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.

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Food Cultures & Enzymes and Health & Nutrition share a common research platform, and production method. The R&D platform is a process of screening, developing and upscaling of microbes. Production is the optimization of recipes, flows and infrastructure for the fermentation of microbes. Together: The Microbial Platform.

AT A GLANCE
We are market and technology leaders in our core business
We develop natural solutions that help to reduce sugar, ensure food safety, improve health, replace artificial ingredients and much more!

**SWEETY®** reduces added sugar in yogurt by up to 20% without losing sweetness

**GALLIPRO® Fit** triple probiotic strain to boost prevention and contribute to food safety in poultry

Substitute artificial ingredients with our e-number free labeling coloring foods range **FRUITMAX®**

**QUARTZÓ®** and **PRESENCE®** are probiotic plant health solutions that help sugar cane and other crops fight off attacks from nematodes

With **CHY-MAX® Supreme** dairies can increase cheese output by up to 1% compared to the market leading coagulant

**LGG®** has been studied in +300 clinical studies that indicate that the strain may have beneficial effects on immune and gastrointestinal functions

82% of our Group revenue contributes to the UN Global Goals (FY 2018/19)
## STRATEGY

**Our Nature’s no.1 strategy: evolution since 2013 – now Sustainably**

### Nature’s no.1

**FOCUS AREAS**

- **FOOD CULTURES & ENZYMES**
  - Leverage the full potential
  - Continue to prioritize core dairy business
  - Develop adjuncts and adjacencies
  - Drive Bioprotection lighthouse to EUR 200m by 2025

- **HEALTH & NUTRITION**
  - Develop the microbial platform
  - Drive new products for Human Health (incl. Microbiome) and Animal Health
  - Invest in Plant Health platform to unlock potential of EUR 100m by 2025

- **NATURAL COLORS**
  - Create further value
  - Expand FruitMax® range of coloring foodstuffs

### FOCUS AREAS

- **HEALTH & NUTRITION**
  - Human Health: Expansion into emerging markets and growth segments
  - Strengthen route-to-market in Ag businesses

- **NATURAL COLORS**
  - Support US conversion and secure APAC growth

### STRATEGY

- **Drive penetration of new innovation**
  - Further strengthen global market presence
  - Application support in core adjacencies

- **Reinforce position in growth markets**
  - Drive scalability in supply chain
  - Digitalize core processes

- **Generate fuel for growth**
  - Reinvest in future growth
  - Continue drive to restore profitability
Our three lighthouses address challenges within food safety, agriculture and public health

- **Plant Health**
  - Bacterial cultures for crop protection
  - Target of EUR 100m by 2025
  - Designated as lighthouse in 2013

- **Bioprotection**
  - Bacterial solutions for food safety and freshness
  - Target of EUR 200m by 2025 (under review)
  - Designated as lighthouse in 2016

- **Human Microbiome**
  - Joint venture with Lonza in live biotherapeutic products (LBP) contract manufacturing
  - EUR 150-200m market potential by 2025
  - Designated as lighthouse in 2013

Lighthouse
Potential revenue of minimum EUR 100m per year
FC&E business model to deliver above-market growth driven by innovation, upselling and development of new adjacencies

**Organic growth divisional target**
7-8%

**Fundamental market growth, pricing and market share**
~4% growth

**Upselling and innovation in core business**
2-3% growth

**Extension into new food categories and near adjacencies**
<1% growth

**Further conversion of dairies**
~1% growth

**Assumptions under review as part of the ongoing strategy process**

FY 17/18 – 21/22 (as per April 2018)
Bioprotection allows manufacturers to naturally extend shelf life of fermented and non-fermented food products.

Bioprotection has made strong progress since 2013, and will continue to create long-term revenue optionality.

**Food waste**
Shelf life extension targeting yeasts/mould

**Food safety**
Additional protection against gram-positive food pathogens (*Listeria, Clostridium*)

### Today

<table>
<thead>
<tr>
<th>Food type</th>
<th>Traditionally fermented food products</th>
<th>Non-traditionally fermented food products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fresh dairy</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Cheese</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Fermented meat</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Animal products</td>
<td></td>
<td>✔</td>
</tr>
<tr>
<td>Vegetable products</td>
<td></td>
<td>✔</td>
</tr>
</tbody>
</table>

Since 2013:

- 12/13
- 13/14
- 14/15
- 15/16
- 16/17
- 17/18
- 18/19
Good commercial pipeline in fermented plant bases

Fermented plant-based products is a rapidly growing category...

... though still a niche with certain dilemmas to be solved!

Chr. Hansen well positioned to capture business opportunity

- Chr. Hansen active in fermented plant bases since 2008
- Dedicated culture range for different plant bases such as soy, almond, coconut and oat
- Cross-selling opportunity with probiotics to serve health & wellness trend
- Premium segment allows for premium pricing
- MISTA ecosystem joined to further develop fermented plant-based solutions in cooperation with large food players and a cohort of start-ups

Source: Mintel GNPD (Dec 2018)

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of global product launches</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>99</td>
</tr>
<tr>
<td>2015</td>
<td>176</td>
</tr>
<tr>
<td>2016</td>
<td>248</td>
</tr>
<tr>
<td>2017</td>
<td>285</td>
</tr>
<tr>
<td>2018</td>
<td>317</td>
</tr>
</tbody>
</table>

+220%

INGREDIENTS: ALMOND MILK, CANE SUGAR, ORGANIC TAPIOCA STARCH; NATURAL FLAVOR; LOCUST BEAN GUM, CITRIC ACID, VANILLA BEAN, XANTHAN GUM, AGAR, LIVE ACTIVE CULTURES: S.THERMOPOHILUS, L.BULGARICUS, L.ACIDOPHILUS AND BIFIDOBACTERIA

For illustration only
**HEALTH & NUTRITION**

Potential to increase penetration of microbial solutions

Attractive market growth driven by megatrends FY 17/18 – 21/22 (as per April 2018)

<table>
<thead>
<tr>
<th>Megatrends</th>
<th>Opportunities to increase penetration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growing world population and rapid urbanization</td>
<td>5-15% Microbial penetration</td>
</tr>
<tr>
<td>Increasing scientific evidence of health benefits from “good bacteria” (and KOL/consumer awareness)</td>
<td>10-15% Microbial penetration</td>
</tr>
<tr>
<td>Resource scarcity creates productivity squeeze for customers</td>
<td>&lt;5% Microbial penetration</td>
</tr>
<tr>
<td>Need to reduce antibiotic growth promoter usage in livestock production</td>
<td></td>
</tr>
<tr>
<td>Pressure to curb chemicals usage in crop production</td>
<td></td>
</tr>
</tbody>
</table>

Source: Euromonitor and management estimates
**HEALTH & NUTRITION**

**Human Health driven by IF premiumization and multi-species high-potency DS**

**Infant formula will continue to be a growth driver**
- New regulation on infant formula registration in China (January 2018) reduced number of brands by 60%
  - Tailwind in FY 2017/18 and 2018/19 for Chr. Hansen
- Future growth to be driven by:
  - Increasing penetration in super premium segment
  - Innovation and new products

**Main markets and growth rates**

<table>
<thead>
<tr>
<th>Market</th>
<th>2012-16 CAGR</th>
<th>2017-19E CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>5%</td>
<td>6%</td>
</tr>
<tr>
<td>Europe</td>
<td>14%</td>
<td>5%</td>
</tr>
<tr>
<td>APAC</td>
<td>17%</td>
<td>12%</td>
</tr>
<tr>
<td>Americas</td>
<td>25%</td>
<td>14%</td>
</tr>
<tr>
<td>World</td>
<td>26%</td>
<td>17%</td>
</tr>
</tbody>
</table>

- Source: Euromonitor, BCG

**Dietary supplements challenged by market slowdown**
- Probiotic supplements market showed step down in growth amongst others due to category cannibalization/pill fatigue in the US (since 2016) and stricter government controls in China (since 2019)
- Future growth of the category to be driven by:
  - Continued consumer interest in health and nutrition
  - High-potency multi-species products, especially in Asia
  - Increasing public awareness and scientific progress in microbiome space
- Chr. Hansen well positioned with its industry-leading strain portfolio

**Main markets and growth rates**

<table>
<thead>
<tr>
<th>Market</th>
<th>2012-16 CAGR</th>
<th>2017-19E CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>10%</td>
<td>4%</td>
</tr>
<tr>
<td>APAC</td>
<td>12%</td>
<td>9%</td>
</tr>
<tr>
<td>Americas</td>
<td>26%</td>
<td>3%</td>
</tr>
<tr>
<td>World</td>
<td>17%</td>
<td>5%</td>
</tr>
</tbody>
</table>

- Source: Euromonitor, BCG
Creating a leader in probiotics for women’s health and strengthening our microbial platform with the acquisition of HSO Health Care

- Strengthens Human Health’s position in fast growing women’s health market
- Patented ASTARTE™ strain portfolio with strong clinical documentation very well complements Chr. Hansen’s existing UREX™ offering
- Attractive synergy potential by leveraging Chr. Hansen’s global commercial capabilities to expand customer base and geographic reach of ASTARTE™
- Potential to leverage strain portfolio to develop new products and expand women’s health offering for different live stages (menopause, fertility, etc.)
- Fully aligned with NN1 strategy and capital allocation principles
HSO Health Care has a strong position in the attractive women’s health market

**About HSO Health Care**
- Austrian B2B company specialized in probiotics for women’s health since 2007
- Award-winning patented ASTARTE™ four-strain probiotic formulation with strong clinical documentation
- Commercial presence in US and Europe
- EUR 15m revenue (2020E) and EBITDA margin >40%
- +15% CAGR organic growth since 2015; double-digit growth until 2025 expected

**Transaction highlights**
- Purchase price not disclosed
- Financed from existing cash and bank facilities
- Strong revenue and operational synergy potential & easy integration expected
- 2019/20 outlook unchanged
- Ability to pay out ordinary dividend not impacted

**Probiotics for women’s health: A fast growing niche category...**

<table>
<thead>
<tr>
<th>Current health areas</th>
<th>Future health areas (life stages)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bacterial vaginosis</td>
<td>Young adulthood</td>
</tr>
<tr>
<td>Urinary tract infection</td>
<td>Adulthood</td>
</tr>
<tr>
<td></td>
<td>Motherhood</td>
</tr>
<tr>
<td></td>
<td>Menopause</td>
</tr>
<tr>
<td></td>
<td>Post-menopause</td>
</tr>
</tbody>
</table>

**Opportunity for various UREX™/ASTARTE™ combinations**

1. Expert interviews, consumer survey.
Strengthening probiotic production flexibility with UAS Labs

- Broader offering will generate revenue synergies with current customers and provide access to new customers in high-potency, multi-strain segment.
- Expanding manufacturing footprint with two GMP facilities including downstream processing will provide increased flexibility in phasing of CAPEX projects in coming years and reduce enterprise risk.
- Strong fit to Chr. Hansen with significant potentials for production, innovation and commercial synergies, primarily within Human Health.
- Fully aligned with NN1 strategy and capital allocation principles.
HEALTH & NUTRITION

UAS offers full value chain to customers in high-end and mid-tier segments

About UAS Labs
- Biotech firm offering probiotic cultures and finished products
- Founded in 1979 as contract manufacturer
- Based in Wisconsin/US with 230 employees
- Commercial presence in +35 countries
- USD 85m revenue (2020E) and >USD 39m EBITDA
- Strong track record based on documented strains and high-potency multi-species blends

Transaction highlights
- USD 530m transaction value net of tax assets
- Financed from low-interest bridge facility
- Closing pending regulatory approval in US
- Impact on Group financials: Depending on timing of closing minor negative impact on Group EBIT margin b.s.i. in FY20; -1%-pt. in FY21 (because of D&A, EBITDA accretive) and neutral to accretive by FY25

Full value chain offering including fermentation and downstream processing

|-----------------------|------------------|----------------|------------------|-------------------|

Serving broad range of application areas with documented strain portfolio

<table>
<thead>
<tr>
<th>Digestive disorders</th>
<th>Immune stimulation</th>
<th>Infant probiotics</th>
<th>Weight management</th>
<th>High-potency multi-species blends</th>
</tr>
</thead>
<tbody>
<tr>
<td>DDS-1</td>
<td>UAS12°</td>
<td>PPLP 2/17°</td>
<td>BNR17°</td>
<td></td>
</tr>
</tbody>
</table>
Joint venture with Lonza in live biotherapeutics manufacturing established

Emerging market
- +200 ongoing preclinical to phase III trials in different indication areas of which ~100 are relevant for JV
- USD1.6bn+ investments into microbiome companies (2005-2017)
- EUR 150-200m market potential for clinical supply by 2025; > EUR 1bn for clinical and commercial supply combined by 2035

Perfect fit
- Two leading players with strong execution track record
- Best-in-class complementary capabilities and unrivalled know-how in strict anaerobes

Strong value proposition
- First pharma contract manufacturer (CDMO) with full supply chain offering for LBP
- Large scale pharma-grade manufacturing capabilities
- Faster route-to-market

Attractive risk-return profile
- Phased investment of EUR 90m to be shared equally between the partners over 3 years
- JV expected to be largely self-funding after production set-up has been established

Fully in line with strategy
- No changes to 2021/22 long-term financial ambition; Human Microbiome lighthouse no longer impacts Chr. Hansen’s guiding metrics
- Capacity to distribute excess cash to shareholders modestly reduced for the next 3 years

CEO Lukas Schüpach joined on Feb 1, 2020

First customer contracts signed

Next milestone: Completion of first phase investments to serve pre-clinical to phase II trials in FY21

---

1 LBP = Live biotherapeutic products
2 Chr. Hansen will account for the JV interest using the equity method in its consolidated financial statements
Animal Health to further strengthen route-to-market globally

**North America**
- Direct route-to-market
- Introducing our newest innovations
- >60% of revenue\(^1\)
- 16% of global meat and dairy production\(^2\)

**EMEA**
- Optimizing our business partner relationships
- Launching new products
- <20% of revenue\(^1\)
- 37% of global meat and dairy production\(^2\)

**LATAM**
- Combining direct sales and business partner network
- Launching new products in cattle and poultry
- <10% of revenue\(^1\)
- 14% of global meat and dairy production\(^2\)

**APAC**
- New business partners
- More dedicated resources on the ground
- Growing portfolio
- <10% of revenue\(^1\)
- 33% of global meat and dairy production\(^2\)

---

1 2018/19
2 FAOSTAT, tons of meat/dairy produced in 2016 (cattle, poultry, swine)
HEALTH & NUTRITION

Plant Health expanding into new crops and regions

Market opportunity in crop protection, % growth (CAGR 2018-21)

- Total crop protection: 2.5%
- Biologicals: > 10%
- Microbials: 13-17%

>EUR 50bn total global crop protection sales

Penetration in %: ≈5% for Biologicals, ≈2% for Microbials

Focus crops, m hectares (MH) harvested in 2017

- Soy: 124MH
- Corn: 197MH
- Sugar cane: 26MH

Ambitions of Plant Health

- Today: On market primarily in South America (Brazil)
- 2019/20: Expansion in North America
- 2024/25: Presence in all major geographies
- Ramping up investments in capacity, discovery, and tech support

EUR 100m target
Unlocked potential by 2025

Source: Phillips McDougall, FaoStat, Markets&Markets
Natural Colors presents an attractive growth opportunity

Strong organic growth over time despite typical raw material price volatilities

- NCD ex. carmine/annatto
- Carmine/annatto
- Fruitmax

Conversion to natural colors and coloring foods comes in waves (as per April 2018)

Source: Euromonitor and management estimates

Note: Market value measured as Food & Beverages Natural Colors including Coloring Foods, and excluding Caramel colors (approximately EUR 200m)
FINANCIAL PERFORMANCE

Great track record of financial performance

Revenue in EUR m / organic growth, %

Free cash flow before acquisitions and special items in EUR m / CAGR, %

EBIT before special items and acquisitions in EUR m / margin, %

Return on invested capital in EUR m / ROIC ex. goodwill, %

- Revenue: 859 (14/15), 949 (15/16), 1,063 (16/17), 1,097 (17/18), 1,161 (18/19)
- EBIT: 233 (14/15), 268 (15/16), 307 (16/17), 320 (17/18), 343 (18/19)
- Free cash flow: 151 (14/15), 175 (15/16), 188 (16/17), 198 (17/18), 229 (18/19)
- ROIC: 37.6% (14/15), 39.7% (15/16), 40.1% (16/17), 38.0% (17/18), 37.3% (18/19)
Three complementary businesses with strong fundamentals

**FOOD CULTURES & ENZYMES**
59% of Group

- ROIC ex. goodwill
  - 46.2% 47.1% 45.6% 44.2%
  - 40.3%

- EBIT margin
  - 31.5% 34.3% 34.5% 34.3% 34.3%

- Organic revenue growth
  - 9% 12% 9% 12% 8%
  - 14/15 15/16 16/17 17/18 18/19

**HEALTH & NUTRITION**
22% of Group

- Organic revenue growth
  - 13% 2% 14% 8% 9%
  - 14/15 15/16 16/17 17/18 18/19

- EBIT margin
  - 33.3% 28.3% 29.2% 31.0% 31.5%
  - 42.4% 30.6% 29.8% 29.0% 29.5%

**NATURAL COLORS**
19% of Group

- EBIT margin
  - 25.8% 30.3% 24.6% 24.2%

- Organic revenue growth
  - 17.4% 10.9% 12.9% 12.0% 12.7%

**FINANCIAL PERFORMANCE**
Regionally balanced portfolio

**NORTH AMERICA**
27% of Group

- 8% (14/15)
- 7% (15/16)
- 13% (16/17)
- 3% (17/18)
- 7% (18/19)

**EMEA**
44% of Group

- 9% (14/15)
- 9% (15/16)
- 7% (16/17)
- 8% (17/18)
- 4% (18/19)

**LATAM**
12% of Group

- 19% (14/15)
- 17% (15/16)
- 8% (16/17)
- 19% (17/18)
- 21% (18/19)

**APAC**
17% of Group

- 7% (14/15)
- 24% (15/16)
- 16% (16/17)
- 16% (17/18)
- 4% (18/19)
FINANCIAL PERFORMANCE

We will drive scalability and invest for future growth

**Improved efficiency will drive scalability...**

<table>
<thead>
<tr>
<th>Cost of sales in % of revenue</th>
<th>14/15</th>
<th>15/16</th>
<th>16/17</th>
<th>17/18</th>
<th>18/19</th>
</tr>
</thead>
<tbody>
<tr>
<td>48.0%</td>
<td>46.7%</td>
<td>45.6%</td>
<td>45.2%</td>
<td>44.0%</td>
<td></td>
</tr>
</tbody>
</table>

**Administrative expenses in % of revenue**

<table>
<thead>
<tr>
<th>14/15</th>
<th>15/16</th>
<th>16/17</th>
<th>17/18</th>
<th>18/19</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.1%</td>
<td>6.9%</td>
<td>6.7%</td>
<td>6.4%</td>
<td>6.1%</td>
</tr>
</tbody>
</table>

**...whilst we invest for future growth**

**Sales & marketing expenses in % of revenue**

<table>
<thead>
<tr>
<th>14/15</th>
<th>15/16</th>
<th>16/17</th>
<th>17/18</th>
<th>18/19</th>
</tr>
</thead>
<tbody>
<tr>
<td>11.8%</td>
<td>11.9%</td>
<td>12.6%</td>
<td>12.7%</td>
<td>13.7%</td>
</tr>
</tbody>
</table>

**R&D expenditure incl. capitalizations in % of revenue**

<table>
<thead>
<tr>
<th>14/15</th>
<th>15/16</th>
<th>16/17</th>
<th>17/18</th>
<th>18/19</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.4%</td>
<td>7.1%</td>
<td>7.0%</td>
<td>7.3%</td>
<td>7.3%</td>
</tr>
</tbody>
</table>
We will continue to pursue profitable growth

LONG-TERM AMBITION

Mid to high single-digit Group organic growth
Until 2024/25 (preliminary)

30+% EBIT margin b.s.i.
Until 2021/22

+10% CAGR FCF b.a.s.i
Until 2021/22
Organic growth remains number one priority for Chr. Hansen

1. **Reinvest for organic growth**
   - Capacity
   - Innovation
   - People

2. **Bolt-on Acquisitions**
   - Technology
   - Market presence

3. **Ordinary Dividend**
   - 40-60% of net income

4. **Additional cash to shareholders**
   - Extraordinary dividend
   - Share buy-back

Leverage consistent with a solid investment-grade credit profile (2019/20 YTD: 2.1x EBITDA)
Investing into capacity expansions to support future growth

**Capex projection** in EUR m and % of revenue

<table>
<thead>
<tr>
<th>Year</th>
<th>Capex (EUR m)</th>
<th>% of Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>12/13</td>
<td>70</td>
<td>8.3%</td>
</tr>
<tr>
<td>13/14</td>
<td>62</td>
<td>8.2%</td>
</tr>
<tr>
<td>14/15</td>
<td>70</td>
<td>8.2%</td>
</tr>
<tr>
<td>15/16</td>
<td>75</td>
<td>9.6%</td>
</tr>
<tr>
<td>16/17</td>
<td>104</td>
<td>10.0%</td>
</tr>
<tr>
<td>17/18</td>
<td>107</td>
<td>9.8%</td>
</tr>
<tr>
<td>18/19</td>
<td>139</td>
<td>12.0%</td>
</tr>
<tr>
<td>19/20</td>
<td></td>
<td>~9% average</td>
</tr>
<tr>
<td>20/21</td>
<td></td>
<td>~10% average</td>
</tr>
<tr>
<td>21/22</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Selection of major investment projects**

- **Freeze dried & powder packaging**
  - Expected year of completion: 20/21

- **Upgrade of R&D facility in Montpellier**
  - Expected year of completion: 19/20

- **Capacity expansion in Health & Nutrition**
  - Expected year of completion: 20/21

- **Consolidation of carmine plants in Peru**
  - Expected year of completion: 20/21

- **Innovation campus including new pilot plant** (partially financed by S&L)
  - Expected year of completion: 20/21 – 22/23

- **Additional US capacity**
  - Expected year of completion: 21/22

- **Dairy expansion**
  - Expected year of completion: Beyond 22/23

- **Natural Colors US footprint**
  - Expected year of completion: Under review
### SUSTAINABILITY

#### Our commercial and operational targets

<table>
<thead>
<tr>
<th>Target dimensions</th>
<th>Goal</th>
<th>KPI</th>
<th>Progress 18/19</th>
<th>Target 21/22(^1)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Commercial</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Better farming</td>
<td>Expand reach of natural plant solutions</td>
<td>Hectares of farmland treated (cumulative)(^2)</td>
<td>10.4m hectares</td>
<td>25m hectares</td>
</tr>
<tr>
<td>Good health</td>
<td>Launch new products with a documented health effect</td>
<td>Number of products (cumulative)</td>
<td>4 products</td>
<td>6 products</td>
</tr>
<tr>
<td>Less waste</td>
<td>Reduce global yogurt waste</td>
<td>Tons of yogurt saved (cumulative)(^3)</td>
<td>0.58m tons</td>
<td>1.2m tons</td>
</tr>
<tr>
<td><strong>Operational</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Workplace responsibility</td>
<td>Improve work safety</td>
<td>LTIF(^4)</td>
<td>1.32</td>
<td>≤1.8</td>
</tr>
<tr>
<td></td>
<td>Increase diversity of workforce</td>
<td>Women at Directors+ level</td>
<td>25%</td>
<td>30%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Non-Danes at Directors+ level</td>
<td>43%</td>
<td>55%</td>
</tr>
<tr>
<td>Climate and environment</td>
<td>Reduce environmental footprint in:</td>
<td>Efficiency in % compared to base year 13/14(^5)</td>
<td>11%</td>
<td>20%</td>
</tr>
<tr>
<td></td>
<td>Energy</td>
<td></td>
<td>7%</td>
<td>20%</td>
</tr>
<tr>
<td></td>
<td>Water</td>
<td></td>
<td>27%</td>
<td>25%</td>
</tr>
<tr>
<td></td>
<td>CO(_2)</td>
<td></td>
<td>46%</td>
<td>40%</td>
</tr>
<tr>
<td></td>
<td>Waste recycled</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leading with integrity</td>
<td>Ensure sustainable consumption and production patterns</td>
<td>Completion of e-learning in anti-corruption</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

---

1. For better farming the target is to be reached by 24/25.
2. Based on sales numbers and application rates of Plant Health solutions and silage inoculants.
3. Based on 7 days extended shelf life and sales numbers for FreshQ®.
4. Frequency of Lost Time Incidents per million working hours.
5. Efficiency relative to production units.
EXECUTIVE COMPENSATION

Closely aligned to key metrics and with 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

<table>
<thead>
<tr>
<th>Group financial targets</th>
<th>20%</th>
<th>20%</th>
<th>20%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organic growth target</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EBIT target</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Free cash flow target</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Discretionary, personal goals</th>
<th>40%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual non-financial targets e.g. diversity, sustainability</td>
<td></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Group financial targets</th>
<th>x0.5</th>
<th>x1.5</th>
<th>x1.5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retention</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organic growth target (CAGR)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accumulated EBIT target</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TSR performance relative to peers</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>In % of fixed pay</th>
<th>Target</th>
<th>Max</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEO</td>
<td>70%</td>
<td>100%</td>
</tr>
<tr>
<td>CFO/EVP</td>
<td>50%</td>
<td>71%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>In % of fixed pay</th>
<th>Target</th>
<th>Max</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEO</td>
<td>76%</td>
<td>114%</td>
</tr>
<tr>
<td>CFO/EVP</td>
<td>57%</td>
<td>86%</td>
</tr>
</tbody>
</table>

1 Base plus pension
Q3 2019/20
Results
Organic growth and EBIT margin increased in Q3; solid performance is a testimony to the resilience of our business

### Q3 2019/20

<table>
<thead>
<tr>
<th>7% organic growth</th>
<th>30.8% EBIT margin b.s.i.</th>
<th>EUR 106m FCF b.a.s.i.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3 2018/19: 8%</td>
<td>Q3 2018/19: 30.4%</td>
<td>Q3 2018/19: EUR 49m</td>
</tr>
</tbody>
</table>

### YTD 2019/20

<table>
<thead>
<tr>
<th>5% organic growth</th>
<th>28.4% EBIT margin b.s.i.</th>
<th>EUR 147m FCF b.a.s.i.</th>
</tr>
</thead>
<tbody>
<tr>
<td>YTD 2018/19: 9%</td>
<td>YTD 2018/19: 28.2%</td>
<td>YTD 2018/19: EUR 57m</td>
</tr>
<tr>
<td>Guidance FY 2019/20: 4-6%</td>
<td>Guidance FY 2019/20: Around 29.5%</td>
<td>Revised guidance FY 2019/20: Above EUR 200m</td>
</tr>
</tbody>
</table>
**FINANCIAL HIGHLIGHTS**

**Improved momentum across all three segments in Q3**

<table>
<thead>
<tr>
<th>Segment</th>
<th>YTD 19/20</th>
<th>Q3 19/20</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Food Cultures &amp; Enzymes</strong></td>
<td>+5%</td>
<td>+8%</td>
</tr>
<tr>
<td><strong>Health &amp; Nutrition</strong></td>
<td>+6%</td>
<td>+12%</td>
</tr>
<tr>
<td><strong>Natural Colors</strong></td>
<td>0%</td>
<td>+1%</td>
</tr>
</tbody>
</table>

**Organic growth**

- **YTD 19/20**: +5%
- **Q3 19/20**: +8%
- **YTD 19/20**: +6%
- **Q3 19/20**: +12%
- **YTD 19/20**: 0%
- **Q3 19/20**: +1%

**Share of Group revenue**

- **YTD 19/20**: 59%
- **Q3 19/20**: 22%
- **YTD 19/20**: 19%

**Microbial platform**

- **YTD 19/20**: +6%
- **Q3 19/20**: +9%

---

31
GLOBAL COVID-19 PANDEMIC

Chr. Hansen managed well during global lock-down in Q3; employee safety and business continuity remain number one priority

<table>
<thead>
<tr>
<th>COVID-19 impacts in Q3 2019/20</th>
<th>EMEA</th>
<th>North America</th>
<th>LATAM</th>
<th>APAC</th>
<th>Global</th>
</tr>
</thead>
<tbody>
<tr>
<td>FC&amp;E</td>
<td>↑</td>
<td>→</td>
<td>↑</td>
<td>→</td>
<td>↑</td>
</tr>
<tr>
<td>H&amp;N</td>
<td>↑</td>
<td>↑</td>
<td>↑</td>
<td>↑</td>
<td>↑</td>
</tr>
<tr>
<td>NCD</td>
<td>↓</td>
<td>↓</td>
<td>↑</td>
<td>↑</td>
<td>↓</td>
</tr>
<tr>
<td>Group</td>
<td>↑</td>
<td>→</td>
<td>↑</td>
<td>↑</td>
<td>↑</td>
</tr>
</tbody>
</table>

- Employee safety
- Supply chain
- Pantry loading & safety stock built-up
- Commercial pipeline
### REGIONAL PERFORMANCE

**Regions benefited short-term from extraordinary demand related to COVID-19**

<table>
<thead>
<tr>
<th>Region</th>
<th>YTD</th>
<th>Q3</th>
</tr>
</thead>
</table>
| EMEA   | 1% YTD 6% | Solid growth in FC&E  
Strong growth in H&N  
NCD declined because of COVID-related lower demand from food service and in tourism and ongoing MEA softness and low raw materials |
| NORTH AMERICA | 5% YTD 1% | Slight growth in FC&E; cheese business impacted by disruption in food service due to COVID-19  
Good growth in H&N  
Decline in NCD as extraordinary demand due to COVID-19 was offset by disruptions in food service |
| LATAM  | 15% YTD 20% | Very strong growth in FC&E  
H&N with good growth driven by AH and HH, whilst PH declined  
Strong growth in NCD  
EUR pricing contributed positively |
| APAC   | 5% YTD 13% | FC&E on par with last year; some disruption in Chinese yogurt production  
Very strong growth in H&N and NCD driven by COVID-19 related extraordinary demand and new wins |

**YTD**

- Good growth in FC&E
- H&N declined due to order timing in HH in the first half of the year
- NCD declined due to negative impact from low raw material prices and weak economic climate in MEA

- FC&E on par with last year driven by softness in cheese and probiotics
- Strong growth in H&N
- Good growth in NCD

- Very strong growth in FC&E supported by CHY-MAX® S launch
- H&N declined because of order timing and lower soy revenue in PH
- Strong growth in NCD driven by customer wins

- FC&E on par with last year as solid growth in fermented milk was offset by decline in probiotics in China
- H&N grew strongly driven by HH
- NCD with solid growth
FOOD CULTURES & ENZYMES

Continuing positive trend across most segments; improving pipeline in probiotics

5% ORGANIC GROWTH YTD 19/20

YTD
- Strong growth in enzymes followed by solid growth in fermented milk, cheese and meat, whilst probiotics declined
- Bioprotection grew strongly

Q3
- Very strong growth in enzymes and solid growth in fermented milk, cheese and meat, whilst probiotics declined
- Bioprotection grew approximately 10%

32.9% EBIT MARGIN YTD 19/20 (-0.1%-pt. yoy)

YTD
- Margin decreased slightly as scalability benefits and lower travel expenses were offset by increased freight costs

Q3
- Decrease driven by increased freight costs from COVID-19 and a minor adverse impact from currencies, partly offset by lower travel activity

<table>
<thead>
<tr>
<th>EUR million</th>
<th>Q3 18/19</th>
<th>Q3 19/20</th>
<th>YTD 18/19</th>
<th>YTD 19/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>176.7</td>
<td>181.2</td>
<td>503.8</td>
<td>519.8</td>
</tr>
<tr>
<td>Organic growth</td>
<td>8%</td>
<td>8%</td>
<td>9%</td>
<td>5%</td>
</tr>
<tr>
<td>Volume/mix</td>
<td>5%</td>
<td>4%</td>
<td>5%</td>
<td>4%</td>
</tr>
<tr>
<td>EBIT margin</td>
<td>35.1%</td>
<td>34.4%</td>
<td>33.0%</td>
<td>32.9%</td>
</tr>
<tr>
<td>ROIC ex. goodwill</td>
<td></td>
<td></td>
<td>41.1%</td>
<td>38.9%</td>
</tr>
</tbody>
</table>
HEALTH & NUTRITION

Very strong growth in Human Health and Animal Health

6% ORGANIC GROWTH YTD 19/20

YTD
- HH grew solidly driven by dietary supplements, whilst infant formula was on par with last year (high comparable)
- AH with strong growth driven by Cattle (BOVAMINE® Dairy Plus launch) and to a lesser extent Poultry & Swine
- PH declined due to order timing & lower than expected soy sales

Q3
- HH with very strong growth driven by both dietary supplements and infant reflecting both COVID-19 dynamics and new wins
- AH with very strong growth momentum driven by all species
- PH declined in line with expectations

29.7% EBIT MARGIN YTD 19/20 (+0.5%-pt. yoy)

YTD
- Increase driven by cost management initiatives and savings from COVID-19 related travel restrictions

Q3
- Increase driven by cost management initiatives and savings from COVID-19 related travel restrictions

EUR million

<table>
<thead>
<tr>
<th></th>
<th>Q3 18/19</th>
<th>Q3 19/20</th>
<th>YTD 18/19</th>
<th>YTD 19/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>66.5</td>
<td>74.9</td>
<td>184.6</td>
<td>195.9</td>
</tr>
<tr>
<td>Organic growth</td>
<td>11%</td>
<td>12%</td>
<td>11%</td>
<td>6%</td>
</tr>
<tr>
<td>Volume/mix</td>
<td>10%</td>
<td>13%</td>
<td>10%</td>
<td>7%</td>
</tr>
<tr>
<td>EBIT margin</td>
<td>30.8%</td>
<td>34.7%</td>
<td>29.2%</td>
<td>29.7%</td>
</tr>
<tr>
<td>ROIC ex. goodwill</td>
<td></td>
<td></td>
<td>26.7%</td>
<td>24.3%</td>
</tr>
</tbody>
</table>
**NATURAL COLORS**

**Positive volume development partly offset by low raw material prices**

0% **ORGANIC GROWTH YTD 19/20**

YTD ▶ Strong growth in FRUITMAX®, particularly in EMEA and NA, was offset by decline in traditional natural colors because of continued low raw material prices for carmine and annatto

Q3 ▶ Strong growth in FRUITMAX® offset by decline in traditional natural colors because of continued low raw material prices for carmine and annatto
▶ MEA and South Europe particularly challenged by COVID-19 impacts

12.4% **EBIT MARGIN YTD 19/20 (-0.1%-pt. yoy)**

YTD ▶ EBIT margin on par with last year, as operating efficiencies, less travel expenses and declining raw materials were offset by currency and higher freight costs
Q3 ▶ Increased freight costs and negative currency impact were only partly offset by low raw materials and less travel activity

---

**EBIT margin**

<table>
<thead>
<tr>
<th>14.4%</th>
<th>15.3%</th>
<th>10.9%</th>
<th>11.0%</th>
<th>15.5%</th>
<th>13.4%</th>
<th>12.0%</th>
<th>11.0%</th>
<th>14.3%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3 18/19</td>
<td>Q3 19/20</td>
<td>YTD 18/19</td>
<td>YTD 19/20</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Organic growth**

<table>
<thead>
<tr>
<th>6%</th>
<th>6%</th>
<th>6%</th>
<th>5%</th>
<th>3%</th>
<th>-2%</th>
<th>-1%</th>
<th>1%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3 17/18</td>
<td>Q4 17/18</td>
<td>Q1 18/19</td>
<td>Q2 18/19</td>
<td>Q3 18/19</td>
<td>Q4 18/19</td>
<td>Q1 19/20</td>
<td>Q2 19/20</td>
</tr>
</tbody>
</table>

**EUR million**

<table>
<thead>
<tr>
<th>Q3 18/19</th>
<th>Q3 19/20</th>
<th>YTD 18/19</th>
<th>YTD 19/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>58.8</td>
<td>57.7</td>
<td>166.8</td>
</tr>
<tr>
<td>Organic growth</td>
<td>3%</td>
<td>1%</td>
<td>4%</td>
</tr>
<tr>
<td>Volume/mix</td>
<td>4%</td>
<td>2%</td>
<td>5%</td>
</tr>
<tr>
<td>EBIT margin</td>
<td>15.5%</td>
<td>14.3%</td>
<td>12.5%</td>
</tr>
<tr>
<td>ROIC ex. goodwill</td>
<td></td>
<td></td>
<td>21.7%</td>
</tr>
</tbody>
</table>
CASH FLOW & INCOME STATEMENT POSITION

Strong cash flow development

- Gross margin decreased YTD as benefits from scalability in FC&E and low raw material prices in NCD were more than offset by increased freight costs
- Operating expenses as % of revenue decreased YTD driven by cost management initiatives and lower travel expense due to COVID-19 restrictions, and despite continued investments in strategic priorities
- EBIT margin reflects special items of EUR 5m related to HSO Health Care, UAS Laboratories and Bacthera JV
- Increase in operating cash flow driven by favorable change in net working capital, IFRS 16 adjustment, lower taxes paid and higher operating profit
- Capex of 9.1% of revenue reflecting phasing of investment projects and COVID-19 delays
- Investing cash flow includes acquisition of HSO and investments in Bacthera JV (EUR 6m)
- Leverage of 2.1x net debt/EBITDA

<table>
<thead>
<tr>
<th>Income statement</th>
<th>Q3 18/19</th>
<th>Q3 19/20</th>
<th>YTD 18/19</th>
<th>YTD 19/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>302.0</td>
<td>313.8</td>
<td>855.2</td>
<td>880.9</td>
</tr>
<tr>
<td>Organic growth</td>
<td>8%</td>
<td>7%</td>
<td>9%</td>
<td>5%</td>
</tr>
<tr>
<td>Volume</td>
<td>6%</td>
<td>6%</td>
<td>6%</td>
<td>4%</td>
</tr>
<tr>
<td>Price</td>
<td>2%</td>
<td>1%</td>
<td>3%</td>
<td>1%</td>
</tr>
<tr>
<td>FX</td>
<td>(1)%</td>
<td>(3)%</td>
<td>(2)%</td>
<td>(2)%</td>
</tr>
<tr>
<td>Gross margin</td>
<td>56.6%</td>
<td>54.9%</td>
<td>55.4%</td>
<td>55.0%</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>26.2%</td>
<td>24.2%</td>
<td>27.2%</td>
<td>26.7%</td>
</tr>
<tr>
<td>EBIT b.s.i. margin</td>
<td>30.4%</td>
<td>30.8%</td>
<td>28.2%</td>
<td>28.4%</td>
</tr>
<tr>
<td>EBIT margin</td>
<td>30.2%</td>
<td>29.8%</td>
<td>28.1%</td>
<td>27.8%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash flow statement, in EUR m</th>
</tr>
</thead>
<tbody>
<tr>
<td>CF from operating activities</td>
</tr>
<tr>
<td>CF used for investing activities</td>
</tr>
<tr>
<td>FCF b.a.s.i.</td>
</tr>
</tbody>
</table>

CHR HANSEN
Improving food & health
**OUTLOOK**

Guidance maintained for organic growth and EBIT b.s.i; FCF b.a.s.i upgraded

<table>
<thead>
<tr>
<th></th>
<th>YTD 2019/20</th>
<th>Outlook FY 2019/20</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Group organic revenue growth</strong></td>
<td>5%</td>
<td>4-6%</td>
</tr>
<tr>
<td>Food Cultures &amp; Enzymes</td>
<td>5%</td>
<td>Microbial platform: mid single-digit growth</td>
</tr>
<tr>
<td>Health &amp; Nutrition</td>
<td>6%</td>
<td>Flat to slight organic growth</td>
</tr>
<tr>
<td>Natural Colors</td>
<td>0%</td>
<td>Flat to slight organic growth</td>
</tr>
</tbody>
</table>

| **EBIT margin b.s.i.** | 28.4% | Around 29.5% |
| **Free cash flow b.a.s.i.** | EUR 147m | Above EUR 200m |

<table>
<thead>
<tr>
<th></th>
<th>Outlook FY 2019/20</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Outlook FY 2019/20</strong></td>
<td>as per July 2, 2020¹</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Outlook FY 2019/20</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Outlook FY 2019/20</strong></td>
<td>as per April 16, 2020</td>
</tr>
</tbody>
</table>

|                      | EUR 147m | Around EUR 190m |

¹ The outlook is based on constant currencies and stable raw material prices and assumes no further acquisitions. The outlook is also based on the current political and economic environment. Any deterioration in the political and economic climate might impact the outlook negatively. This includes, but is not limited to, the economic climate in several key emerging markets; the risk of a global economic recession; the overall situation in the Middle East, including any potential sanctions; a deepening of the US-China trade tensions; an escalation of the US-EU tariff situation; and a disruptive outcome of the EU-UK Brexit negotiations. Related to COVID-19, the guidance for the year assumes that Chr. Hansen and key customers can maintain production and transport products at current levels, and that the situation does not deteriorate or impose restrictions on the flow of goods and hence our ability to serve customers. The guidance also assumes that there are no major supply disruptions in neither the raw material supply to Chr. Hansen, nor in the raw material supply, such as milk, to our customers. Keeping the food and nutrition industries running is highly important for nations, governments and consumers, and Chr. Hansen is working closely with customers and authorities to secure business continuity.
Financial calendar

July 2, 2020
Interim Report Q3 2019/20

August 24/25, 2020
Capital Markets Day

October 8, 2020
Annual Report 2019/20

November 25, 2020
Annual General Meeting 2020

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