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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.

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We are market and technology leaders in our core businesses

Business overview

FOOD CULTURES & ENZYMES
71%
of Microbial Platform revenue
in 2019/20 (“Continuing operations”)

HEALTH & NUTRITION
29%

1 Does not contribute to organic growth (50:50 JV with Lonza).
2 As per the acquisition of Jennewein which was announced on Sep 22, 2020.
Two complementary businesses with great financial track record and a regionally balanced footprint

**FOOD CULTURES & ENZYMES**
- Organic growth: 12%, 9%, 12%, 8%, 5% (2015/16, 2016/17, 2017/18, 2018/19, 2019/20)
- EBIT margin: 34.3%, 34.5%, 34.3%, 34.3%, 34.3%
- ROIC ex. goodwill: 46.2%, 47.1%, 45.6%, 44.2%, 41.1%

**HEALTH & NUTRITION**
- EBIT margin: 28.3%, 29.2%, 31.0%, 31.5%, 32.2%
- ROIC ex. goodwill: 33.3%, 30.6%, 29.8%, 29.0%, 29.5%

**REGIONAL PERFORMANCE**
- EMEA: Organ growth 18/19: 41%, 19/20: 5%
- NA: Organ growth 18/19: 30%, 19/20: 5%
- APAC: Organ growth 18/19: 17%, 19/20: 5%
- LATAM: Organ growth 18/19: 12%, 19/20: 6%

41% of Microbial Platform revenue in 19/20

**EMEA**
- Organic growth 18/19: 41%
- Organic growth 19/20: 5%

**NA**
- Organic growth 18/19: 30%
- Organic growth 19/20: 5%

**APAC**
- Organic growth 18/19: 17%
- Organic growth 19/20: 6%

**LATAM**
- Organic growth 18/19: 12%
- Organic growth 19/20: 6%
What makes Chr. Hansen stand out
Market leader in attractive niche industries with unique technology platform

**INDUSTRY ATTRACTIVENESS**

- Defensive nature
- Strategic ingredient
- Aligned with megatrends
- Consolidated industry in FC&E
- Innovation driven

**OUR COMPETITIVE EDGE**

- Unique microbial and fermentation 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**
Underlying markets remain attractive
supported by megatrends and a global sustainability agenda

Market growth rates and key drivers

**FOOD CULTURES & ENZYMES**
Driven by increasing dairy consumption in emerging markets

<table>
<thead>
<tr>
<th>Product</th>
<th>Growth Rate FY15-19</th>
<th>Growth Rate FY20-25</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fresh dairy</td>
<td>4-5%</td>
<td>2-2.5%</td>
</tr>
<tr>
<td>Cheese</td>
<td>2-3%</td>
<td>1-2%</td>
</tr>
</tbody>
</table>

**HEALTH & NUTRITION**
Driven by increasing use of probiotics as dietary supplements, in infant formula, as animal feed ingredients and in crop protection

<table>
<thead>
<tr>
<th>Sector</th>
<th>Growth Rate FY15-19</th>
<th>Growth Rate FY20-25</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human Health</td>
<td>10%</td>
<td>5-7%</td>
</tr>
<tr>
<td>Animal Health</td>
<td>7-8%</td>
<td>7-8%</td>
</tr>
<tr>
<td>Plant Health</td>
<td>15-18%</td>
<td>15-18%</td>
</tr>
</tbody>
</table>

**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

Unique microbial & fermentation capabilities and >145 years of experience
working with microbes across the entire R&D value chain from strain discovery to upscaling and application

STRONG INTERPLAY BETWEEN R&D AND APPLICATION

<table>
<thead>
<tr>
<th>DISCOVERY</th>
<th>CULTURES DEVELOPMENT</th>
<th>ANALYTICAL SOLUTIONS</th>
<th>PROCESS DEVELOPMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fermented milk, cheese and meat applications</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fermented beverage applications</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dietary supplement and infant formula applications</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Animal feed applications</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plant applications</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Research & development expertise

THREE R&D HUBS AND GLOBAL NETWORK OF APPLICATION CENTRES

1 New application center or further expansion/investments during strategy period.
Cost leaders in production with attractive margin expansion potential thanks to increasing production scale and continuous efficiency improvements

ONE PLANT – MANY LOCATIONS
Global operations footprint

- **West Allis/New Berlin:** Animal Health, FC&E
- **Madison/Wausau:** Human Health (UAS Labs)
- **Valinhos:** Animal Health, Plant Health, Enzymes
- **Copenhagen:** Food Cultures, Human Health
- **Roskilde:** Human Health
- **Kalundborg:** HMO (to come)
- **Graasten:** Enzymes
- **Nienburg:** Animal Health, Plant Health, Enzymes
- **Pohlheim:** Meat Cultures, Animal Health
- **Bonn:** HMO
- **Arpajon:** Food Cultures
- **Hustopec:** Animal Health

GLOBAL OPERATIONS WILL CONTINUE TO DELIVER SIGNIFICANT COST SAVINGS
Cost of production in % of revenue (illustrative)

Operational efficiencies driven by process innovation and economies of scale
We will continue to drive scalability and efficiency in production and administrative functions, while investing in growth priorities.

**COST OF SALE % of revenue**

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>18/19</td>
<td>38.5%</td>
<td>19/20</td>
<td>39.8%</td>
</tr>
<tr>
<td>24/25</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Increase due to higher COVID-19 related freight costs*

**SALES & MARKETING EXPENSES % of revenue**

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>18/19</td>
<td>14.1%</td>
<td>19/20</td>
<td>13.9%</td>
</tr>
<tr>
<td>24/25</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**ADMINISTRATIVE EXPENSES % of revenue**

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>18/19</td>
<td>6.5%</td>
<td>19/20</td>
<td>5.5%</td>
</tr>
<tr>
<td>24/25</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**R&D EXPENSES INCL. CAPITALIZATIONS % of revenue**

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>18/19</td>
<td>8.1%</td>
<td>19/20</td>
<td>8.0%</td>
</tr>
<tr>
<td>24/25</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: Figures for continuing operations (Microbial Platform) only available for last two financial years.
2025 Strategy: Creating a differentiated bioscience company
with focus on microbial and fermentation technology platforms to Grow a Better World. Naturally.

Where to play

2025 Strategy

How to win

<table>
<thead>
<tr>
<th></th>
<th>CUSTOMERS</th>
<th>Further expand customer base and global reach and excel in customer centricity</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>INNOVATION</td>
<td>Accelerate new product development and commercialization</td>
</tr>
<tr>
<td>3</td>
<td>OPERATIONS</td>
<td>Realize scalability benefits and operational efficiencies</td>
</tr>
<tr>
<td>4</td>
<td>PEOPLE</td>
<td>Safeguard culture and invest in talent management</td>
</tr>
<tr>
<td>5</td>
<td>PURPOSE</td>
<td>Drive sustainability agenda to Grow a better world. Naturally.</td>
</tr>
</tbody>
</table>
REINVEST in core platforms
to defend and further strengthen market positions in dairy and meat, Human and Animal health

<table>
<thead>
<tr>
<th>FOOD CULTURES &amp; ENZYMES</th>
<th>HEALTH &amp; NUTRITION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dairy and meat</td>
<td>NEW: Pet food</td>
</tr>
<tr>
<td>Probiotics for fermented milk</td>
<td>NEW: Probiotics in food</td>
</tr>
<tr>
<td>Human Health Dietary supplements and infant formula</td>
<td></td>
</tr>
<tr>
<td>Animal Health Cattle, swine and poultry</td>
<td></td>
</tr>
</tbody>
</table>

11
FC&E growth model supports 5-7% organic growth during the strategy period

Dairy market expected to grow 2% during strategy period with fermented milk ~2-2.5% and cheese ~1-2% (CAGR 22-25) whilst current growth levels are ~0-1% (CAGR 20-21)

Conversion in fermented milk ~80% (potential: 90%) and in cheese ~55% (potential: 75%)
We will reinvest in our core dairy business
to bring new innovations to customers and increase our share of wallet through upselling

We have product solutions for both driving efficiencies and product differentiation

<table>
<thead>
<tr>
<th>Product</th>
<th>Benefit</th>
<th>Saving in % of COGS¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>YIELDMAX®</td>
<td>Yield improvement</td>
<td>1-1.5%</td>
</tr>
<tr>
<td>CHY-MAX® Supreme</td>
<td>Yield improvement</td>
<td>1-1.5%</td>
</tr>
<tr>
<td>ACIDIFIX®</td>
<td>Savings on protein</td>
<td>2-3%</td>
</tr>
<tr>
<td>YOFLEX® Premium</td>
<td>Protein savings due to better texture</td>
<td>~1%</td>
</tr>
<tr>
<td>SWEETY®</td>
<td>Sugar saving</td>
<td>~0.5%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Yogurt example</th>
<th>Regular</th>
<th>Lactose-free</th>
<th>Probiotic</th>
<th>Lactose-free clean-label probiotic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail price per liter</td>
<td>~1.5 EUR</td>
<td>~2.5 EUR</td>
<td>3 EUR</td>
<td>&gt;3 EUR</td>
</tr>
<tr>
<td>Number of Chr. Hansen products included (illustrative)</td>
<td>DVS®</td>
<td>DVS® NOLA® Fit</td>
<td>DVS® LGG®</td>
<td>DVS® NOLA® Fit LGG® FRESHQ®</td>
</tr>
</tbody>
</table>

¹ Management estimates. Examples for illustrations, may differ depending on product type and production.
In Human Health we will shape the global probiotic market through science leadership and expansion into new customer groups and segments.

**UNPARALLELED PRODUCT OFFERING ACROSS LIFE STAGES, INDICATION AREAS AND PRODUCT FORMATS**

- **Gut health**
  - BB-12
  - LA-5
  - DDS-1

- **Immune health**
  - LGG®
  - L.CASEI 431®
  - DDS-1

- **Women’s health**
  - UREX®
  - ASIARTTE

- **Infant & young children**
  - BB-12
  - LA-5
  - DDS-1
  - PPLP 24™
  - UCLA®

- **Novel indication areas**
  - Skin care
  - Sports nutrition
  - Weight management
  - Heart health
  - Spore forming
  - LGG®, L.CASEI 431®

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

- **Innovation**
  - Strain safety and characterization
  - Clinical trials and documentation
  - Mode of action and microbiome research

- **Product development**
  - Strain selection
  - Formulation and dosage forms
  - Product grade

- **Manufacturing**
  - State-of-the-art fermentation facilities
  - In-house finished goods manufacturing

- **Services**
  - Global regulatory and legal support
  - Customer insights and marketing
  - Health care professional education
We continue to expand our market presence in Animal Health 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).
LEVERAGE Microbial Platform to grow lighthouses and bring microbial solutions to food, health, farming and pharma markets

**FOOD CULTURES & ENZYMES**

- **Bioprotection**
  Reduce food spoilage and increase food safety

- **Fermented Plant Bases**
  "Fermented milk" alternatives and fermented beverages

**HEALTH & NUTRITION**

- **Plant Health**
  Microbial crop protection for more sustainable farming

- **Live Biotherapeutics**
  Contract manufacturing for live biotherapeutics (Lonza JV)

- **HMOs**
  Prebiotics for infant formula (Jennewein)

---

**Estimated addressable markets³**

<table>
<thead>
<tr>
<th>Segment</th>
<th>EUR 200m</th>
<th>EUR 1bn</th>
<th>EUR &lt;100m</th>
<th>EUR &gt;100m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bioprotection</td>
<td>2025</td>
<td>Long-term</td>
<td>2025</td>
<td>Long-term</td>
</tr>
<tr>
<td>Fermented Plant Bases</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plant Health</td>
<td>2025</td>
<td>Long-term</td>
<td>2025</td>
<td>Long-term</td>
</tr>
<tr>
<td>Live Biotherapeutics</td>
<td>2025</td>
<td>Long-term</td>
<td>2025</td>
<td>Long-term</td>
</tr>
<tr>
<td>HMOs</td>
<td>2025</td>
<td>Long-term</td>
<td>2025</td>
<td>Long-term</td>
</tr>
</tbody>
</table>

---

³ Management estimates.

LIGHTHOUSE: New business area of strategic importance with minimum revenue potential of EUR 100m per year and above Group growth rates.
We continue our journey in Bioprotection
by further expanding our range to extend shelf life and increase food safety

<table>
<thead>
<tr>
<th>APPLICATION</th>
<th>FERMENTED MILK</th>
<th>CHEESE</th>
<th>FERMENTED MEATS</th>
<th>OTHER MEATS &amp; FISH</th>
<th>DAIRY &amp; MEAT ALTERNATIVES</th>
<th>FRUITS &amp; VEGETABLES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value proposition</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Extend shelf life &amp; reduce food waste</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Clean labelling &amp; food safety</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Capabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product offering</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commercial/ market access</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opportunity</td>
<td>Penetration today</td>
<td>~10%</td>
<td>&lt;5%</td>
<td>~10%</td>
<td>&lt;1%</td>
<td></td>
</tr>
</tbody>
</table>
With our lighthouse in Fermented Plant Bases we will capture growth in the fast-growing markets for alternative protein sources and healthier beverages.

**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

**ACCELERATE**

- ‘FERMENTED MILK’ ALTERNATIVES
  Solutions for spoonable and drinkable formats

**EXPLORE**

- **FERMENTED BEVERAGES**
  Solutions for non-/low-alcohol beer & fermented tea
- ‘MEAT’ ALTERNATIVES
- ‘CHEESE’ ALTERNATIVES

**POLICY**

- Improving product quality, availability and pricing
- Government and NGO support driven by global climate agenda and increasing protein demand
Our unique fermentation expertise positions us well to develop safe, tasty, clean-label and healthy fermented plant based foods and beverages.

**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
We have a strong product pipeline in Plant Health and will be launching several new products over the coming years whilst expanding our global reach.

### TARGET CROPS

- **In-furrow applications:**
  - Sugarcane
  - Coffee
  - Fruits & vegetables

- **Seed coating:**
  - Soy
  - Corn
  - Beans
  - Cotton

### PRODUCT PIPELINE

<table>
<thead>
<tr>
<th>Product</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>QUARTZO®</td>
<td>Drive penetration in sugarcane in Brazil and expand in LATAM</td>
</tr>
<tr>
<td>ACCUDO®</td>
<td>Biostimulant recently launched in South Korea; awaiting EU registration (FY21)</td>
</tr>
<tr>
<td>First biofungicide</td>
<td>First biofungicide to be launched (FY21)</td>
</tr>
<tr>
<td>PRESENCE®</td>
<td>Drive penetration in soy in Brazil and expand in LATAM</td>
</tr>
<tr>
<td>AVODIGEN®</td>
<td>Drive adoption in North America and register for other geographies</td>
</tr>
</tbody>
</table>

Further products in development and registration
Bacthera is off to a strong start with first customer contracts signed and investments progressing as planned.

RAPIDLY EMERGING MARKET FOR LIVE BIOTHERAPEUTICS

+100 THERAPIES TARGETING MICROBIOME IN DEVELOPMENT

- Depression, Alzheimer’s, Parkinson’s
- Psoriasis, acne, atopic dermatitis
- Crohn’s disease, IBD, C. diff. infection
- Urinary infection, fertility issues
- Cancer (with immunotherapy), diabetes, obesity, allergy

FULL SUPPLY CHAIN OFFERING WITH TRULY DISTINCT CAPABILITIES

- STRAIN INTAKE
- FERMENTATION & FREEZE DRYING
- FORMULATION & DRUG DELIVERY

EUR >1bn long-term market potential
EUR 150-200m in 2025 (only clinical trial)

Organization established (+50 FTEs) and first customer contracts signed; strong pipeline
Supply chain build-out progressing well with first phase of investments to be completed by end of Q1 FY21 (EUR 90m in total FY20-22 split between CHR/Lonza)
Largely self-funding after FY22
EXTEND Microbial Platform through M&A and partnerships
to further enhance our microbial and fermentation capabilities

COMPLEMENTED WITH
BOLT-ON ACQUISITIONS

DIAL NPC LGG Hundsbichler HSO UAS Labs Jennewein

STRONG NETWORK
OF GLOBAL PARTNERS

Microbial Platform
Chr. Hansen acquires Jennewein to enter and lead the emerging, high-growth Human Milk Oligosaccharides (HMO) market

**ACQUISITION RATIONALE**

1. Enter high-growth HMO market as a global leader with strong product portfolio, customer reach and IP protection
2. Strengthen position in infant segment by adding HMOs (prebiotics) to offering and become a broader microbiome player
3. Extend Microbial Platform by adding capabilities in value-added fermentation with attractive synergy potential
4. Leverage R&D and commercial capabilities to build science and bring HMOs to larger customer base
5. Strong cultural fit & alignment on purpose

**TRANSACTION DETAILS**

- Transaction value of EUR 310m on debt-free basis
- Financed through existing debt financing partners
- Leverage to increase short-term to 3.5-4x EBITDA
- Capex investment of EUR >200m until 2025 to build brown-field factory to meet volume demands from long-term contracts
- FY20 outlook and long-term financial ambition unchanged
  - Accreditive to Group organic growth after 2020/21
  - EBIT margin potential in line with Group beyond 2024/25
- Jennewein to operate as a separate business unit under Health & Nutrition
**High growth in global HMO market**
driven by consumer demand for ‘close-to-nature’ infant formula and increasing scientific evidence

**HMOS ARE THE THIRD LARGEST COMPONENT IN HUMAN MILK**
Nutrient composition in human milk

- Proteins
- HMOs
- Fat
- Lactose
- Other HMOs

**DEMAND FOR HMOS IS EXPECTED TO INCREASE MEANINGFULLY**
Addressable market in EUR

Selected health benefits:
- Support neuronal & brain development of infants
- Reduce risk of NEC in pre-terms infants
- Improve digestive health & strengthen immune system
- Immunomodulatory effect
- Act against bacterial/viral pathogens and toxins

Growth drivers:
- Premiumization trend in infant formula to drive penetration
- Regulatory approval in NA, Europe and parts of LATAM and Asia; further countries to come
- Increasing scientific evidence around health benefits
- Combination products and new applications

1 Management estimates.
## Strengthening Microbial Platform through acquisitions

in probiotics and HMO with attractive growth and margin expansion potential

<table>
<thead>
<tr>
<th>Company</th>
<th>Description</th>
<th>Key Metrics</th>
</tr>
</thead>
<tbody>
<tr>
<td>HSO Health Care</td>
<td>Probiotics for women’s health</td>
<td>- EUR 15m in revenue and &gt;40% EBITDA margin in 2020 (&gt; EUR 6m EBITDA)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Strong double-digit organic growth expected from FY20-25</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Women’s health probiotics market expected to growth &gt;10% until FY25</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- EBIT margin to reach ~30% by FY25</td>
</tr>
<tr>
<td>UAS Labs</td>
<td>Multi-species, high dosage probiotics</td>
<td>- USD 85m revenue and USD &gt;30m in EBITDA (&gt;35% margin) in 2020</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- EBIT dilutive in FY21 (EUR ~10-15m)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- EBIT margin to reach ~30% by FY25</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- USD 530m transaction value, net of tax assets (estimated value of USD 80m)</td>
</tr>
<tr>
<td>Jennewein</td>
<td>HMO</td>
<td>- EUR 50m revenue and net EBIT loss of EUR 10-15m (EBITDA EUR ~0m) expected in FY21</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- EBIT margin dilutive throughout strategy period but beyond FY25 potential is expected to be ~30%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Market size of EUR &gt;100m today, EUR &gt;400m in FY25 and &gt; EUR 1bn long-term</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- EUR +200m capex until FY25 of which EUR &lt;100m in FY21</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- EUR 310m transaction value on debt-free basis</td>
</tr>
</tbody>
</table>
## We will execute on our 2025 Strategy across five dimensions

<table>
<thead>
<tr>
<th></th>
<th>How to win</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td><strong>CUSTOMERS</strong> 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.]</td>
</tr>
<tr>
<td>2</td>
<td><strong>INNOVATION</strong> Accelerate new product development and commercialization [... with dedicated project management and a new governance set-up, as well as through the expansion of R&amp;D partner network and digitalization.]</td>
</tr>
<tr>
<td>3</td>
<td><strong>OPERATIONS</strong> Realize scalability benefits and operational efficiencies [... through future capacity expansions, process innovations, robotics and automation.]</td>
</tr>
<tr>
<td>4</td>
<td><strong>PEOPLE</strong> Safeguard culture and invest in talent management [... with a commitment to diversity, creating a safe workplace, driving a mindset of best and attracting millennials.]</td>
</tr>
<tr>
<td>5</td>
<td><strong>PURPOSE</strong> Drive sustainability agenda to Grow a better world. Naturally. [... and committing to limit global temperature rise to 1.5 degrees.]</td>
</tr>
</tbody>
</table>
We will invest 75% of R&D in new product development to support growth across core businesses and lighthouses.
We will expand our production capacity 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

<table>
<thead>
<tr>
<th>Selection of large capex projects</th>
<th>Expected completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capacity upgrade, Roskilde</td>
<td>2021/22</td>
</tr>
<tr>
<td>Freeze dried &amp; powder packaging, Copenhagen</td>
<td>2022/23</td>
</tr>
<tr>
<td>Additional fermentation capacity upgrades, US</td>
<td>2022/23</td>
</tr>
<tr>
<td>NEW: HMO production, Kalundborg (phase I)</td>
<td>2022/23-23/24</td>
</tr>
<tr>
<td>Additional fermentation capacity upgrades, Germany</td>
<td>2024/25</td>
</tr>
<tr>
<td>Innovation campus incl. application center &amp; new pilot plant, Denmark</td>
<td>2022/23</td>
</tr>
<tr>
<td>Next large-scale dairy expansion</td>
<td>After 2024/25</td>
</tr>
</tbody>
</table>

Postponements of capex due to UAS Labs acquisition:

Expansion of Human Health facility, Roskilde
Dairy alternatives production
We will further advance our sustainability agenda by focusing on products, planet and people

<table>
<thead>
<tr>
<th>CONTRIBUTION TO GLOBAL GOALS in % of gross revenue¹</th>
<th>FARMLAND TREATED WITH NATURAL SOLUTIONS² in m ha</th>
<th>YOGURT WASTE SAVED in m tons</th>
<th>PROBIOTICS CONSUMED in million people</th>
</tr>
</thead>
<tbody>
<tr>
<td>81% 82% 79% 81% &gt;80%</td>
<td>15/16 17/18 19/20 24/25</td>
<td>15/16 17/18 19/20 24/25</td>
<td>15/16 17/18 19/20 24/25</td>
</tr>
<tr>
<td>2.2 3.5 6.7 10.4 13.6 25</td>
<td>0.1 0.2 0.4 0.6 0.8 2.0</td>
<td>163</td>
<td>200</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PRODUCTS</th>
<th>PLANET</th>
<th>PEOPLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>40% Usage of renewable energy across sites (target: 100%)</td>
<td>69% Circular management of biowaste (target: 100%)</td>
<td>43:37 ratio Female employees and women in management (target: 1:1 ratio)</td>
</tr>
<tr>
<td>81% 82% 79% 81% &gt;80%</td>
<td>15/16 17/18 19/20 24/25</td>
<td>34% Score in annual engagement survey (target: top 25%)</td>
</tr>
<tr>
<td>2.2 3.5 6.7 10.4 13.6 25</td>
<td>0.1 0.2 0.4 0.6 0.8 2.0</td>
<td>1.3 Lost Time Incident Frequency (target: &lt; 1.5)</td>
</tr>
<tr>
<td>163</td>
<td>200</td>
<td></td>
</tr>
</tbody>
</table>

1 Continuing operations.
2 Plant Health or silage inoculants.
3 Includes continuing operations and discontinued operations.

- Better Energy agreement
- SBT initiative joined
- New purpose “Grow a Better World. Naturally.” launched
Creating shareholder value
by reinvesting in organic growth complemented with acquisitions; capital allocation framework unchanged

CAPITAL ALLOCATION PRIORITIES

<table>
<thead>
<tr>
<th>1</th>
<th>Organic growth</th>
<th>Investments into capacity, innovation and people</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Bolt-on acquisitions</td>
<td>To strengthen technology platform and/or expand market access</td>
</tr>
<tr>
<td>3</td>
<td>Ordinary dividend(^1)</td>
<td>40-60% of net income</td>
</tr>
<tr>
<td>4</td>
<td>Distribution of excess cash</td>
<td>Extraordinary dividend or share buy-back</td>
</tr>
</tbody>
</table>

\(^1\) 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.

WHAT WE WILL NOT DO

- Pursue acquisitions in unrelated areas
- Expand outside microbial and fermentation platform
- Expand enzyme business outside food enzymes
- Become an integrated solutions provider
- Become a full value-chain pharma company
Executive compensation closely aligned with shareholder interests; strong incentive component

SHORT TERM: ANNUAL INCENTIVE PROGRAM FOR CEO AND CFO
- Based on group financial and non-financial targets
  - Non-financial KPIs related to customer service, quality, diversity, safety and environment
- Bonus is paid as a minimum 1/3 in Restricted Stock Units and 2/3 in cash; normally accounts for 25-30% of total remuneration package

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>KPI</th>
<th>CEO Target</th>
<th>CFO/EVP Target</th>
<th>Max</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organic growth</td>
<td>70%</td>
<td>50%</td>
<td>100%</td>
</tr>
<tr>
<td>EBIT</td>
<td>80%</td>
<td>60%</td>
<td>120%</td>
</tr>
<tr>
<td>FCF</td>
<td>50%</td>
<td>60%</td>
<td>90%</td>
</tr>
<tr>
<td>Non-financial</td>
<td>80%</td>
<td>60%</td>
<td>90%</td>
</tr>
<tr>
<td>TSR relative to peers</td>
<td>80%</td>
<td>60%</td>
<td>90%</td>
</tr>
<tr>
<td>Accumulated EBIT</td>
<td>60%</td>
<td>90%</td>
<td>90%</td>
</tr>
<tr>
<td>Organic growth CAGR</td>
<td>60%</td>
<td>90%</td>
<td>90%</td>
</tr>
<tr>
<td>Retention</td>
<td>80%</td>
<td>60%</td>
<td>90%</td>
</tr>
</tbody>
</table>

Target matching shares per investment of one share

1 Base plus pension.
Q4/FY 2019/20 Results
Eventful year with significant strategic progress despite COVID-19

Strategic highlights FY 2019/20

**REINVEST**
- Good progress on commercialization of new launches
- Strong year in Animal Health supported by new products
- Human Health with strong H2 driven by increased demand for probiotics with immunity benefits

**LEVERAGE**
- Scientific breakthrough in bioprotection on mode of action
- Plant Health expansion into soy and North America
- Bacthera organization established and first customers signed
- Fermented Plant Bases lighthouse launched

**EXTEND**
- Strengthened position in women’s health with HSO Health Care
- Expanded into multi-species blends with UAS Labs
- New lighthouse in HMOs following Jennewein acquisition

**REVIEW**
- Strategic review process of Natural Colors concluded with sale to EQT (closing expected in spring 2021)
Portfolio changes pave way for future as microbial pureplay with very attractive growth prospects and margin expansion potential

**ACQUISITIONS**

- Exclusive focus on microbial and fermentation technology platforms
- New lighthouse launched
- Accretive to Group organic growth with attractive synergy potential
- Meaningful EBIT margin expansion over the strategy period expected; EBITDA margin accretive already from day 1

**NATURAL COLORS**

- EUR 130-140m (FY21E)
- EUR ~30m (FY21E)
- ~350

**Revenue**

- EUR 130-140m (FY21E)
- EUR ~30m (FY21E)

**EBITDA**

- EUR 39m (FY20)
- ~350

**Employees**

- ~650

**Transaction value**

- EUR 970m¹
- EUR 800m

**ACQUISITIONS**

- UAS Labs
- Jennewein Biotechnologie GmbH

**NATURAL COLORS**

- EUR 219m (FY20)
- EUR 39m (FY20)
- ~650

---

¹ Before tax asset with estimated value of USD 80m from UAS Labs acquisition.
Guidance achieved despite challenging business environment
Financial highlights Q4 and FY 2019/20

<table>
<thead>
<tr>
<th></th>
<th>FY 2019/20</th>
<th>Guidance</th>
<th>4-6%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Group¹</td>
<td></td>
<td>5%</td>
</tr>
<tr>
<td>Q4 2019/20</td>
<td>Microbial</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Platform</td>
<td>FY 2019/20</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY 2019/20</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>FY 2019/20</th>
<th>EBIT Margin B.S.I.</th>
<th>Around 29.5%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group¹</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q4 2019/20</td>
<td>Microbial</td>
<td>9%</td>
<td>38.4%</td>
</tr>
<tr>
<td>Platform</td>
<td>FY 2019/20</td>
<td>Q4 2018/19: 3%</td>
<td>Q4 2018/19: 37.9%</td>
</tr>
<tr>
<td>FY 2019/20</td>
<td></td>
<td>6%</td>
<td>33.7%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>FY 2018/19: 8%</td>
<td>FY 2018/19: 33.6%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>FY 2019/20</th>
<th>Free Cash Flow B.A.S.I.</th>
<th>Above EUR 200m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group¹</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q4 2019/20</td>
<td>Microbial</td>
<td>EUR 81m</td>
<td>EUR 82m²</td>
</tr>
<tr>
<td>Platform</td>
<td>FY 2019/20</td>
<td>Q4 2018/19: EUR 82m²</td>
<td></td>
</tr>
<tr>
<td>FY 2019/20</td>
<td></td>
<td>EUR 225m</td>
<td>EUR 153m²</td>
</tr>
</tbody>
</table>

¹ Includes continuing and discontinued operations.
² Excluding inflow from sale-and-lease-back of Company’s main site in Hørsholm.
Growth in all regions despite impacts from global COVID-19 pandemic
Regional highlights Q4 and FY 2019/20

EMEA
- Q4: Good growth in FC&E despite weakness in Middle East; solid growth in H&N driven by very strong momentum in AH and solid growth in HH
- FY: Good growth in FC&E, while H&N declined due to soft Q1

3% in Q4
3% FY
Microbial Platform1

NORTH AMERICA
- Q4: Slight growth in FC&E as solid growth in cheese was offset by declines in wine and probiotics; H&N with slight growth as very strong growth in HH was largely offset by decline in AH
- FY: FC&E on par with last year as growth in fermented milk was offset by slight decline in cheese; H&N delivered strong growth

1% in Q4
4% FY
Microbial Platform1

LATIN AMERICA
- Q4: Very strong growth in FC&E and in H&N driven very strong momentum in PH in line with expectations
- FY: Very strong growth in FC&E supported by CHY-MAX® Supreme and EUR pricing; solid growth in H&N

47% in Q4
24% FY
Microbial Platform1

APAC
- Q4: FC&E declined due to COVID-19 related softness in China and India; H&N with very strong growth driven by HH
- FY: FC&E declined as solid growth in fermented milk was offset by decline in probiotics in China; H&N grew very strongly

10% in Q4
6% FY
Microbial Platform1

1 Continuing operations.
Solid commercial activity despite limited face-to-face customer access
Global COVID-19 pandemic

COVID net impacts Q4 2019/20 (Q3)

Small net negative for Chr. Hansen in Q4 due to normalization of inventory levels, slower conversion of commercial pipeline and weak economic environment

- Consumer downtrading, particularly in emerging markets
- Upselling negatively impacted by travel restrictions and customer focus on cost
- Risk of delays in customer trials and product registrations

Supply chain/delivery performance very solid, but impact from high freight costs

Employee safety remains number #1 priority
Volume growth in cheese offset by FM & probiotics; positive from EUR pricing
Food Cultures & Enzymes

SALES PERFORMANCE

- **Q4**: Strong growth in enzymes, bioprotection and meat followed by solid growth in cheese; fermented milk was on par with last year; probiotics and wine declined; volume growth impacted by weak economic environment in emerging markets (China, India, Middle East)
- **FY**: Strong growth in enzymes and bioprotection followed by solid growth in cheese and meat as well as good growth in fermented milk; probiotics declined, primarily due to lower volumes in China

MARGIN DEVELOPMENT

- **Q4**: +0.4%-pt. improvement driven by a positive one-off from a VAT dispute in Brazil and lower travel expenses that were partly offset by negative currencies
- **FY**: On par with last year as scalability benefits and production efficiencies as well as lower expenses related to COVID-19 (e.g. travel, training, less new hires etc.) were offset by higher freight costs and investments in strategic initiatives

### EUR million

<table>
<thead>
<tr>
<th></th>
<th>Q4 18/19</th>
<th>Q4 19/20</th>
<th>FY 18/19</th>
<th>FY 19/20</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>178.5</td>
<td>173.3</td>
<td>682.3</td>
<td>693.1</td>
</tr>
<tr>
<td><strong>Organic growth</strong></td>
<td>3%</td>
<td>5%</td>
<td>8%</td>
<td>5%</td>
</tr>
<tr>
<td><strong>Volume/mix</strong></td>
<td>2%</td>
<td>0%</td>
<td>4%</td>
<td>3%</td>
</tr>
<tr>
<td><strong>EBIT margin b.s.i.</strong></td>
<td>38.0%</td>
<td>38.4%</td>
<td>34.3%</td>
<td>34.3%</td>
</tr>
<tr>
<td><strong>ROIC ex. goodwill</strong></td>
<td>44.2%</td>
<td>41.1%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
SALES PERFORMANCE

- Q4: Very strong growth in HH driven by dietary supplements, while infant declined due to high comparables and destocking; good growth in AH across species driven by RoW, while NA declined; very strong growth in PH in line with expectations
- FY: HH with solid growth driven by dietary supplements while infant formula declined slightly; AH with strong growth driven by very strong growth in Cattle and solid growth in Poultry & Swine; PH declined due to order timing and lower-than-expected activity in soy in LATAM

MARGIN DEVELOPMENT

- Q4: 0.9%-pt. increase driven by single-line consolidation of UAS Labs, cost management initiatives and lower expenses due to COVID-19 partly offset by impairment loss and FX
- FY: 0.7%-pt. increase driven by single-line consolidation of UAS Labs, cost management initiatives and lower expenses due to COVID-19 partly offset by impairment loss

Strong performance in supplements and Plant Health in Q4

Health & Nutrition

<table>
<thead>
<tr>
<th>EUR million</th>
<th>Q4 18/19</th>
<th>Q4 19/20</th>
<th>FY 18/19</th>
<th>FY 19/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>70.5</td>
<td>81.0</td>
<td>255.1</td>
<td>276.9</td>
</tr>
<tr>
<td>Organic growth</td>
<td>4%</td>
<td>18%</td>
<td>9%</td>
<td>9%</td>
</tr>
<tr>
<td>Volume/mix</td>
<td>4%</td>
<td>19%</td>
<td>9%</td>
<td>10%</td>
</tr>
<tr>
<td>EBIT margin b.s.i.</td>
<td>37.4%</td>
<td>38.3%</td>
<td>31.5%</td>
<td>32.2%</td>
</tr>
<tr>
<td>ROIC ex. goodwill</td>
<td>29.5%</td>
<td>22.6%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Strong underlying profitability further supported by positive one-offs

Income Statement

-1.3%-pts.
Gross margin
FY20 vs. FY19

- Increased freight costs, unfavorable product mix and slight FX impact only partly offset by scalability

Lower
Operating expenses

- Lower expenses due to COVID-19 partly offset by investments in strategic priorities

EUR 8m
Other operating income

- Single-line consolidation of UAS Labs and favorable ruling in VAT dispute case in Brazil

33.7%
EBIT margin b.s.i.

- +0.1%-pt. for continuing operations (Microbial Platform) (Group margin incl. NCD of 29.9% (+0.3%-pt.)

EUR 14m
Special items

- Driven by acquisitions

Other

- EUR 4m loss from Bacthera in line with expectations

INCOME STATEMENT

<table>
<thead>
<tr>
<th>EUR million</th>
<th>Q4 18/19</th>
<th>Q4 19/20</th>
<th>FY 18/19</th>
<th>FY 19/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>249.0</td>
<td>254.3</td>
<td>937.4</td>
<td>970.0</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>(91.9)</td>
<td>(97.6)</td>
<td>(360.5)</td>
<td>(386.0)</td>
</tr>
<tr>
<td>R&amp;D expenses</td>
<td>(17.6)</td>
<td>(18.4)</td>
<td>(70.7)</td>
<td>(76.2)</td>
</tr>
<tr>
<td>S&amp;M expenses</td>
<td>(33.8)</td>
<td>(34.5)</td>
<td>(131.9)</td>
<td>(135.1)</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>(11.6)</td>
<td>(12.0)</td>
<td>(60.8)</td>
<td>(53.3)</td>
</tr>
<tr>
<td>Other operating income</td>
<td>0.2</td>
<td>5.9</td>
<td>1.2</td>
<td>7.5</td>
</tr>
<tr>
<td>EBIT b.s.i.</td>
<td>94.3</td>
<td>97.7</td>
<td>314.7</td>
<td>326.9</td>
</tr>
<tr>
<td>Special items</td>
<td>(0.9)</td>
<td>(8.8)</td>
<td>(2.3)</td>
<td>(13.9)</td>
</tr>
<tr>
<td>Net financial expenses</td>
<td>(4.3)</td>
<td>(4.3)</td>
<td>(16.1)</td>
<td>(13.5)</td>
</tr>
<tr>
<td>Share of loss of joint ventures</td>
<td>-</td>
<td>(0.8)</td>
<td>-</td>
<td>(3.9)</td>
</tr>
<tr>
<td>Income taxes</td>
<td>(20.3)</td>
<td>(16.2)</td>
<td>(67.1)</td>
<td>(64.0)</td>
</tr>
<tr>
<td>Profit from continuing operations</td>
<td>68.8</td>
<td>67.6</td>
<td>229.2</td>
<td>231.6</td>
</tr>
<tr>
<td>Profit from discontinued operations</td>
<td>5.8</td>
<td>(1.4)</td>
<td>21.0</td>
<td>13.4</td>
</tr>
<tr>
<td>Net profit</td>
<td>74.6</td>
<td>66.2</td>
<td>250.2</td>
<td>245.0</td>
</tr>
</tbody>
</table>
Leverage impacted by acquisitions but very resilient cash generation
Cash Flow & Balance Sheet (Group incl. discontinued operations)

**CASH FLOW STATEMENT**

<table>
<thead>
<tr>
<th>EUR million</th>
<th>FY 18/19</th>
<th>FY 19/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating cash flow</td>
<td>298.6</td>
<td>364.6</td>
</tr>
<tr>
<td>Cash flow from op. invest. act.</td>
<td>(139.4)$^1$</td>
<td>(139.7)</td>
</tr>
<tr>
<td>M&amp;A</td>
<td>9.8</td>
<td>657.2</td>
</tr>
<tr>
<td>JV</td>
<td>-</td>
<td>(10.6)</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>217.0</td>
<td>(442.9)</td>
</tr>
<tr>
<td>Financing cash flow</td>
<td>(200.5)</td>
<td>456.8</td>
</tr>
<tr>
<td>Net cash flow</td>
<td>16.5</td>
<td>13.9</td>
</tr>
<tr>
<td>FCF b.a.s.i.</td>
<td>161.5$^1$</td>
<td>244.5</td>
</tr>
</tbody>
</table>

- Increase in operating cash flow driven by positive development of WC and temporary COVID-19 related governmental liquidity support
- Operational investing cash flow ex. inflow from sale-and-lease-back of EUR 68 on par with last year as several projects were delayed due to COVID-19

**GROWTH FCF B.A.S.I. vs. absolute EBIT b.s.i.**

- FY 18/19: 343
- FY 19/20: 356

- FY 18/19: 162
- FY 19/20: 245

- **+4%**
- **+51%**

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

- Q4 18/19: 1.8
- Q4 19/20: 3.1
- Q1 20/21E: ~3.5-4
- Q4 20/21E: 2x

- Leverage above ambition to be in line with investment grade credit rating due to acquisitions
- BoD will propose no ordinary dividend to manage leverage prudently but expects to pay an extraordinary dividend after receipt of NCD proceeds at least equal to a normalised ordinary dividend for 2019/20

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1 Excludes proceeds from the sale-and-lease-back of the Company’s main site in Hørsholm of EUR 68 m.
2020/21: A year of transition ahead
with portfolio changes, FX headwinds and higher uncertainty related to COVID-19

The outlook is based on constant currencies and assumes no further acquisitions. The outlook is also based on the current political and economic environment. The depth and duration of a global recession, or other negative macroeconomic events, triggered by COVID-19 may affect demand negatively in the medium term, especially in emerging markets, and a combination of quarantine measures and recession may change consumption patterns between eating out, on-the-go and in-home. The various quarantine measures and travel restrictions already imposed around the world make it more difficult to visit customers to advance projects with new innovative solutions, a very important growth driver for Chr. Hansen, and this will slow the progress of the commercial project pipeline in the medium term. The impacts of COVID-19 are continuously being monitored and evaluated for their short- and medium-term effects. 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 emerging markets, such as China, Turkey, Brazil and Argentina; the overall situation in the Middle East, including any potential sanctions; a deterioration in global trading conditions; and a negative Brexit scenario.

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2020/21 profitability reflects recent portfolio changes as well as an expected negative impact from currencies and a return to normal spending patterns

**EBIT MARGIN B.S.I. PROFITABILITY DRIVERS**

- **Disposal of NCD** will increase EBIT margin by 3.5-4%-pts., while the negative impact from the acquisitions is estimated to be slightly more in FY21 leading to ~0-0.5%-pt. negative impact on Group level.
- **Acquisitions** estimated to add EUR ~130-140m of revenue and EUR ~30m of EBITDA; D&A of acquisitions estimated to be EUR ~30-35m in FY21.
- **UAS Labs & HSO** margins to increase gradually to reach ~30% by FY25 driven by scalability and synergies.
- **Jennewein** to reach ~30% EBIT margin beyond strategy period.

**PORTFOLIO CHANGES**

- **Current rates** suggest up to ~1%-pt. hit on EBIT margin in FY21.
- **Main exposure relates to USD and CNY**: +/- 5% change in EUR/USD will impact the revenue by EUR ~20m and EBIT by EUR ~12m and a +/- 5% change in EUR/CNY will impact the revenue by EUR ~5m and EBIT by EUR ~4m.

**CURRENCIES**

- **Normalization of cost base** following positive one-offs in FY20 (lower expenses due to COVID-19, VAT ruling, single-line consolidation UAS Labs).
- **Return to normal spending patterns** (travel etc.) in FY21 and investments in 2025 Strategy initiatives.

**UNDERLYING BUSINESS**

- Based on current FX rates.
2020/21 cash flow reflects investments into HMO
with operating cash flow estimated to be on par with last year despite higher interest and normalization of WC items

CAPEX SPENDING FOR CONTINUING OPERATIONS
in EUR million and % of revenue

FREE CASH FLOW BEFORE ACQUISITIONS, DIVESTMENTS AND SPECIAL ITEMS
In EUR million

- Operating cash flow expected to be at a similar level than in 2019/20 despite normalization of certain working capital items and higher interest costs
- Cash flow used for investing activities is expected to be around EUR 200m; capex-sales-ratio ex. HMO below FY20

1 Including non-cash adjustments.
WC = working capital.
Financial calendar

- **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

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