in microbial niche

ECONOMIES OF SCALE

Advantageous cost position due to scale and scope in production

CUSTOMER CENTRICITY

Deep customer intimacy, broad coverage and superior application know-how

CHR HANSEN

Improving food & health

Our customer centric commercial model forms a competitive advantage

providing unique value to customers as well as internal effective utilization of resources and sharp priorities

MORE LOCAL, SPECIALIZED AND DIRECT SALES FORCE VS. COMPETITION

Deep and longstanding customer relations

- Direct and focused sales force
- Experienced sales force with ~8 years of average tenure
- 95% of sales force holding technical master degrees
- Green belt six sigma certified for “trial excellence”

TECHNICAL EXPERTISE AND LABORATORIES LOCATED CLOSE TO CUSTOMERS

World class technical and application support

- State of the art laboratories strategically located around the world manned by experts
- Fast mobilization of technical expertise and testing close to customer sites
- Fast activation of global application experts

DIGITAL SERVICE OFFERING TO CUSTOMERS

Seamless data interactions with augmented services

- Web-portal for order management and documentation
- Scale expertise and leverage data to develop value-adding services like Coagusens® or Phagewatch®
- Effective data and knowledge sharing within Chr. Hansen

ONE GLOBAL COMMERCIAL COLLABORATION PLATFORM

Working effective as one team across value chain

- Same roles, concepts, tools and training across the world resulting in one joint vocabulary
- Effective innovation process from opportunity-to-launch
- Efficient activation of global experts around the world
- Effective knowledge sharing, decision making and performance management

Key messages



Food Cultures & Enzymes operates in an attractive space and is well positioned to continue to outgrow its underlying markets.



Dairy and meat remain a strategic priority and we will invest more in fueling innovation and application resources while continuing to drive efficiencies.



Our fermentation expertise and technology platform is not limited to dairy! Fermented plant bases, bioprotection and probiotics offer attractive growth prospects.



HEALTH & NUTRITION

Leveraging the power of good bacteria for health and sustainable agriculture

Christian Barker
EVP Health & Nutrition



CHR HANSEN

Improving food & health

Key messages



Health & Nutrition is uniquely positioned to contribute to the global health agenda and more sustainable agriculture.



We will deliver organic growth above market levels by driving adoption of microbial solutions through a broader market presence and product offering.



While organic growth remains our number one priority, we will continue to assess focused acquisitions to strengthen our technology platform and build scale.

Health & Nutrition holds leading positions in attractive markets

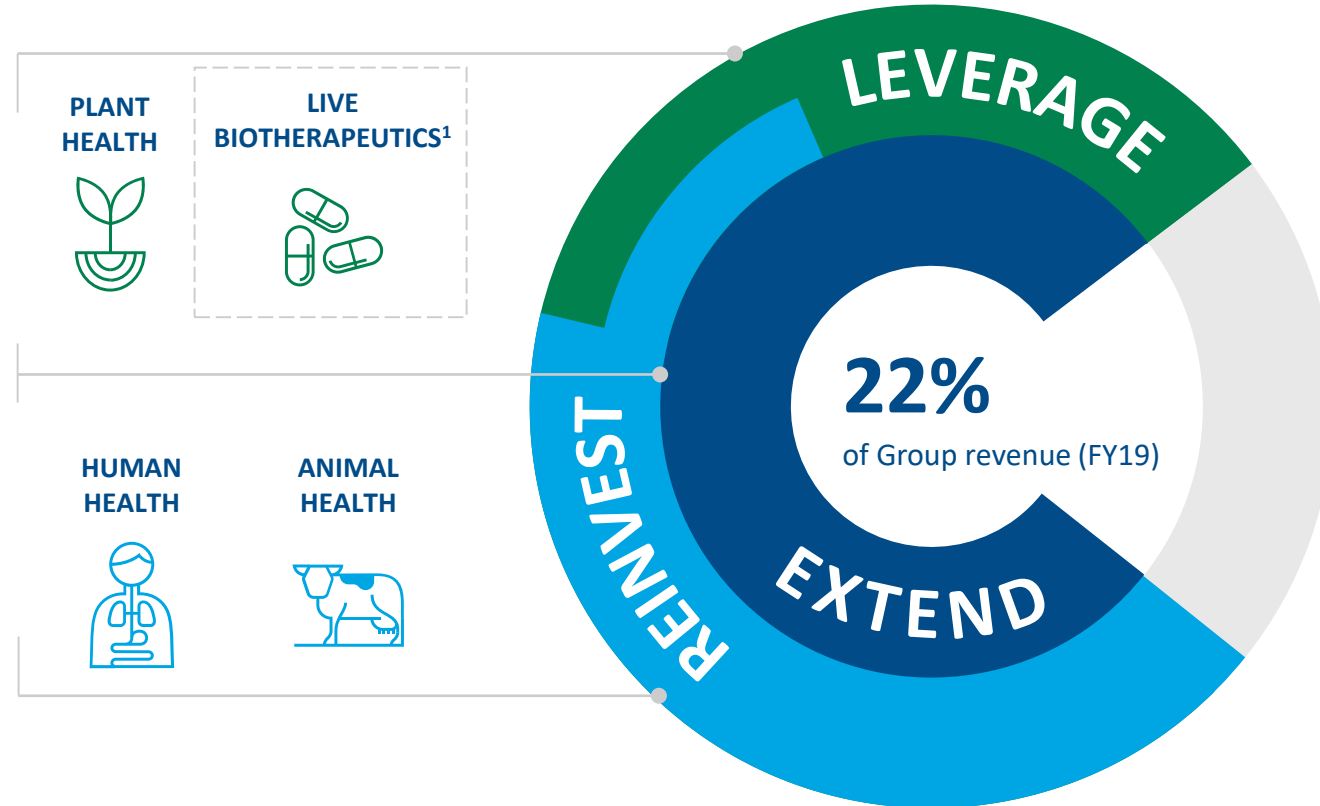
across health & well-being, animal and crop farming

COMPETITIVE STRENGTHS

- Microbial pureplay
- Leading market positions
- Industry leading product portfolio backed by strong science
- World class manufacturing and highest quality standards

WHERE WE ARE DIFFERENT FROM FOOD CULTURES & ENZYMES

- Lower penetration rates
- More partnership and inorganic opportunities
- Higher customer concentration
- Exposure to commodity prices
- More diverse competitive landscape
- Long registration timelines



¹ Pharmaceuticals based on bacteria. Bacthera 50/50 JV with Lonza. Does not contribute to organic growth.

Health & Nutrition markets estimated to grow ~7% through 2025

supported by megatrends and ample headroom to further drive adoption of microbial solutions



HUMAN HEALTH



ANIMAL HEALTH



PLANT HEALTH



BACTERIA (50/50 JV WITH LONZA)

Estimated market growth

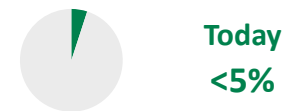
2015-19	2022-25
10%	5-7%

2015-19	2022-25
7-8%	7-8%

2015-19	2022-25
15-18%	15-18%

Attractive market growth driven by megatrends

Current penetration rates of microbial solutions¹



Vast opportunities to increase microbial penetration

Sources: Euromonitor, Markets and Markets, FAO statistics, BCG, McKinsey, Mintel, customer interviews.
1 Management estimates.

Global COVID-19 pandemic does not change business fundamentals

Different implications across businesses with negative short-term impact on AH and PH but underlying drivers intact



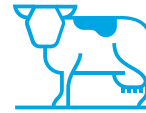
HUMAN HEALTH

Long-term

- Increased consumer interest in immune solutions

Short-term

- Reduced household economics put downward pressure on consumption in some markets
- Increased consumer interest in immune solutions



ANIMAL HEALTH

- Continued push from consumers and regulators for less antibiotic usage in livestock production

- Packing plant closures led to animal protein price volatility
- Temporary decline in meat consumption, channel shift and consumer preference changes



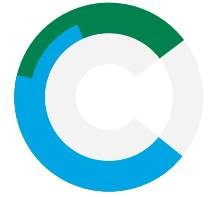
PLANT HEALTH

- Need for more diverse toolbox and alternatives to chemical pesticides
- Potential product registration delays

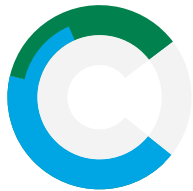
- Low commodity prices (incl. oil) force farmers to prioritize and potentially rationalize new technologies

2025 Strategy: Three businesses with different strategies

Reinvesting in core platforms Human and Animal Health while advancing our Plant Health lighthouse



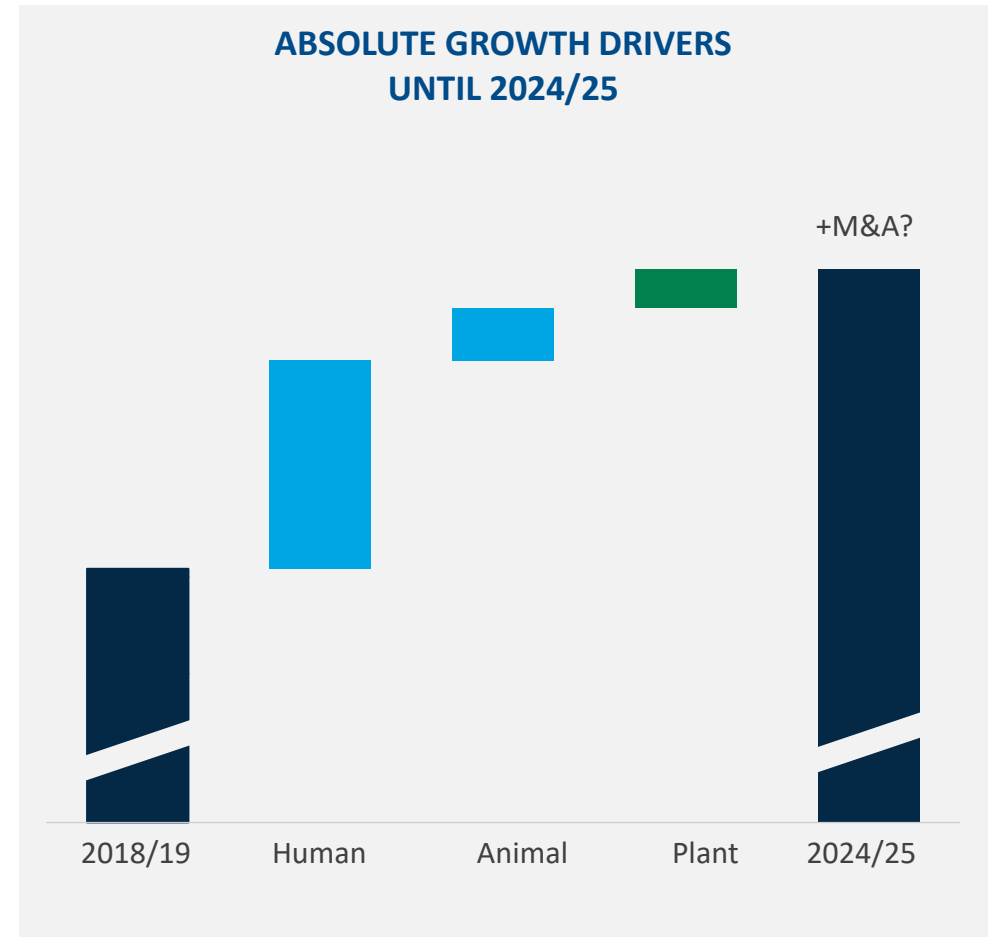
Human Health: Shape the global probiotics market through scientific leadership and expansion into new customer groups and segments



Animal Health: Increase market presence and drive science differentiation, contributing to reduced usage of antibiotics in livestock production while developing new business in pet probiotics



Plant Health: Roll out pipeline and drive diversification geographically and on crop level for more sustainable crop farming

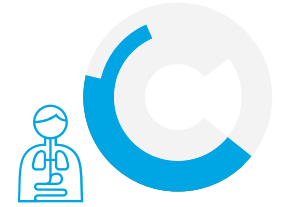


CHR HANSEN

Improving food & health

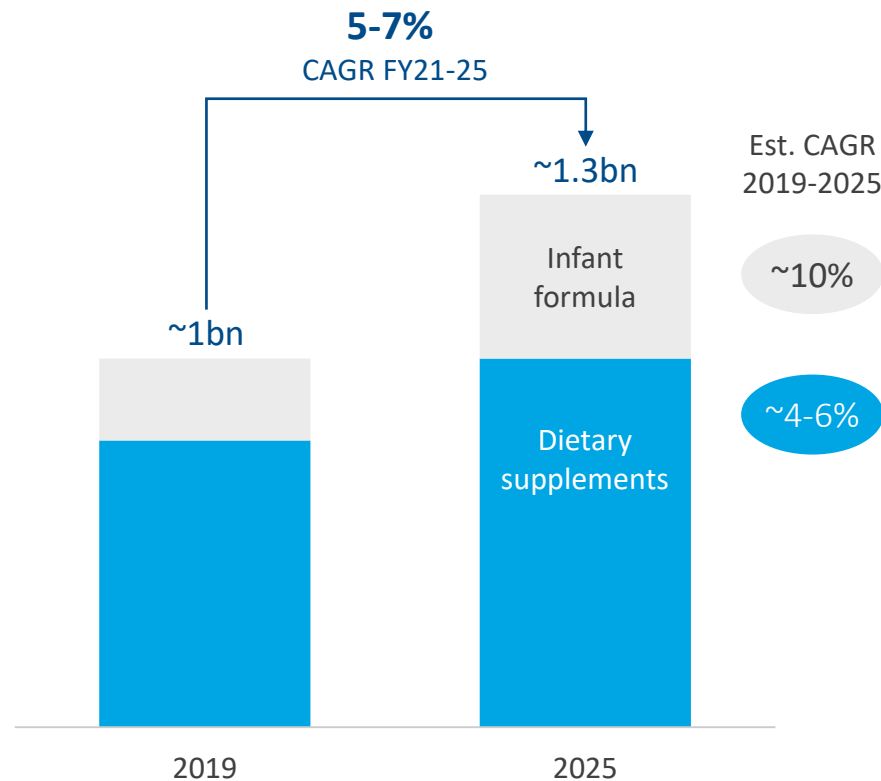
Human Health: Probiotics market remains attractive

with strong predicted future growth and untapped opportunities



HUMAN HEALTH MARKETS ESTIMATED TO GROW 5-7%

Probiotics market forecast by ingredient value, in EUR



CHANGING MARKET DYNAMICS OPEN UP NEW OPPORTUNITIES

Rising consumer interest in probiotics and human microbiome driven by health awareness and better access to information

Very high future growth opportunities in APAC

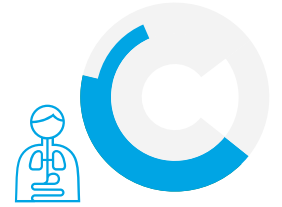
Increasing opportunities within indication beyond gut health and growing multi-species segment

Speed and agility crucial to serve growing online channel and e-commerce players

Regulatory complexity and undocumented products continue to cause consumer confusion

We will shape the global probiotics markets for the future

through scientific leadership and expansion into new customer groups and market segments



Where to play



Gut health



Immune health



Women's health



Infant & young children

Novel indication areas

How to win

Expand position across all life stages, more indication types, and new product formats leveraging recent acquisitions

Continue to build science and invest in clinical trials, documentation & marketing

Build on strength in fast-growing Asian market

Extend our position with an unparalleled offering in supplements

bolstered by the recent acquisitions of UAS Labs and HSO Health Care



INDUSTRY-LEADING PRODUCT OFFERING FOR A WIDE RANGE OF INDICATION AREAS, LIFE STAGES AND A BROADER CUSTOMER BASE

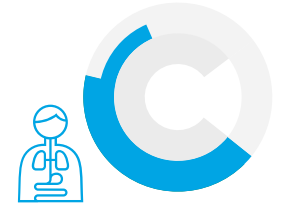
WITH THE ACQUISITIONS OUR INTERNAL CAPABILITIES COVER THE ENTIRE VALUE CHAIN FROM STRAIN TO SOLUTION

Gut health		
Immune health		
Women's health		
Infant & young children		
Novel indication areas	Skin care F-19® Oral care LGG®, L.CASEI 431®	Sports nutrition PCC® Weight management Heart health Spore forming

Innovation		<ul style="list-style-type: none"> • Strain safety and characterization • Clinical trials and documentation • Mode of action and microbiome research
Product development		<ul style="list-style-type: none"> • Strain selection • Formulation and dosage forms • Product grade
Manufacturing		<ul style="list-style-type: none"> • State-of-the-art fermentation facilities • In-house finished goods manufacturing
Services		<ul style="list-style-type: none"> • Global regulatory and legal support • Customer insights and marketing • Health care professional education

We will continue to invest in science and documentation

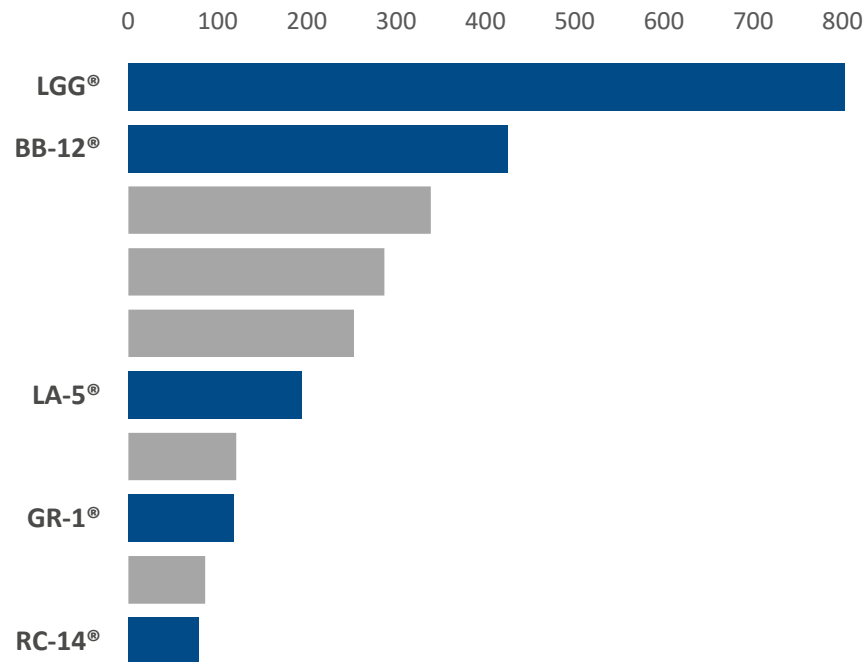
and engage with key opinion leaders and health care professionals



OUR STRAINS ARE THE BEST DOCUMENTED IN THE WORLD AND WE CONTINUE TO INVEST IN SCIENCE AND DOCUMENTATION

THE PROBIOTIC INSTITUTE² LAUNCHED TO EDUCATE HEALTH CARE PROFESSIONALS AND CONSUMERS ON THE BENEFITS OF PROBIOTICS

Number of hits by strain name¹



1 Source: PubMed.

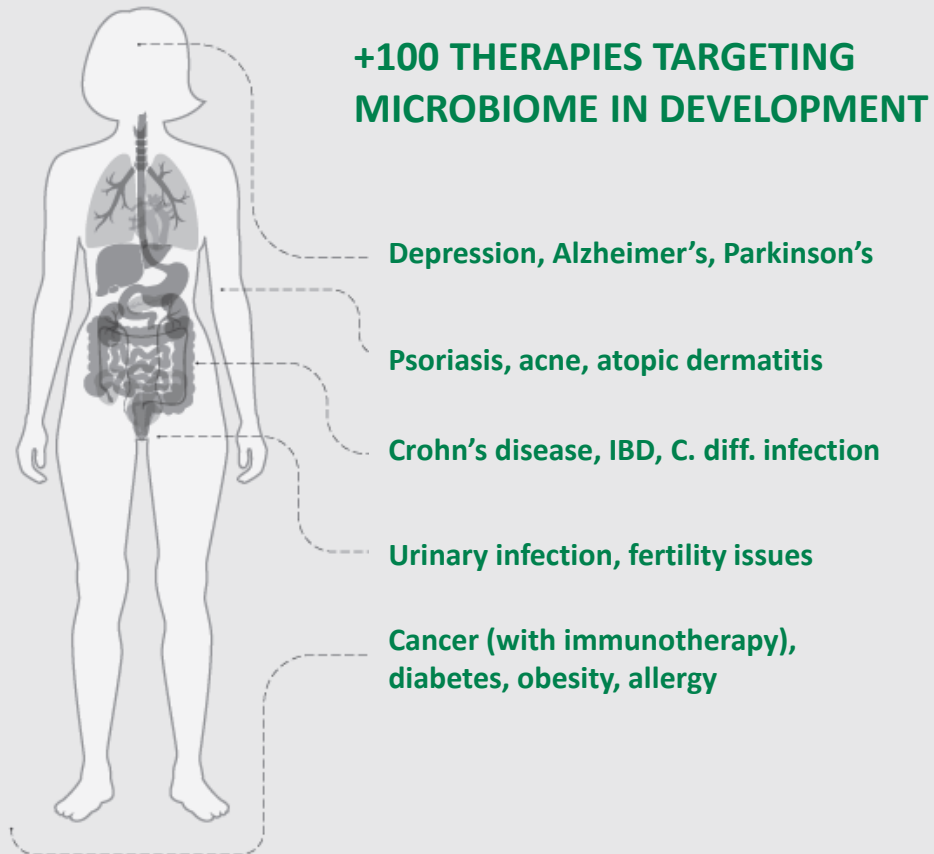
2 Disclaimer: The Probiotic Institute is an online platform from Chr. Hansen's US subsidiary Chr. Hansen Inc. And is intended for U.S. audiences only.

Bacthera: Pioneering live biotherapeutics through JV with Lonza

Helping customers to bring life-changing treatments to patients



RAPIDLY EMERGING MARKET FOR LIVE BIOTHERAPEUTICS



PROGRESSING WELL WITH OUR LIGHTHOUSE



**LIGHTHOUSE:
Bacthera**

EUR >1bn
long-term potential

EUR 150-200m
addressable market in 2025 (clinical trial only)

Achievements

- Organization established (+50 FTEs)
- Management team in place
- First customer contracts signed; strong pipeline
- Supply chain build-out progressing well

Next steps

- Complete first phase of investments by end of Q1 FY21 (EUR 90m in total FY20-22 split between CHR and Lonza)
- First revenue in FY20
- Largely self-funding after FY22

Animal Health: Increase market presence & scientific differentiation

contributing to reduced usage of antibiotics in livestock production while expanding into pet



Where to play

Cattle & Silage



Swine



Poultry



New: Pet



How to win

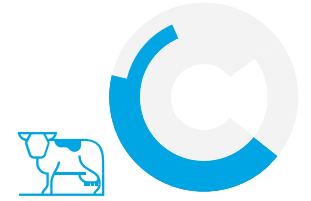
Increase market presence and strengthen value of local sales partners across the world

Strengthen scientific differentiation through continued research & trials

Further roll-out product portfolio globally and commercialize new innovations

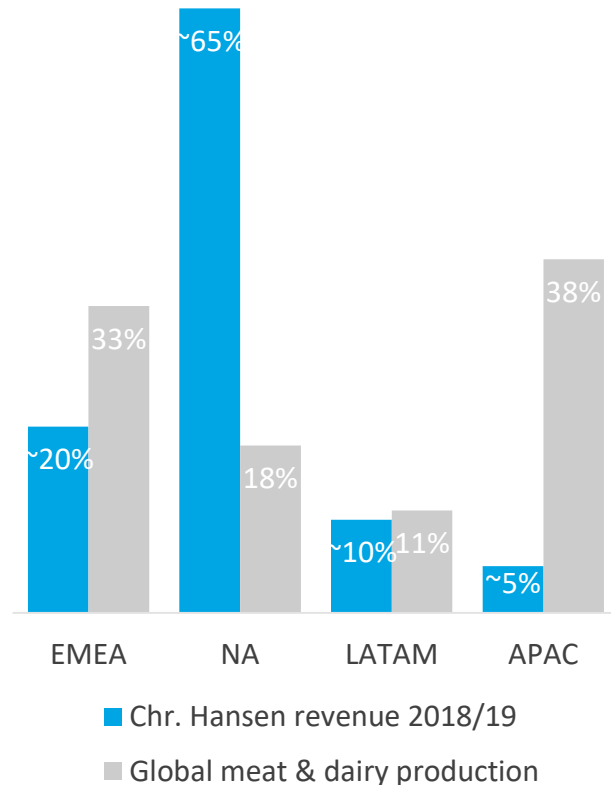
We continue to expand our market presence

working with partners and direct accounts and rolling our products out globally



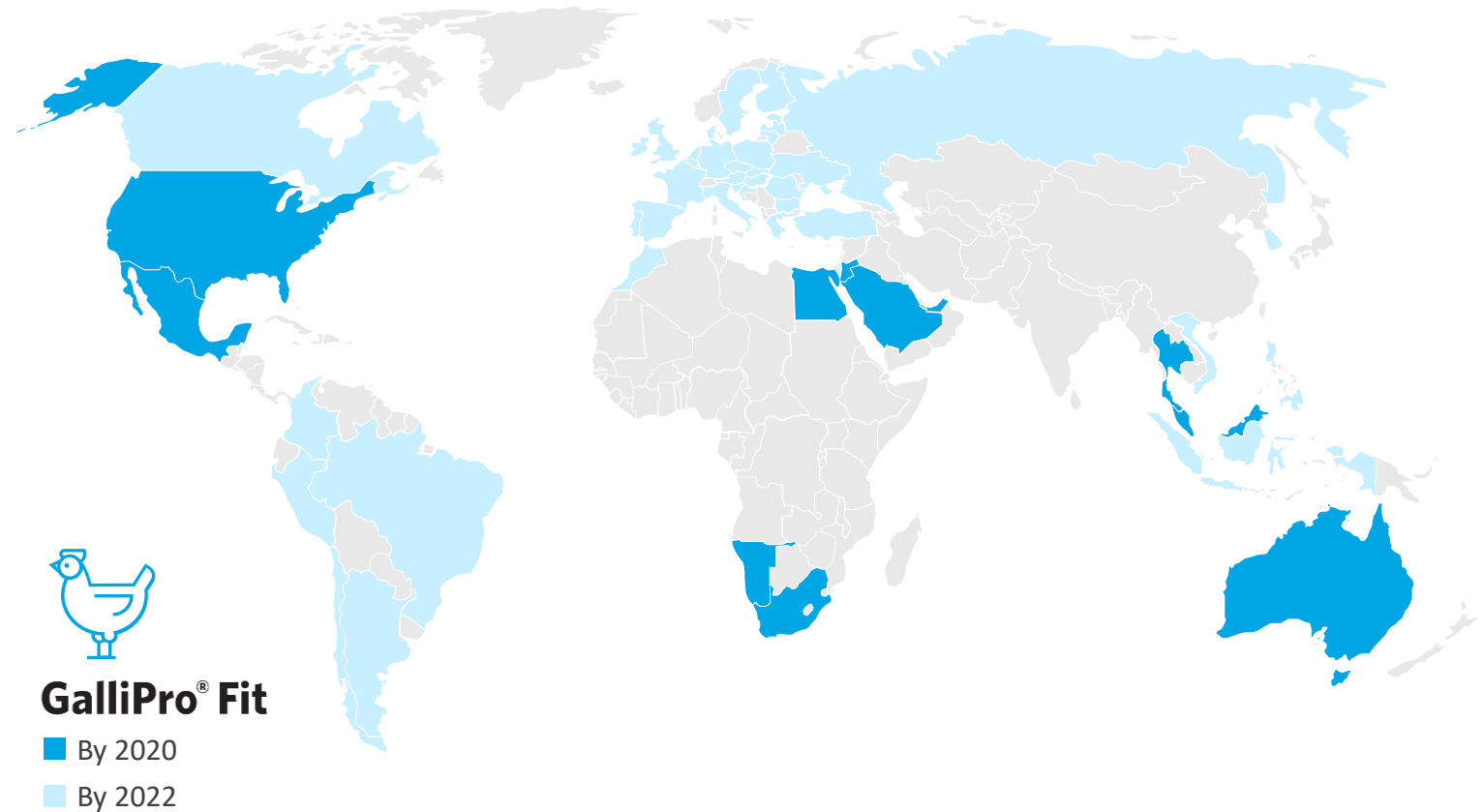
EXPANDING OUTSIDE OF NORTH AMERICA

Animal Health revenue vs. global meat and dairy production volumes by regions¹



GLOBAL ROLL-OUT OF PRODUCT PORTFOLIO

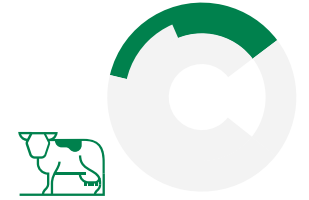
Example: Countries with (expected) registrations for GALLIPRO[®] Fit



¹ FAOSTAT (2018).

Capturing growth in pet health

First pet probiotic developed in 2019



THE PET FOOD MARKET IS GROWING WITH PREMIUM LEADING THE WAY

+30%

Increase in annual pet food household spending in US 2007-17

+7%

Growth in premium pet food 2020-25 CAGR

PRODUCT TRENDS SUPPORT THE ADOPTION OF PROBIOTICS IN PET FOOD



Shift to premium and super-premium products



'Pet parents' follow human nutrition trends

Pet food retail market by segment (2018)

Premium
Mid-priced
Economy

Limited current adoption of probiotics in premium pet food

Sources: Nielsen Company, Lightspeed & Mintel; Euromonitor.

CHR HANSEN

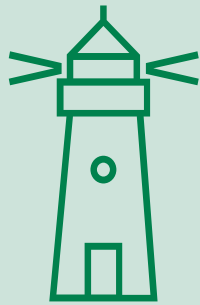
Improving food & health

Plant Health: Roll out pipeline and drive diversification

geographically and on crop level to enable more sustainable farming



Where to play



LIGHTHOUSE: Plant Health

EUR >1bn long-term potential
EUR 400m addressable market in 2025

How to win

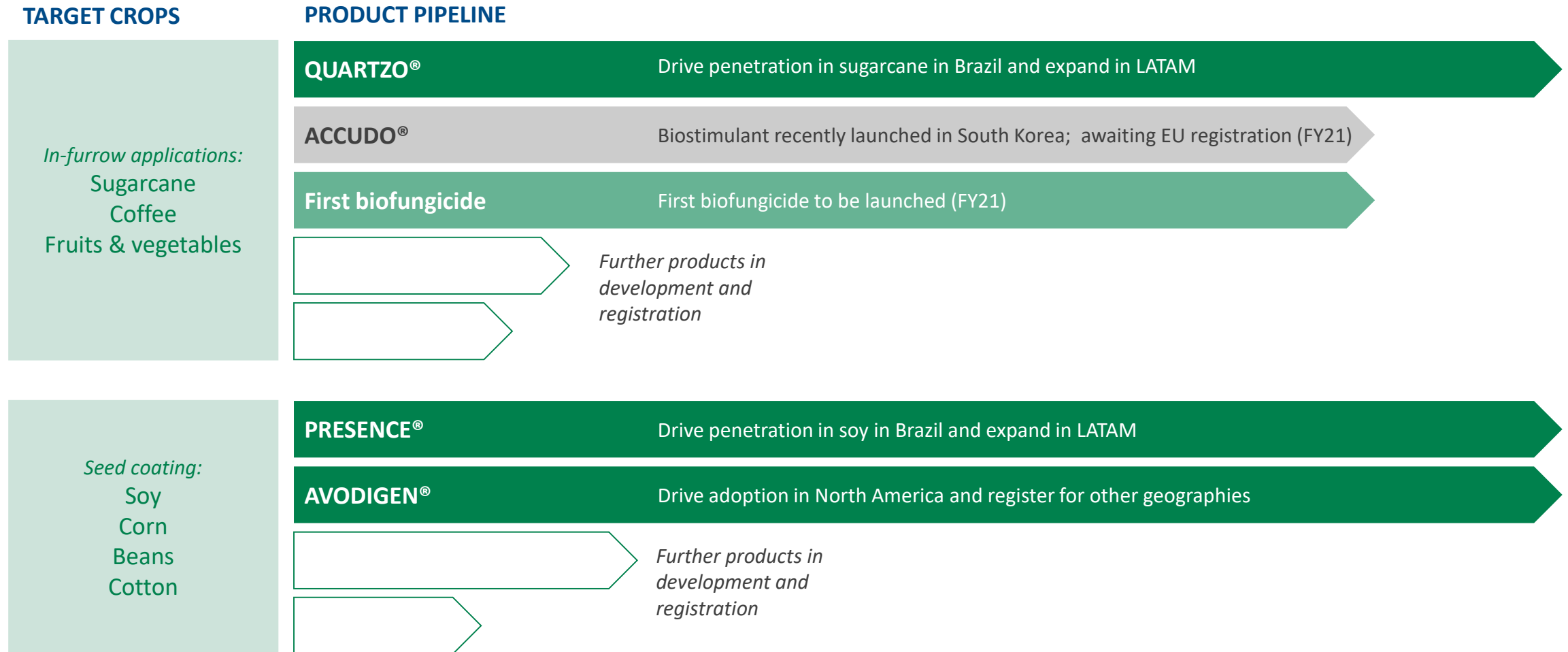
Penetrate soy and sugarcane in LATAM and advance current products in new markets including US

Register and launch FMC Alliance pipeline globally

Develop new partnerships globally

We have a strong product pipeline

and will be launching several new products over the coming years



We will continue to assess acquisitions to

strengthen our technology platform and build scale, but organic growth remains number one priority



PAST



2016
NPC



2017
LGG®

CURRENT



2020
HSO Health Care
UAS Labs

FUTURE



Clear focus on synergistic microbial and fermentation-based technologies



Strengthen technology platform or market access in attractive segments across Human, Animal or Plant Health



Continue strong value creation track record and maintain financial discipline

CHR HANSEN

Improving food & health

Key messages



Health & Nutrition is uniquely positioned to contribute to the global health agenda and more sustainable agriculture.



We will deliver organic growth above market levels by driving adoption of microbial solutions through a broader market presence and product offering.



While organic growth remains our number one priority, we will continue to assess focused acquisitions to strengthen our technology platform and build scale.



Accelerating microbial innovations

Thomas Schäfer
Chief Scientific Officer

CHR HANSEN

Improving food & health

Key messages



Our Microbial Platform is unique and fully aligned with megatrends. It provides a strong competitive edge and we will continue to develop it.



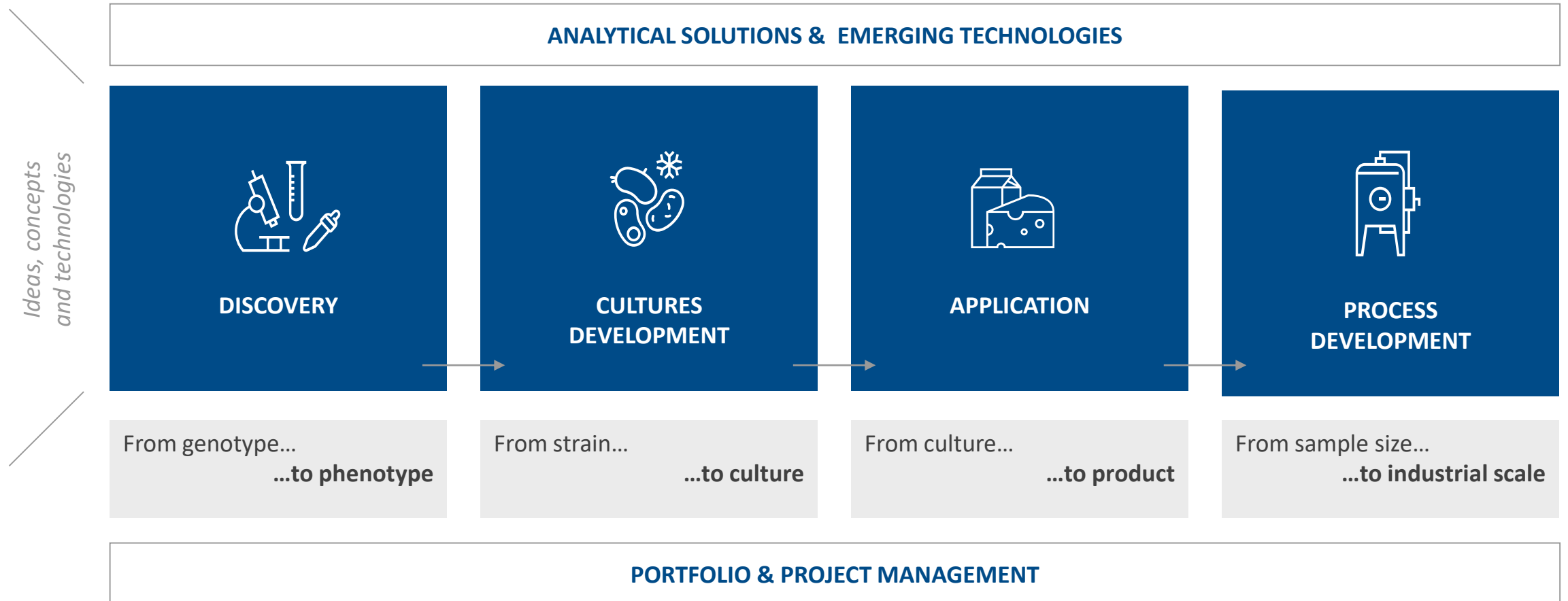
Under our 2025 Strategy we will accelerate commercialization of new products with a sustainable impact while driving efficiency gains in R&D and production.



We have a well-balanced R&D pipeline that reflects continued investments to grow the core while unleashing the full potential of our lighthouses.

Microbial powerhouse with leading capabilities across R&D value chain

supporting Food Cultures & Enzymes, Health & Nutrition and Global Operations



Working closely across R&D and Application

ensures fast development close to customer needs

STRONG INTERPLAY BETWEEN R&D AND APPLICATION

	DISCOVERY	CULTURES DEVELOPMENT	ANALYTICAL SOLUTIONS	PROCESS DEVELOPMENT
Application expertise	Fermented milk, cheese and meat applications			
	Fermented beverage applications			
	Dietary supplement and infant formula applications			
	Animal feed applications			
	Plant applications			
	Research & development expertise			

THREE R&D HUBS AND GLOBAL NETWORK OF APPLICATION CENTRES



¹ New application center or further expansion/investments during strategy period.

Competitive advantages

as a specialized leading microbial player with longstanding experience

Expertise & customer insights

Unrivalled capabilities across the entire R&D value chain and unique customer insights thanks to customer proximity and long-lasting relationships

Culture collection

Generating commercial value from a constantly growing collection of ~40k strains

Masters of complexity

Handling microbial diversity with more than 400 strains produced at industrial scale

Innovating in core & new areas

Innovating in the core after more than 145 years of working with microbes while translating and applying know-how to expand into new applications

Diverse & highly engaged teams

With +30 nationalities and 54% women in managerial roles; high engagement record

Strong network of partners

No 'not invented here' mentality working with academia and business partners

In R&D we have three main strategic priorities



- New governance set-up for faster decision-making and resourcing of critical projects
- Digitize internal core processes and simplify complexity of workflows (e.g. 'idea to sales')
- Miniaturization and automatization of experiments for more rapid prototyping
- Foster mindset of agility and project culture



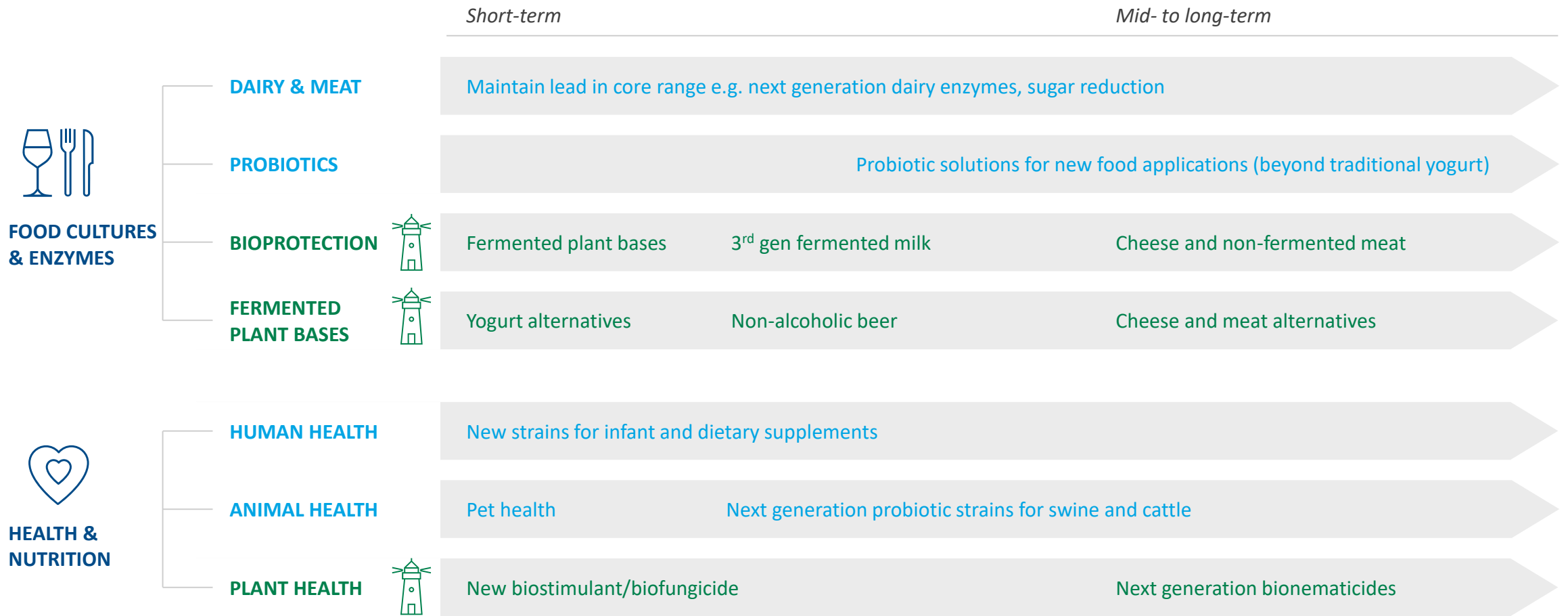
- Process innovations to improve existing production processes in terms of yield, capacity, cost & quality
- Drive digitalization to link R&D and large-scale production processes for faster scale-up and 'first-time-right'
- Further invest in technology center in India



- Continuous improvements of existing technology base (e.g. analytics, microbial physiology, strain improvement)
- Develop newly defined technology target areas:
 - Data empowered R&D
 - Modes of interactions
 - Molecular toolbox, e.g. genome editing for faster prototyping
- Extend partnerships with external centers of expertise

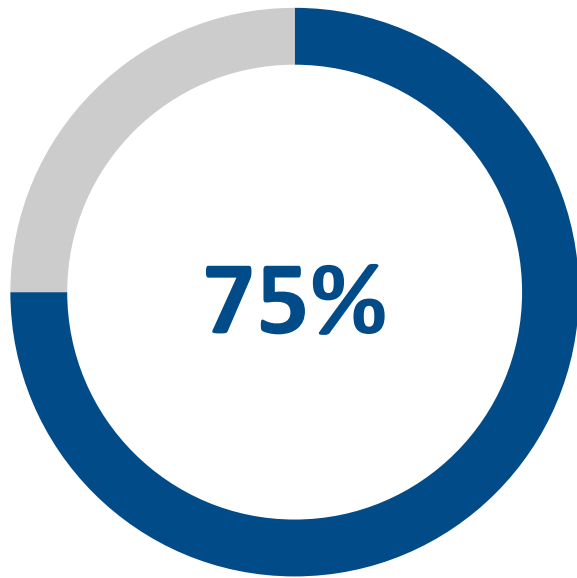
Strong and well-balanced R&D pipeline

across core businesses and lighthouses to drive growth during strategy period until 2025 and beyond

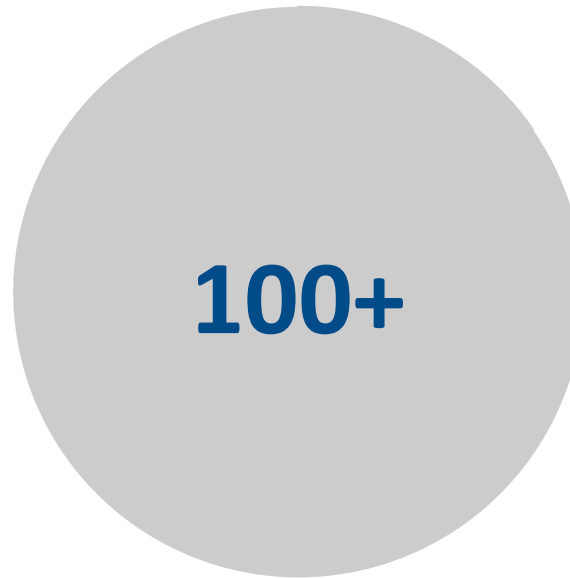


Full focus on accelerating commercialization

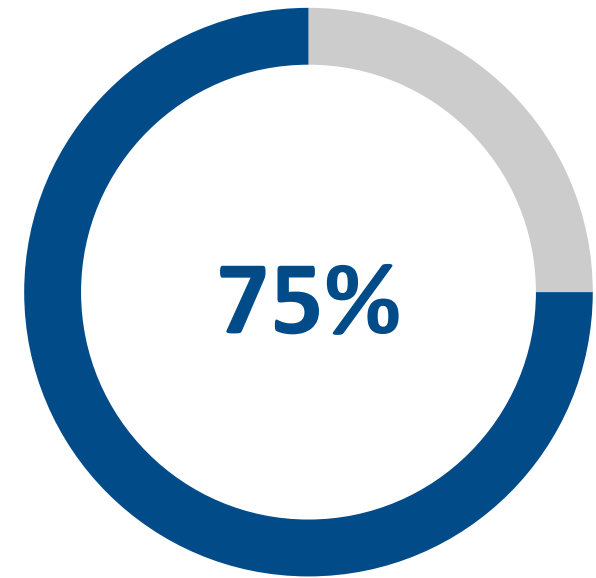
of new innovations with a sustainable impact



OF R&D RESOURCES DEDICATED TOWARDS
NEW PRODUCT DEVELOPMENT



PROJECTS IN R&D PIPELINE ALL
CONTRIBUTING TO SUSTAINABLE
DEVELOPMENT GOALS 2, 3 AND 12



OF R&D PIPELINE VALUE IN 2024/25
RELATED TO CORE BUSINESSES

Key messages



Our Microbial Platform is unique and fully aligned with megatrends. It provides a strong competitive edge and we will continue to develop it.



Under our 2025 Strategy we will accelerate commercialization of new products with a sustainable impact while driving efficiency gains in R&D and production.



We have a well-balanced R&D pipeline that reflects continued investments to grow the core while unleashing the full potential of our lighthouses.



GLOBAL OPERATIONS

Driving scalability and operational efficiencies

Torsten Steenholt
EVP Global Operations



CHR HANSEN

Improving food & health

Key messages



Scale in production and ambitious efficiency program incl. robotics, automation and sustainability to deliver continued gross margin expansion.



Phasing of major capex projects due to efficiency gains, synergies from the integration of UAS Labs and updated volume projections.



Product quality and on-time delivery to customers is a key competitive advantage for Chr. Hansen, and takes precedence over anything.

One plant – many locations

Global Operations has around 1,500 employees across 12 production sites

USA

- **West Allis/New Berlin:** Animal Health, Food Cultures, Enzymes
- **Madison/Wausau:** Human Health (UAS Labs)



BRAZIL

- **Valinhos:** Animal Health, Plant Health, Enzymes

DENMARK

- **Copenhagen:** Food Cultures, Human Health
- **Roskilde:** Human Health
- **Graasten:** Enzymes

GERMANY

- **Nienburg:** Animal Health, Plant Health, Enzymes
- **Pohlheim:** Meat Cultures, Animal Health

FRANCE

- **Arpajon:** Food Cultures

CZECH REPUBLIC

- **Hustopec:** Animal Health

+ 20 DISTRIBUTION CENTERS WORLDWIDE



CHR HANSEN

Improving food & health

Competitive advantages

Proven ability to deliver high quality products at expanding margins

Cost leadership

Driving economies of scale through capacity utilization and continuous improvements

Masters of complexity

Producing more than 400 strains and 2,200 finished products

Robustness

Best-in-class delivery performance, quality and supply security

Commercialization

Fast upscaling of new innovations

Automation

State-of-the-art manufacturing using highly specialized robotics and automation across our footprint

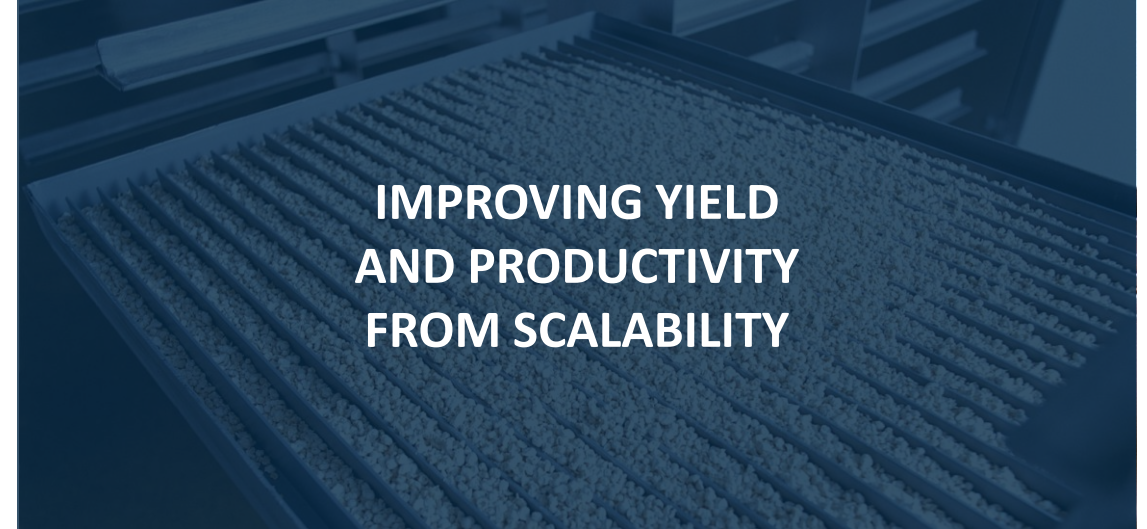
Partnering for advantage

Working with network of strategic partners for optimal supply chain

Two main strategic priorities in Global Operations



- Secure production capacity for organic growth
- Lead the industry in quality & delivery performance
- Further advance plant specialization while maintaining flexibility
- Fast implementation of new products into scalable manufacturing
- Investments in sustainability initiatives to also drive efficiency



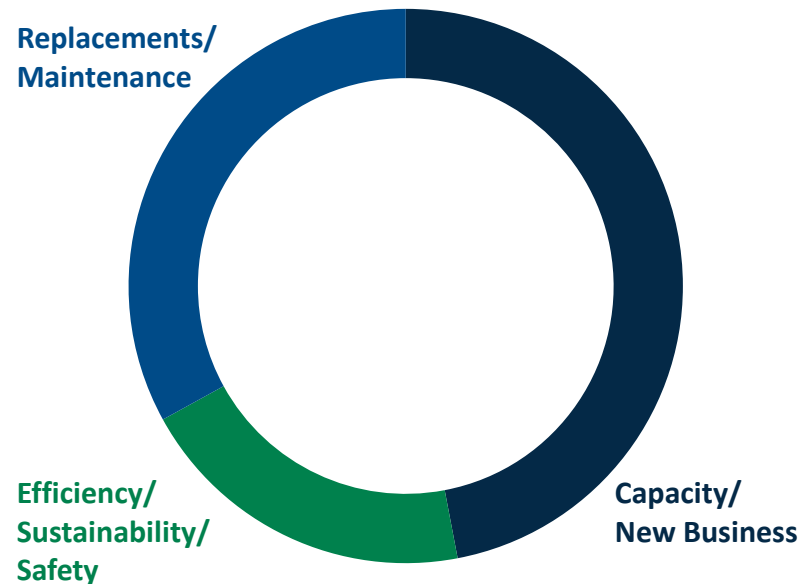
- Lower unit cost and reduce capex spend as % of sales
- Drive process innovations together with R&D
- Leverage digitalization, robotics and automatization
- Advance sustainability initiatives to support cost savings
- Integrate recent acquisitions to unleash production synergies

Securing production capacity for organic growth









while realizing optimization initiatives and synergies from UAS Labs integration

MOST OF OUR CAPEX PROJECTS ARE CENTERED AROUND BUILDING CAPACITY

Illustrative based on capex spend in the last 5 fiscal years



UAS LABS ACQUISITION AND PRODUCTION OPTIMIZATION ALLOW FOR PHASING OF CAPEX PROJECTS TO BEYOND THE STRATEGY PERIOD

Selection of large capex projects	Expected completion
Capacity upgrade, Roskilde 	2021/22
Freeze dried & powder packaging, Copenhagen  	2022/23
Additional fermentation capacity upgrades, US 	2022/23
Additional fermentation capacity upgrades, Germany  	2024/25
Innovation campus incl. application center & new pilot plant, Denmark 	2022/23
Next large-scale dairy expansion 	After 2024/25

Postponements of capex due to UAS Labs acquisition:


Expansion of Human Health facility, Roskilde

Dairy alternatives production

We commit to further reducing our environmental footprint


through targeted initiatives in the areas of renewables, circular management of bio waste and recycling

INITIATIVES




RENEWABLE ENERGY

Use electricity from renewable sources for all global operations



CIRCULAR MANAGEMENT OF BIO WASTE

Recycle or reuse biowaste generated from our operations



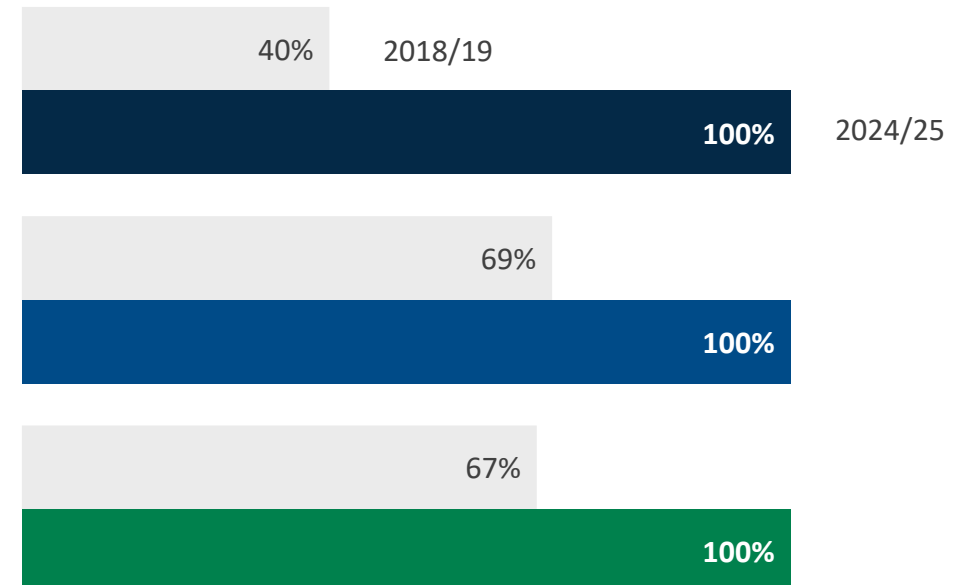
KEY PACKAGING MATERIALS RECYCLABLE

Deliver all products with recyclable packaging materials



AMBITION FOR GLOBAL OPERATIONS UNTIL 2024/25

compared to 2018/19



SCIENCE-BASED TARGETS INITIATIVE JOINED COMMITTING TO LIMIT GLOBAL TEMPERATURE RISE TO 1.5 DEGREES

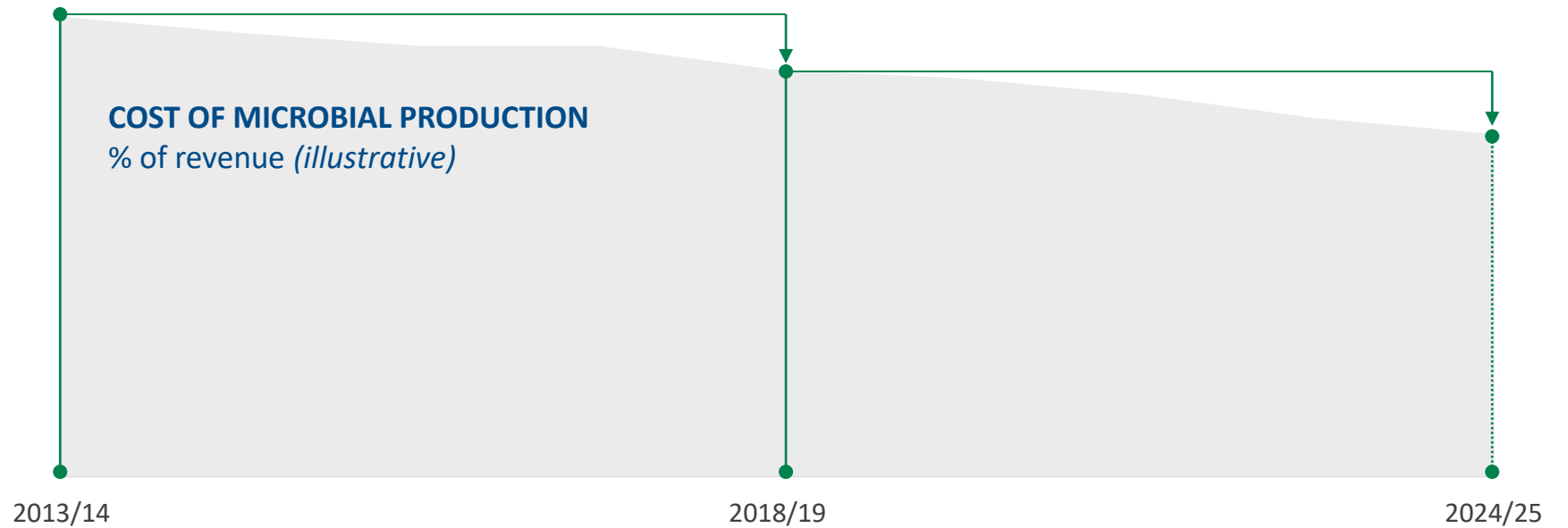
CHR HANSEN

Improving food & health

Scale in production & efficiency program

to deliver continued gross margin expansion

Operational efficiencies driven by process innovation and economies of scale



Global Operations will continue to deliver significant cost savings

We continue to drive operational efficiencies

through ambitious efficiency programs across LEAN, process innovations and digitalization

EXAMPLES OF EFFICIENCY INITIATIVES



FERMENTATION YIELDS

Increasing fermentation yield of Animal and Plant Health production strains via fed-batch process



DOWNSTREAM OPTIMIZATION

Optimizing separation techniques to reduce energy consumption and increase yields



ROBOTS AND AUTOMATION

Reduce repetitive workload and manning e.g. via intelligent internal transportation system



HARMONIZED PACKAGING

Harmonized packaging format designed for higher quality, improved efficiency and more scalable operations



FREIGHT EFFICIENCIES

Optimize place of production and global transport contracts



BENEFIT-DRIVEN DIGITALIZATION

Internet-of-Things for live production data on mobile devices supporting performance culture

Key messages



Scale in production and ambitious efficiency program incl. robotics, automation and sustainability to deliver continued gross margin expansion.



Phasing of major capex projects due to efficiency gains, synergies from the integration of UAS Labs and updated volume projections.



Product quality and on-time delivery to customers is a key competitive advantage for Chr. Hansen, and takes precedence over anything.



FINANCIALS

Continued value creation through profitable growth

Søren Westh Lonning
Chief Financial Officer

CHR HANSEN

Improving food & health

Key messages



Ambitious agenda towards 2025 across all key financial metrics.

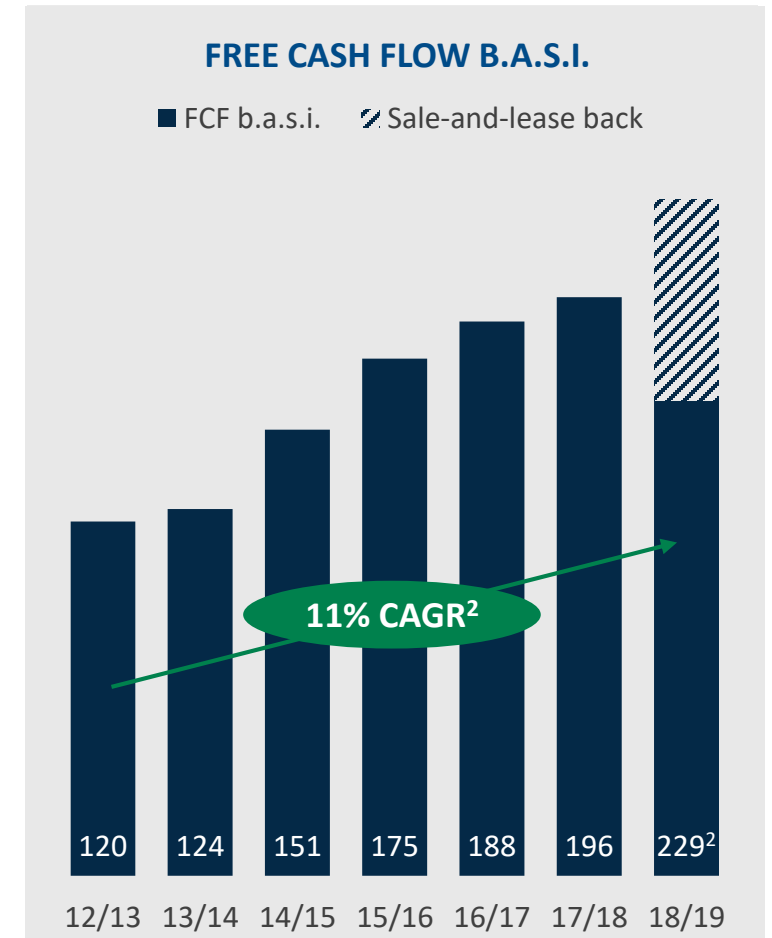
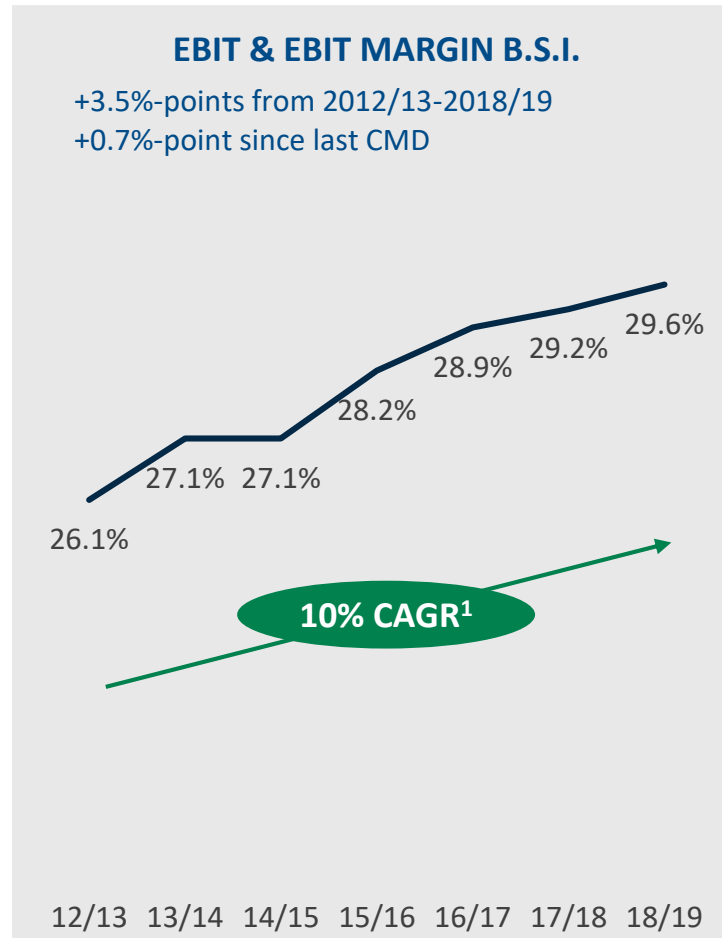
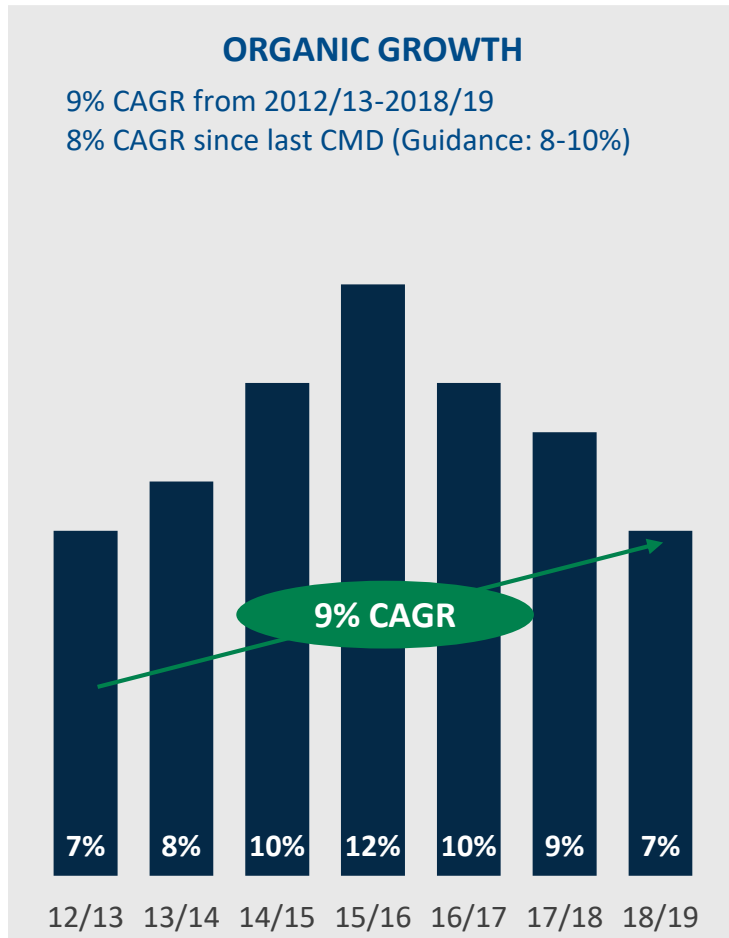


Underlying expansion in EBIT margin b.s.i. before portfolio changes and FX, as efficiencies and synergies will fuel strategic investments.



Strong cash generation remains a priority with growth in free cash flow expected to outgrow absolute EBIT growth.

Strong track record of delivering profitable growth and cash generation



¹ 10% CAGR in EBIT before special items.

² Includes EUR 68 million from sale-and-lease-back of main campus property.

We will continue to create value through profitable growth

Financial ambition until 2024/25¹

**ORGANIC GROWTH CAGR OF
MID- TO HIGH SINGLE-DIGIT**

maintaining preliminary ambition

**UNDERLYING EXPANSION IN
EBIT MARGIN B.S.I. BEFORE
PORTFOLIO CHANGES AND FX**

**FREE CASH FLOW B.A.S.I.
TO OUTGROW
ABSOLUTE EBIT B.S.I.**

¹ From 2018/19.

Organic growth expected to be mid- to high single-digit

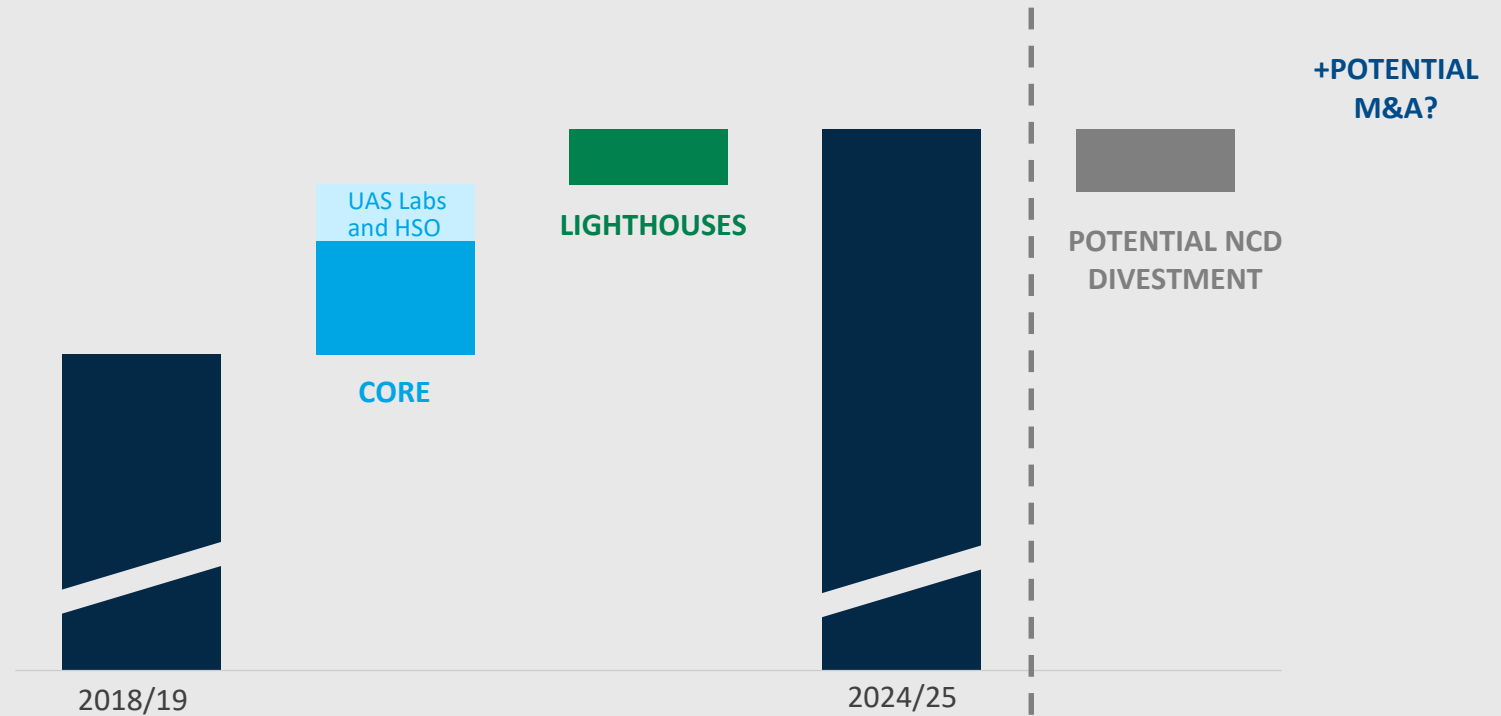
with the core business as largest absolute driver



**LONG-TERM FINANCIAL
AMBITION UNTIL 2024/25**

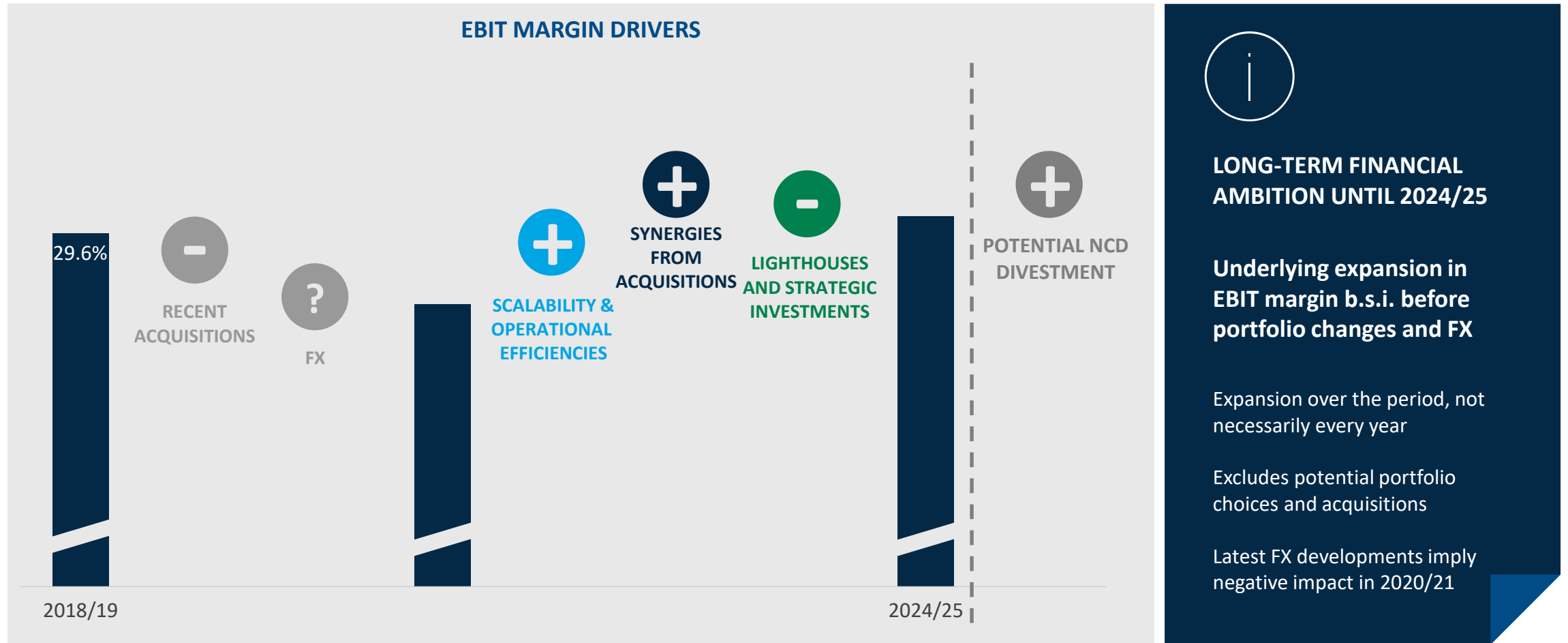
**Organic growth CAGR of
mid- to high single-digit**

ABSOLUTE REVENUE GROWTH DRIVERS UNTIL 2024/25



Underlying EBIT margin expansion

driven by scalability, efficiencies and synergies, while investing in future growth opportunities

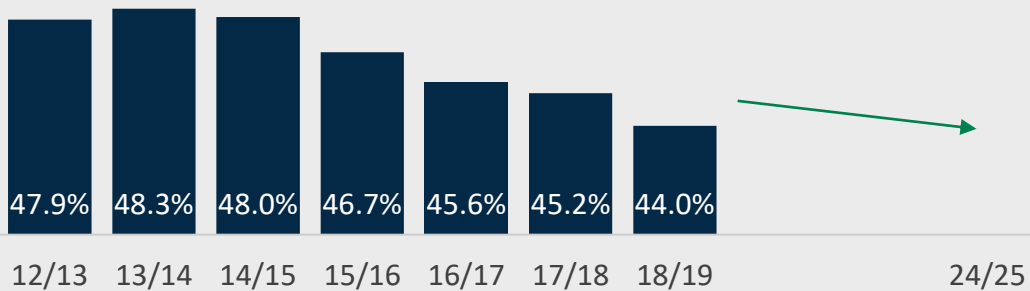


We will continue to drive scalability and efficiency

in production and administrative functions, while investing in growth priorities

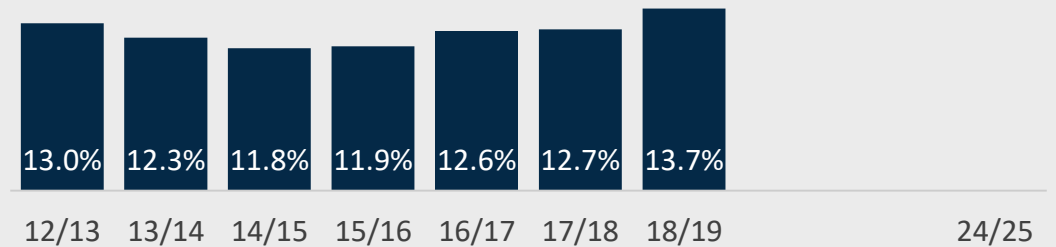
COST OF SALE % of revenue

~4%-points improvement from 2012/13-18/19



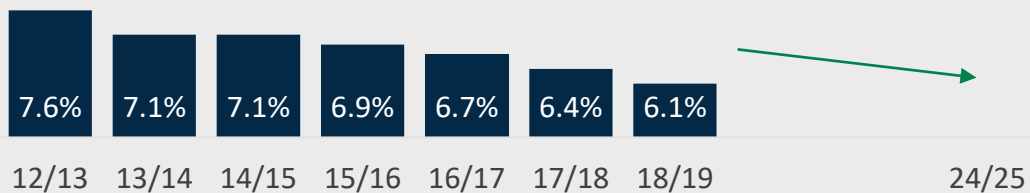
SALES & MARKETING EXPENSES % of revenue

Increased investments from 2012/13-18/19 for business development



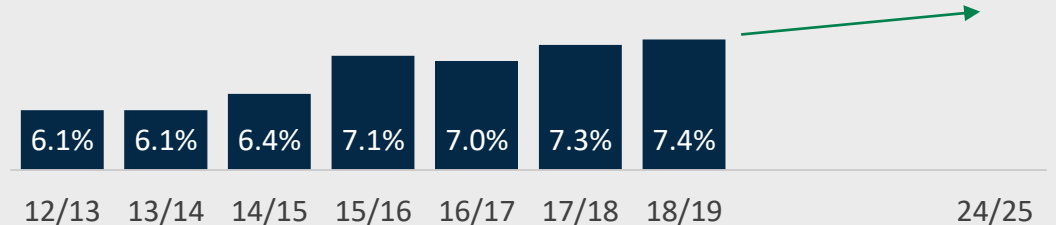
ADMINISTRATIVE EXPENSES % of revenue

+1.5%-point improvement from 2012/13-18/19



R&D EXPENSES INCL. CAPITALIZATIONS % of revenue

Increased investments from 2012/13-18/19 R&D expenditure for the Microbial Platform **around 8%**



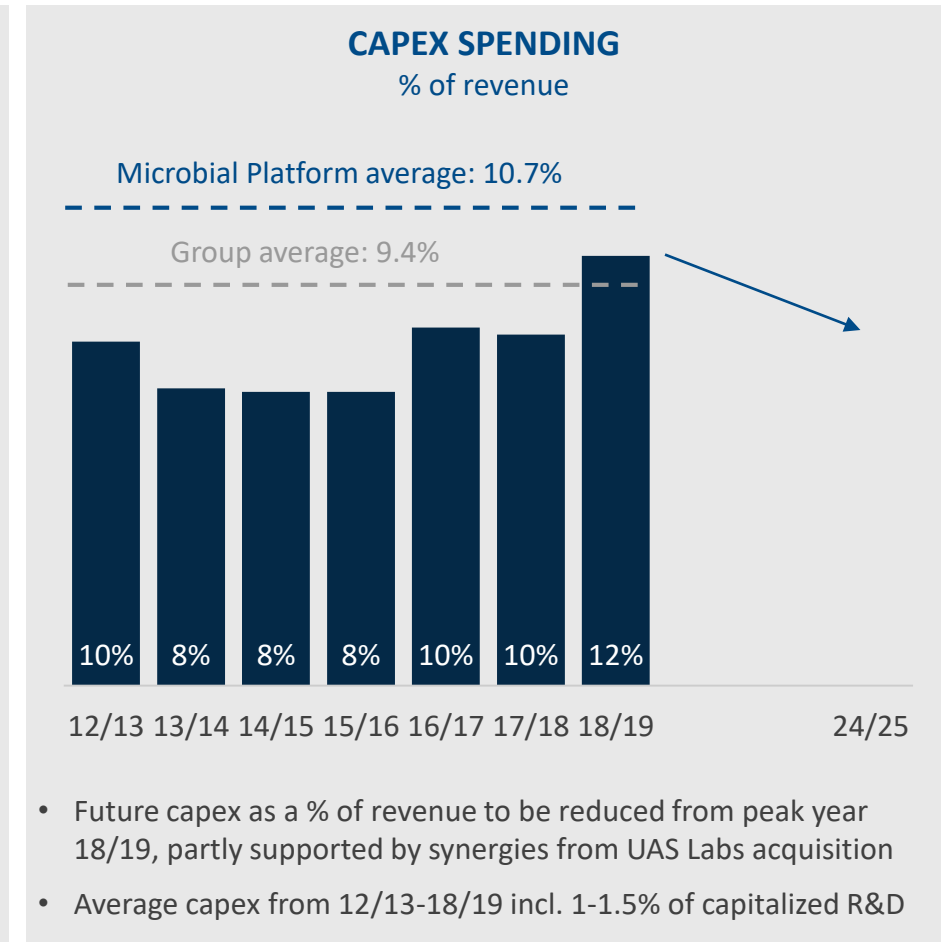
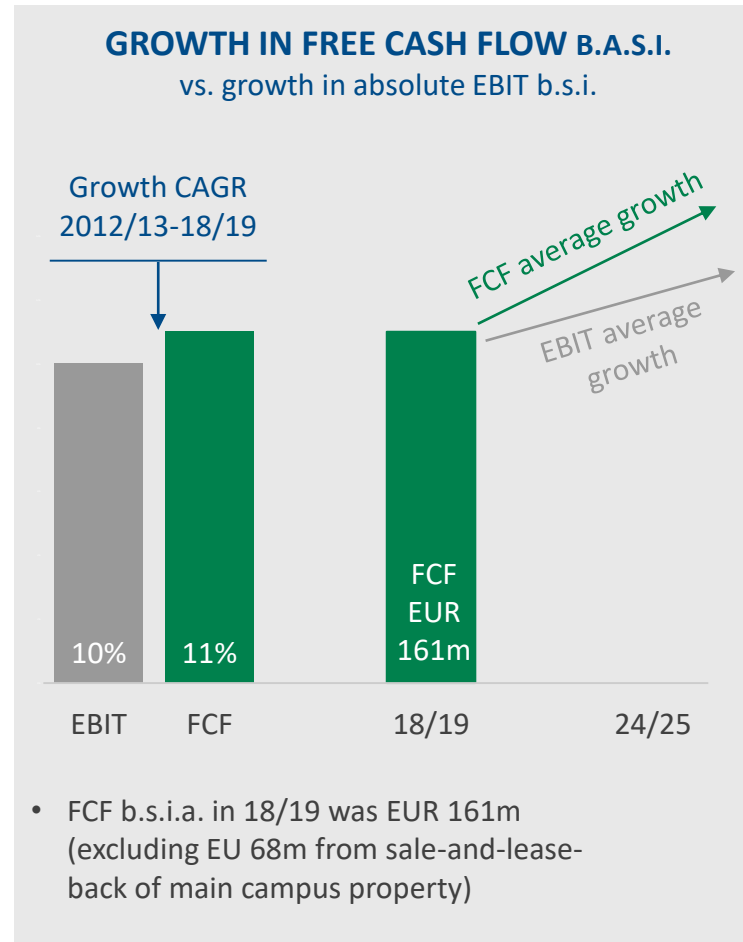
Growth in free cash flow to exceed growth in absolute EBIT

supported by strong cash generation and reduced investment needs until 2024/25



LONG-TERM FINANCIAL AMBITION UNTIL 2024/25

Average growth in free cash flow b.a.s.i. to exceed average growth in absolute EBIT b.s.i. from base year 2018/19

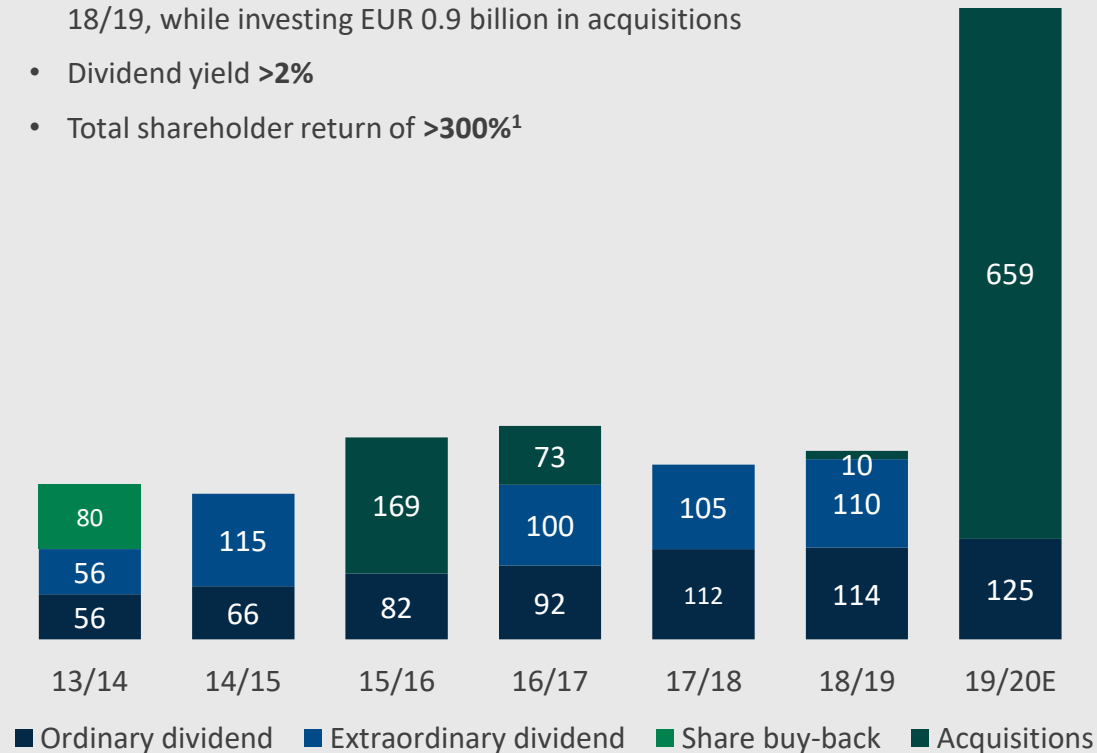


Capital discipline to follow current allocation principles

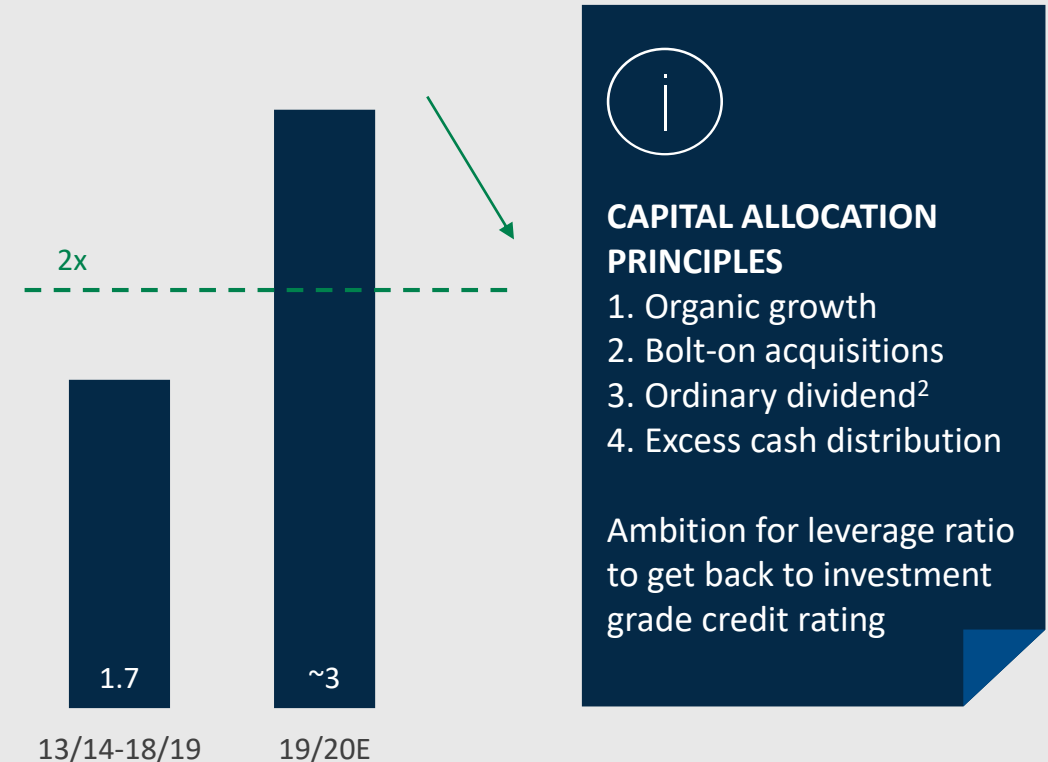
while allowing for acquisitions and deleveraging from current level

DISTRIBUTING CASH TO SHAREHOLDERS in EUR m

- More than **EUR 1.1 billion** paid out as dividends for 2012/13-18/19, while investing EUR 0.9 billion in acquisitions
- Dividend yield >2%
- Total shareholder return of >300%¹



LEVERAGE RATIO in net debt/EBITDA b.s.i.



CAPITAL ALLOCATION PRINCIPLES

1. Organic growth
2. Bolt-on acquisitions
3. Ordinary dividend²
4. Excess cash distribution

Ambition for leverage ratio to get back to investment grade credit rating

¹ Measured from beginning of FY13/14 to end of July 2020.

² The dividend proposed will depend on the Board of Directors' assessment of factors such as business development, growth strategy, current leverage and financing needs, and there is no guarantee that an ordinary dividend will be proposed or declared in any given year.

Key messages



Ambitious agenda towards 2025 across all key financial metrics.



Underlying expansion in EBIT margin b.s.i. before portfolio changes and FX, as efficiencies and synergies will fuel strategic investments.



Strong cash generation remains a priority with growth in free cash flow expected to outgrow absolute EBIT growth.



Appendix

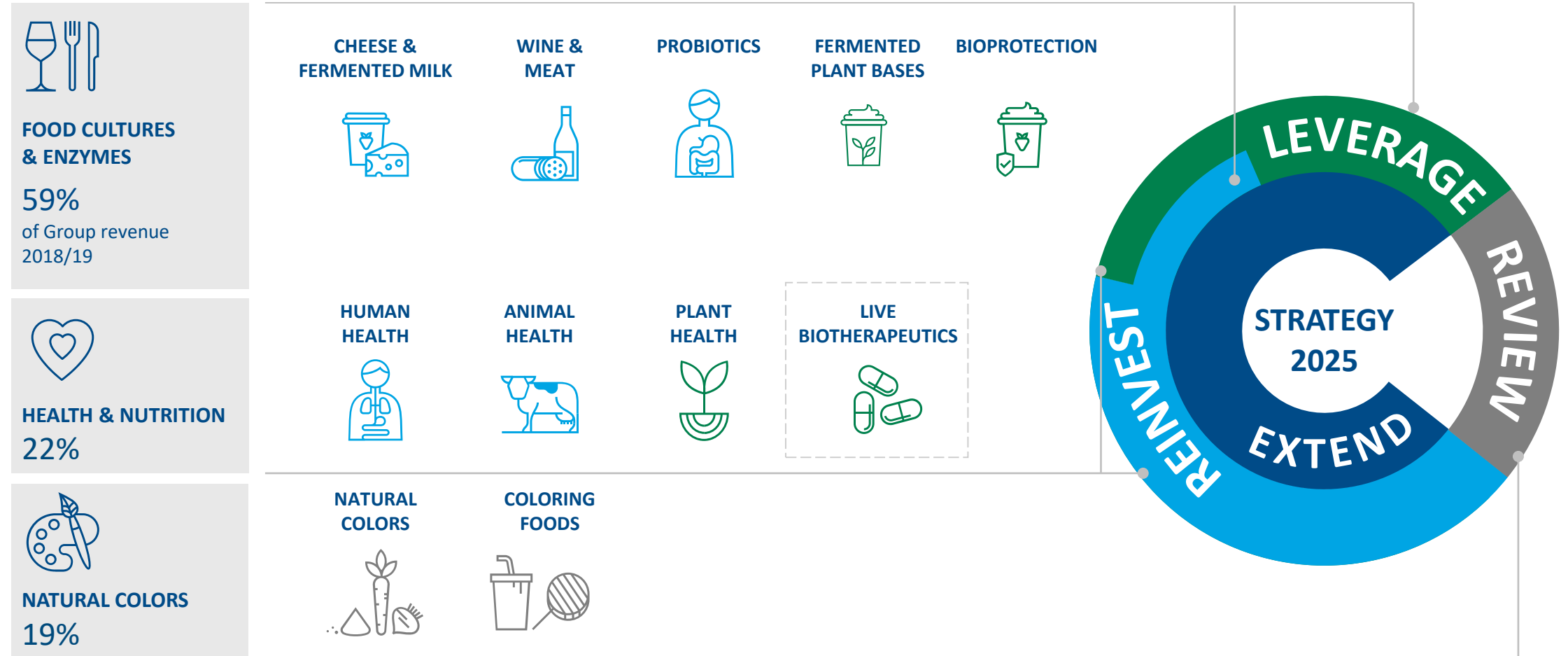
Additional slides for roadshow discussions

CHR HANSEN

Improving food & health

We are market and technology leaders in our core businesses

Business overview



What makes us stand out

Market leader in attractive niche industries with unique technology platform

INDUSTRY ATTRACTIVENESS

Defensive nature

Strategic ingredient

Aligned with megatrends

Consolidated industry in Food Cultures & Enzymes

Innovation driven / low technology disruption risk

OUR COMPETITIVE EDGE



Unique innovation capabilities



Cost leadership through scalability



Close customer ties and high stickiness/switching costs



Strong purpose and performance culture



Contributing to United Nation's Sustainable Development Goals



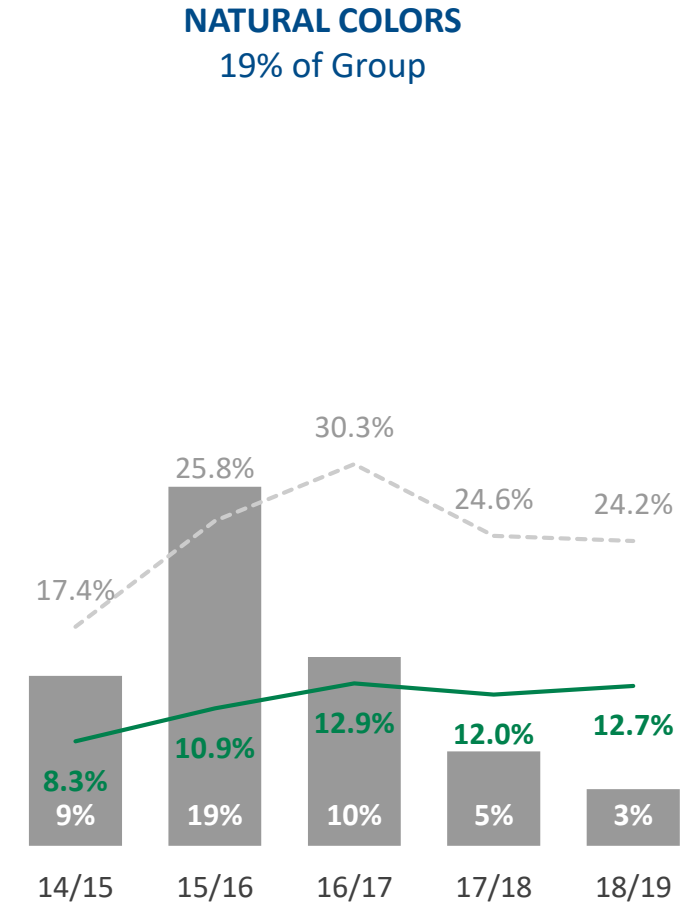
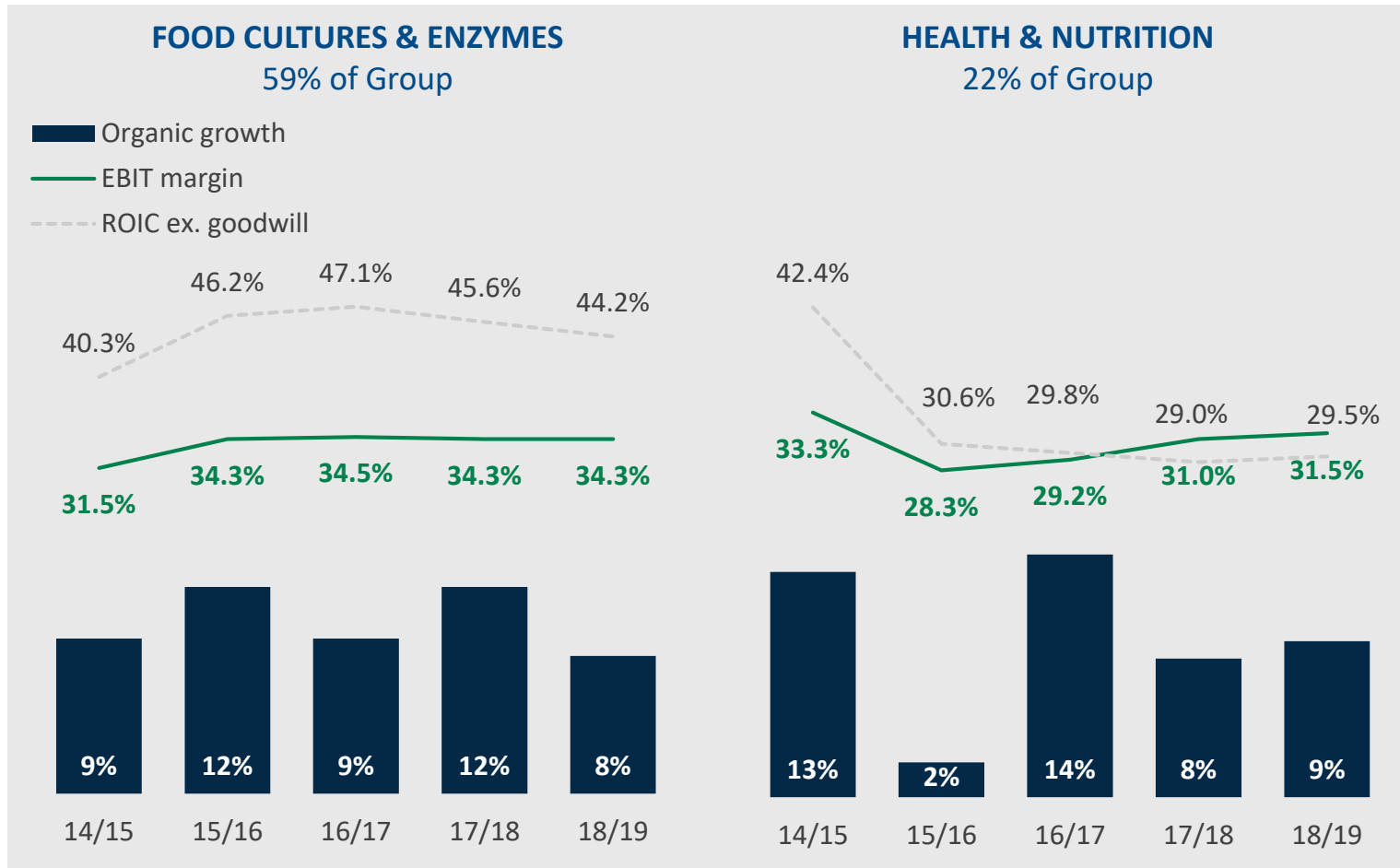
MARKET LEADER WITH HIGH ENTRY BARRIERS

CHR HANSEN

Improving food & health

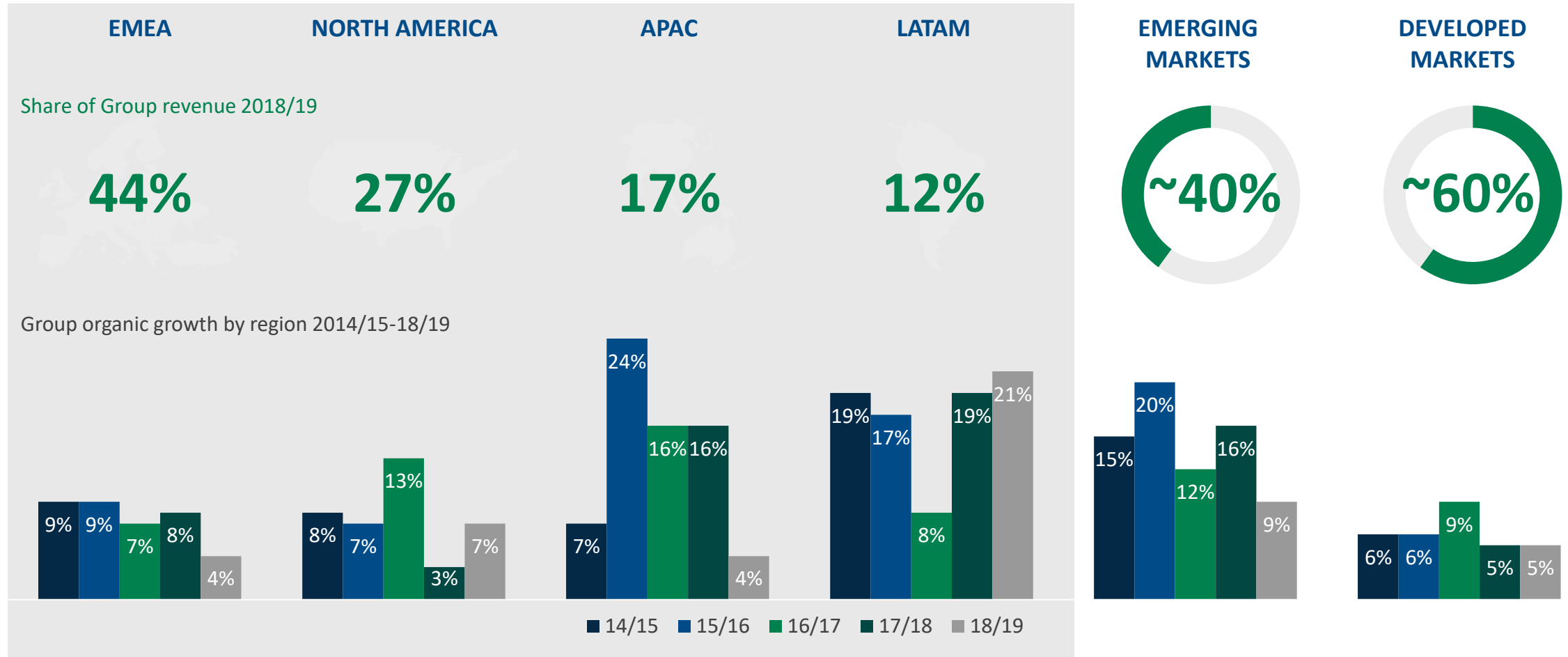
Three complementary businesses

with strong fundamentals



Regionally balanced portfolio

with developed and emerging markets contributing to Group growth



Executive compensation

closely aligned with shareholder interests; strong incentive component

SHORT TERM: ANNUAL INCENTIVE PROGRAM FOR CEO AND CFO

- Based on group financial targets and discretionary, personal goals
- Bonus is paid as 1/3 of the payout in Restricted Stock Units, and 2/3 in cash; normally accounts for 25-30% of total remuneration package
- Cap of max 50% of individual maximum in case of issuing profit warning

Organic growth 20%	EBIT 20%	FCF 20%	Non-financial 40%
-----------------------	-------------	------------	----------------------

GROUP FINANCIAL TARGETS

DISCRETIONARY, PERSONAL TARGETS

e.g. linked to sustainability,
diversity

In % of fixed pay ¹	Target	Max
CEO	70%	100%
CFO/EVP	50%	71%

LONG TERM: PROGRESSIVE THREE-YEAR INCENTIVE PROGRAM

- Requires personal investment in Chr. Hansen shares to participate
- Grant value estimated (based on Black-Scholes) at 20-25% of the remuneration package
- Vest in full after three years

Matching shares per investment of one share

TSR relative to peers 1.5x	Accumulated EBIT 1.5x	Organic growth CAGR 1.5x	Retention 0.5x
-------------------------------	--------------------------	-----------------------------	-------------------

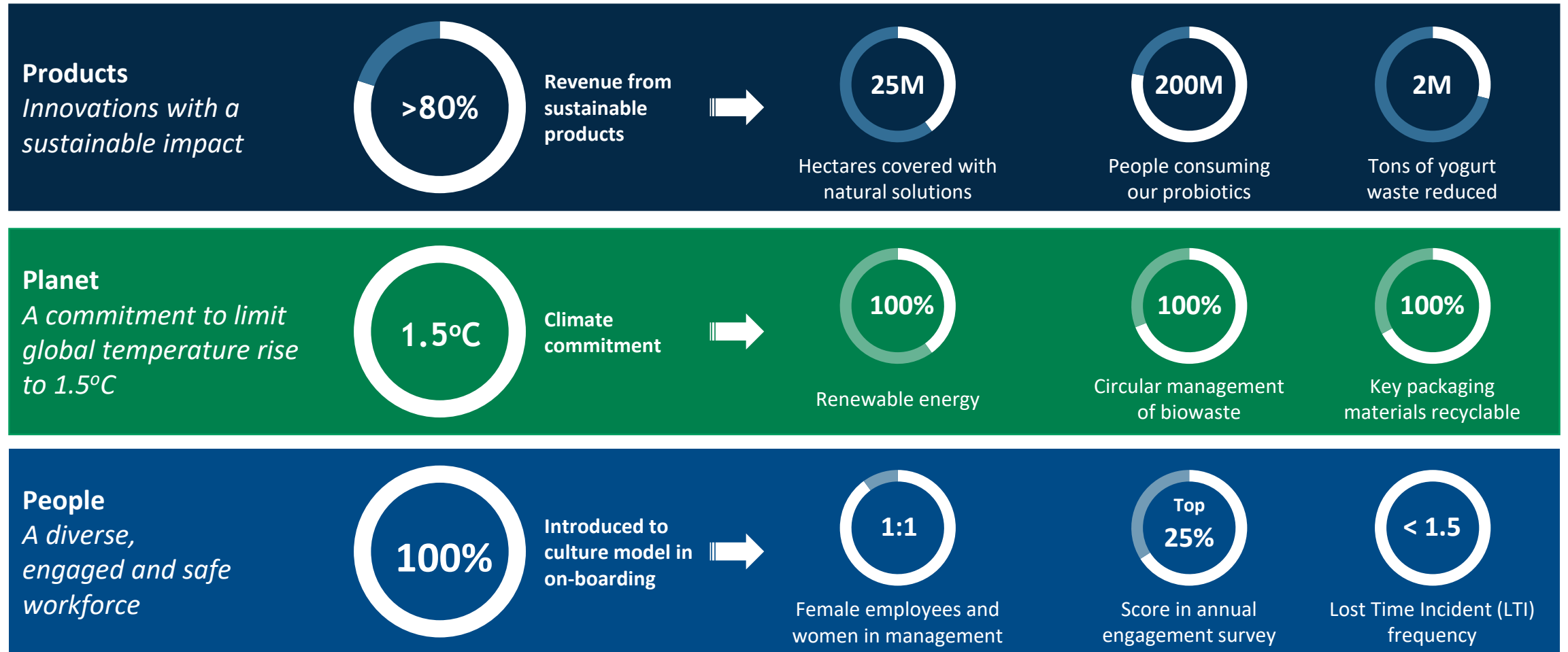
GROUP FINANCIAL TARGETS

In % of fixed pay ¹	Target	Max
CEO	76%	114%
CFO/EVP	57%	86%

¹ Base plus pension.

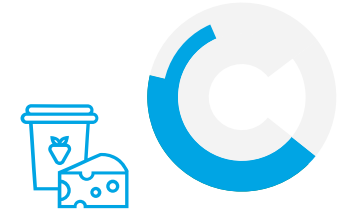
Sustainability targets

Non-financial ambition until 2024/25 at a glance



Well-positioned to continue to grow in China

based on innovation and upselling despite current headwinds



CHR. HANSEN'S CHINA STRATEGY



















CORE	<ul style="list-style-type: none"> Defend existing business & increase share in affordable yogurt segment Market to grow 4-6% until 2025; muted in 2020 and 2021
UP-/ CROSS-SELLING	<ul style="list-style-type: none"> Promote product offering to drive efficiencies in environment of lower growth and cost pressure as well as solutions to differentiate
INNOVATION	<ul style="list-style-type: none"> Expand share of wallet in yogurt with new concepts tailored to local market needs and consumer preferences
CUSTOMER BASE	<ul style="list-style-type: none"> Intensify innovation and development partnership with key accounts Increase share with SME¹ that stand for ~30% of market
LOCAL PRESENCE	<ul style="list-style-type: none"> Strengthen local application and commercial capabilities
BEYOND YOGURT	<ul style="list-style-type: none"> Build a market for cheese and dairy alternatives Explore opportunities in fermented beverages and meat
BEYOND CHINA	<ul style="list-style-type: none"> Expand with Chinese dairies outside their home market

¹ Small and medium-sized enterprises.

Further expanding our range of bioprotective cultures

to extend shelf life and increase food safety across a number of applications



APPLICATION		 FERMENTED MILK	 CHEESE	 FERMENTED MEATS	 OTHER MEATS & FISH	 DAIRY & MEAT ALTERNATIVES	 FRUITS & VEGETABLES
Value proposition	Extend shelf life & reduce food waste	✓	✓	✓		✓	
	Clean labelling & food safety		✓	✓	✓	✓	✓
Capabilities	Product offering						
	Commercial/ market access						
Opportunity	Penetration today	~10%	<5%	~10%		<1%	

Chr. Hansen is well positioned in 'fermented milk' alternatives

to drive innovation and capture meaningful share given unique fermentation expertise



HIGHLY ATTRACTIVE MARKET NICHE



A growing market



Premium pricing



Higher ingredient content



Attractive cross-selling

SUCCESS FACTORS TO WIN



Agility & speed-to-market



Access to established players and emerging challengers (e.g. via MISTA)



Managing complexity of different bases in application and R&D



Innovations that improve quality or reduce cost



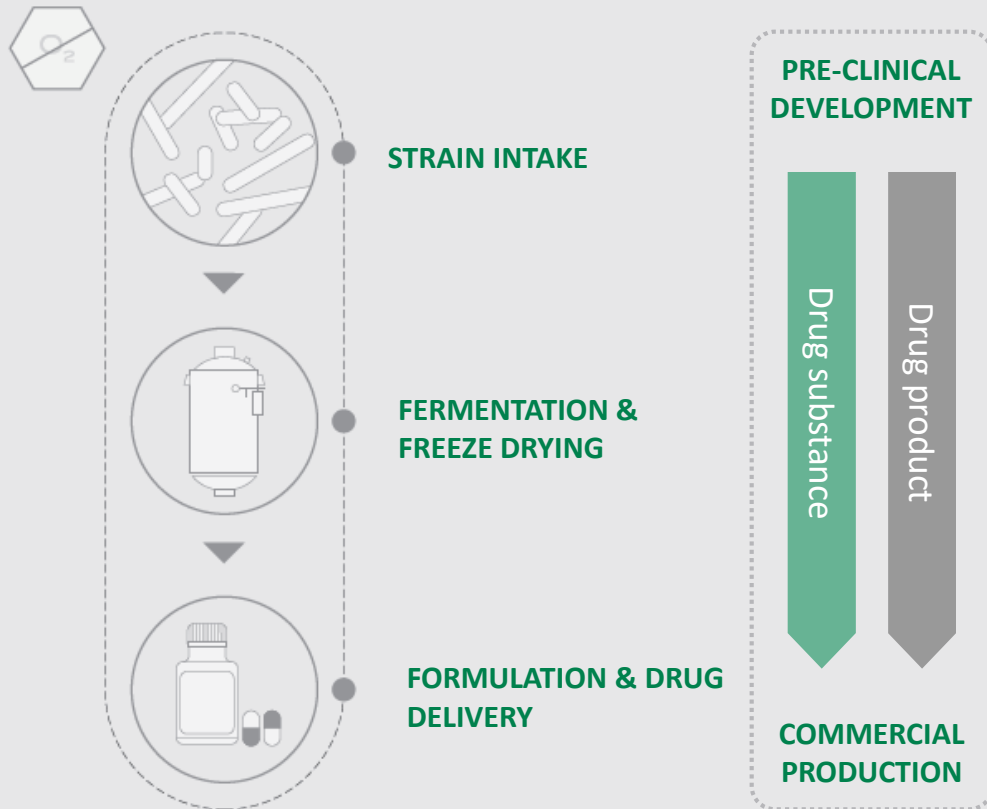
Production capabilities for 'vegan' cultures & enzymes

Bacthera off to a strong start

First customer contracts signed, investments progressing as planned



FULL SUPPLY CHAIN OFFERING WITH TRUELY DISTINCTIVE CAPABILITIES IN DENMARK AND SWITZERLAND



COPENHAGEN
DRUG SUBSTANCE SITE



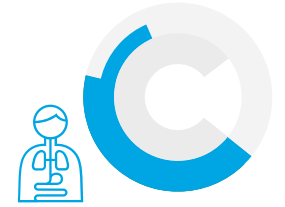
BASEL
DRUG PRODUCT SITE
AND HEADQUARTERS



BACTERERA

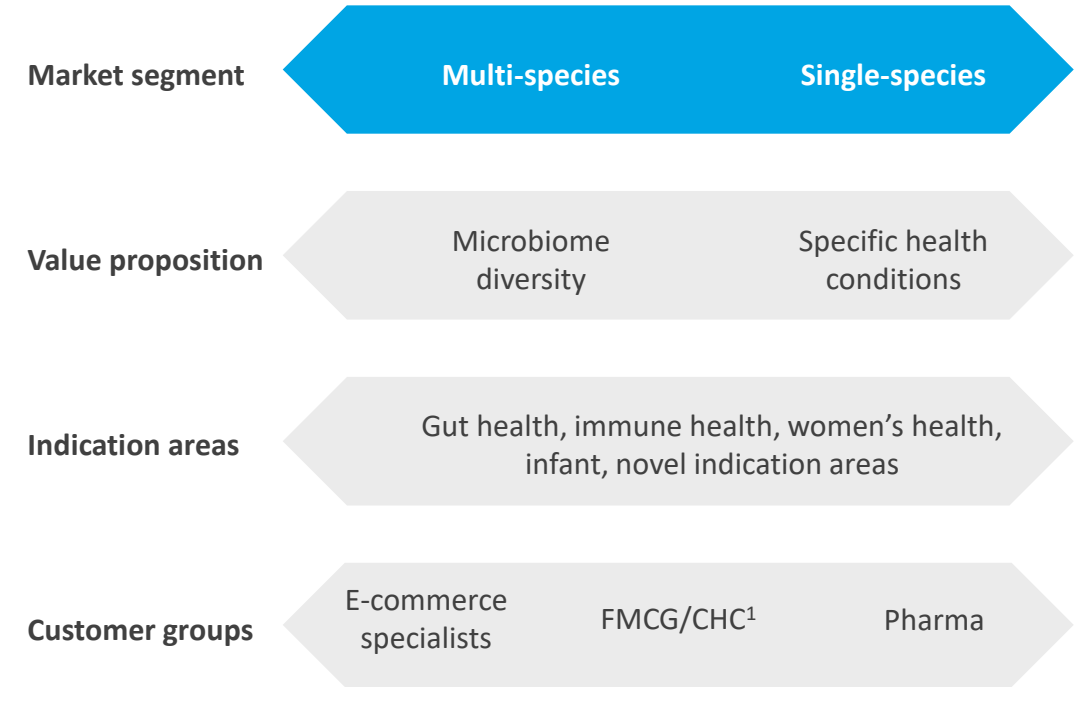
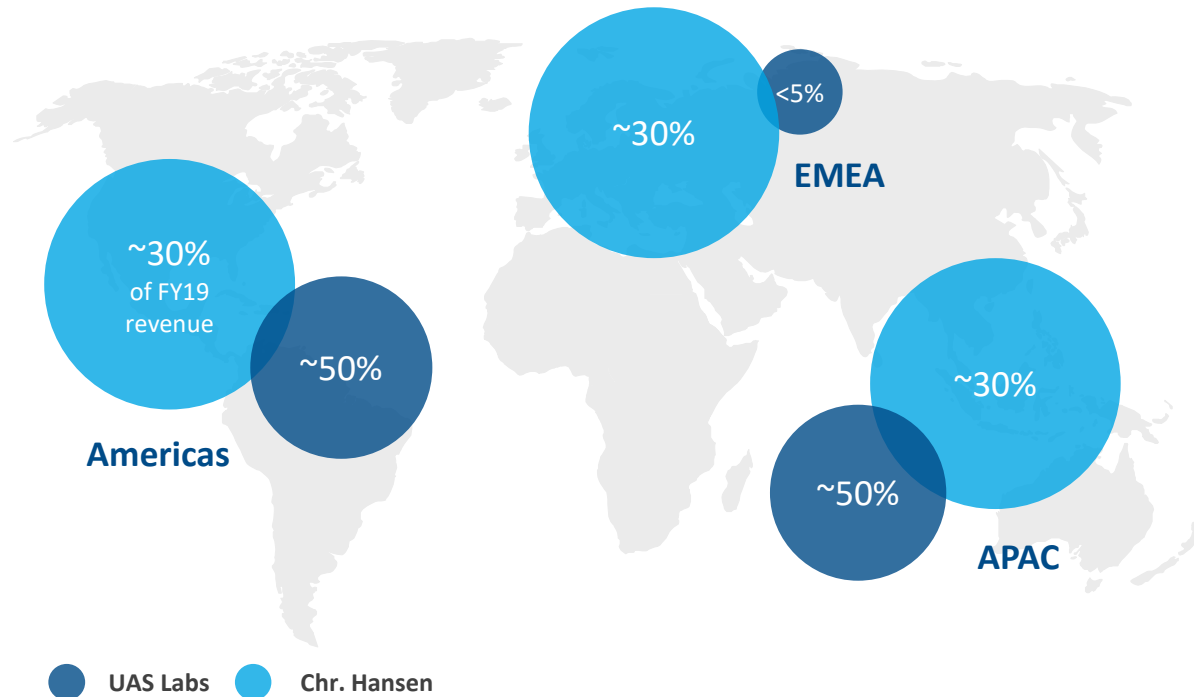
Global footprint and infrastructure position us well

to serve our growing business and customer base and realize synergies



WE WILL LEVERAGE OUR GLOBAL COMMERCIAL CAPABILITIES TO ROLL OUT OUR PRODUCT OFFERING GLOBALLY....

... TO A BROADER CUSTOMER BASE IN DIFFERENT SEGMENTS, INDICATION AREAS AND CHANNELS

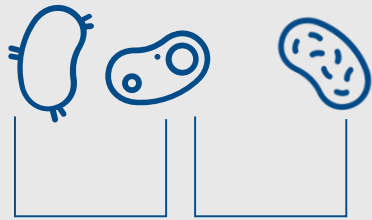


¹ Fast moving consumer good companies/Consumer health care companies.

Strain library

Generating commercial value from one of the industry's largest culture collection

MICROBIAL DIVERSITY



Range of similarity among *bacillus subtilis* strains

82%

99.9%



Similarity between humans and mice or chimpanzees

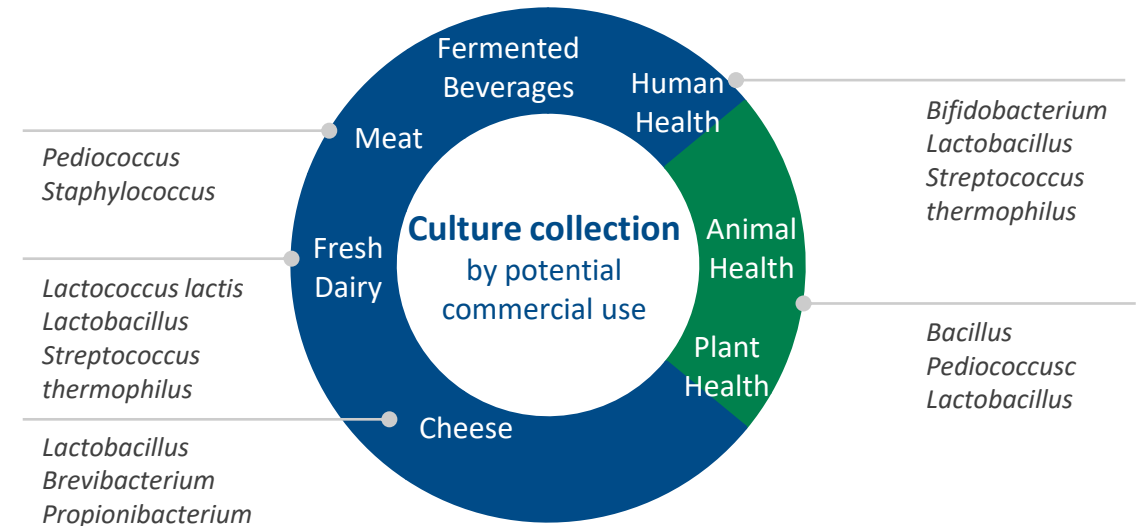
90%

96%

There are sometimes more genetic material in common between a mouse and a human compared to *bacillus subtilis*

CULTURE COLLECTION

- Around 40,000 deposits (+8k last two years) of which 400 are produced at industrial scale
 - More than 70% is *lactic acid bacteria*
- Continuously working on expansion via acquisitions (and isolation)



Financial calendar

October 8, 2020

Annual Report 2019/20

November 25, 2020

Annual General Meeting 2020

January 14, 2021

Interim Report Q1 2020/21

April 15, 2021

Interim Report Q2 2020/21

July 8, 2021

Interim Report Q3 2020/21

October 14, 2021

Annual Report 2020/21

November 24, 2021

Annual General Meeting 2021

Contacts

Martin Riise

Head of Investor Relations

+45 53 39 22 50

DKMARI@chr-hansen.com

Annika Stern

Investor Relations Officer

+45 23 99 23 82

DKASTE@chr-hansen.com