Chr. Hansen
Roadshow presentation
Q1 2020/21
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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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Chr. Hansen is a microbial powerhouse
with leading market positions across different end-markets in food, health and agriculture

FOOD CULTURES & ENZYMES
68% of continuing operations in Q1 2020/21

HEALTH & NUTRITION
32%

1 Does not contribute to organic growth (50-50 JV with Lonza).
What makes us stand out
Equity story at a glance

INDUSTRY ATTRACTIVENESS

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

OUR COMPETITIVE EDGE

- Unique microbial capabilities and over 145 years experience
- Cost leadership through scalability
- Close customer ties and high stickiness/switching costs
- Strong purpose and performance culture
- >80% of revenue contribute to Sustainable Development Goals

MARKET LEADER WITH HIGH ENTRY BARRIERS
We address global challenges with the Power of Good Bacteria™

Food production accounts for nearly 1/3 of global greenhouse gas emissions

1/3 of all food is wasted equal to 8% of global greenhouse gas emissions

Aging population, rise in non-communicable diseases and antibiotic resistance

70% agricultural efficiency increase is needed to feed the future population

**FOOD CULTURES & ENZYMES**

- Increase productivity in yogurt and cheese manufacturing
- Extend shelf life of foods and protect against pathogens
- Create great healthy and tasty foods
- Support gut & immune health in adults and infants
- Potentially cure diseases as ‘bugs as drugs’
- Reduce use of AGPs in livestock production
- Replace chemical pesticides in crop farming

**HEALTH & NUTRITION**

- Our Good Bacteria can:
Our underlying markets remain attractive supported by megatrends and increasing adoption of microbial solutions

**FOOD CULTURES & ENZYMES**

- **FRESH DAIRY**
  - Estimated market growth: 4-5% (FY15-19) to 2.2-5.2% (FY20-25)
  - Current penetration rates: 80% (90% potential)

- **CHEESE**
  - Estimated market growth: 2-3% (FY15-19) to 1-2% (FY20-25)
  - Current penetration rates: 55% (75% potential)

**HEALTH & NUTRITION**

- **HUMAN HEALTH**
  - Estimated market growth: 10% (FY15-19) to 5-7% (FY20-25)
  - Current penetration rates: 5-15%

- **ANIMAL HEALTH**
  - Estimated market growth: 7-8% (FY15-19) to 7-8% (FY20-25)
  - Current penetration rates: 10-15%

- **PLANT HEALTH**
  - Estimated market growth: 15-18% (FY15-19) to 15-18% (FY20-25)
  - Current penetration rates: <5%

Vast opportunities to increase microbial penetration

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2025 Strategy: Creating a differentiated bioscience company
with focus on microbial and fermentation technology platforms to grow a better world. Naturally.

Where to play

**LEVERAGE**
Microbial Platform to grow lighthouses and expand into new areas

**EXTEND**
microbial and fermentation technology platforms through M&A and partnerships

**REINVEST**
in core platforms to defend and further strengthen market position

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.
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

NEW: Probiotics in food

Probiotics for fermented milk

HEALTH & NUTRITION

Human Health
Dietary supplements and infant formula

Animal Health
Cattle, swine and poultry

NEW: Pet food

NEW: Probiotics in food
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%)

EXISTING CUSTOMERS/ MARKETS

EXISTING

NEW

Innovation and upselling in core
2-3%

Market growth, pricing and market share
2-3%

Expansion into new growth areas
~1%

Further conversion of dairies
<1%
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>Yogurt example</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®

- **Women’s health**
  - UREX®

- **Infant & young children**
  - BB-12
  - LA-5
  - DDS-1

- **Novel indication areas**
  - Skin care
  - Oral care
  - Sports nutrition
  - BNR 17
  - Health management
  - L.CASEI 431®
  - Weight management
  - Health
  - Spore forming

 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 markets

<table>
<thead>
<tr>
<th></th>
<th>EUR 200m</th>
<th>EUR 1bn</th>
<th>EUR &lt;100m</th>
<th>EUR &gt;100m</th>
<th>EUR 400m</th>
<th>EUR &gt;1bn</th>
<th>EUR 150-200m</th>
<th>EUR &gt;1bn</th>
<th>EUR &gt;400m</th>
<th>EUR &gt;1bn</th>
</tr>
</thead>
</table>

1 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>
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<tr>
<td>Capabilities</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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<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 Penetration today</td>
<td>~10%</td>
<td>&lt;5%</td>
<td>~10%</td>
<td>&lt;1%</td>
<td></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

‘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
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

<table>
<thead>
<tr>
<th>In-furrow Applications:</th>
<th>Sugarcane</th>
<th>Coffee</th>
<th>Fruits &amp; Vegetables</th>
</tr>
</thead>
</table>

| Seed Coating:          | Soy       | Corn   | Beans | Cotton |

### Product Pipeline

<table>
<thead>
<tr>
<th>Product</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Quartzo®</strong></td>
<td>Drive penetration in sugarcane in Brazil and expand in LATAM</td>
</tr>
<tr>
<td><strong>Accudo®</strong></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></td>
<td>Further products in development and registration</td>
</tr>
<tr>
<td><strong>Presence®</strong></td>
<td>Drive penetration in soy in Brazil and expand in LATAM</td>
</tr>
<tr>
<td><strong>Avodigen®</strong></td>
<td>Drive adoption in North America and register for other geographies</td>
</tr>
<tr>
<td></td>
<td>Further products in development and registration</td>
</tr>
</tbody>
</table>
Our joint venture Bacthera is a crucial enabler for the live biotherapeutics industry that is developing rapidly.

**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

EUR >1bn long-term market potential

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

**FULL SUPPLY CHAIN OFFERING WITH TRULY DISTINCT CAPABILITIES**

- STRAIN INTAKE
- FERMENTATION & FREEZE DRYING
- FORMULATION & DRUG DELIVERY
- PRE-Clinical DEVELOPMENT
- COMMERCIAL PRODUCTION

**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

STRONG NETWORK
OF GLOBAL PARTNERS
Attractive growth prospects for HMOs globally
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

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

DeMand for HMOS is expected to increase meaningfully
Addressable market in EUR\(^1\)

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.
We will further expand our customer base and global reach to drive growth, both in developed and emerging markets.

Revenue split 19/20

Organic sales growth by region (continuing operations)

**NORTH AMERICA**
30% of revenue (19/20)

- 15/16: 5%
- 16/17: 13%
- 17/18: 4%
- 18/19: 5%
- 19/20: 4%

**LATAM**
12% of revenue

- 15/16: 13%
- 16/17: 10%
- 17/18: 26%
- 18/19: 28%
- 19/20: 24%

**EMEA**
41% of revenue

- 15/16: 8%
- 16/17: 7%
- 17/18: 9%
- 18/19: 5%
- 19/20: 3%

**APAC**
17% of revenue

- 15/16: 23%
- 16/17: 18%
- 17/18: 17%
- 18/19: 5%
- 19/20: 6%

~40% of Group revenue in emerging markets
We will accelerate commercialization of new innovation dedicating 75% of our R&D budget to new product development.

<table>
<thead>
<tr>
<th>Innovation Area</th>
<th>Short-term</th>
<th>Mid- to long-term</th>
</tr>
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<tbody>
<tr>
<td><strong>FOOD CULTURES &amp; ENZYMES</strong></td>
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<tr>
<td>DAIRY &amp; MEAT</td>
<td>Maintain lead in core range e.g. next generation dairy enzymes, sugar reduction</td>
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<tr>
<td>PROBIOTICS</td>
<td></td>
<td>Probiotic solutions for new food applications (beyond traditional yogurt)</td>
</tr>
<tr>
<td>BIOPROTECTION</td>
<td>Fermented plant bases</td>
<td>3rd gen fermented milk</td>
</tr>
<tr>
<td>FERMENTED PLANT BASES</td>
<td>Yogurt alternatives</td>
<td>Non-alcoholic beer</td>
</tr>
<tr>
<td>HUMAN HEALTH</td>
<td></td>
<td>Cheese and meat alternatives</td>
</tr>
<tr>
<td>ANIMAL HEALTH</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PLANT HEALTH</td>
<td></td>
<td></td>
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<tr>
<td>HEALTH &amp; NUTRITION</td>
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</tbody>
</table>
We will realize scalability benefits and operational efficiencies across our global production footprint.

**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 *(illuminative)*

- 13/14
- 18/19
- 24/25

Operational efficiencies driven by process innovation and economies of scale.
Preserving our culture is a key priority whilst promoting talent management, diversity and ensuring a safe place to work

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
Executive compensation linked to sustainability targets and 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
  - NEW: 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

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<table>
<thead>
<tr>
<th>Organic growth</th>
<th>EBIT</th>
<th>FCF</th>
<th>Non-financial</th>
</tr>
</thead>
<tbody>
<tr>
<td>40%</td>
<td>30%</td>
<td>10%</td>
<td>20%</td>
</tr>
</tbody>
</table>

Target matching shares per investment of one share

<table>
<thead>
<tr>
<th>TSR relative to peers</th>
<th>Accumulated EBIT</th>
<th>Organic growth CAGR</th>
<th>Retention</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.5x</td>
<td>1.5x</td>
<td>1.5x</td>
<td>0.5x</td>
</tr>
</tbody>
</table>

In % of fixed pay

<table>
<thead>
<tr>
<th></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>70%</td>
</tr>
</tbody>
</table>

Target matching shares per investment of one share

<table>
<thead>
<tr>
<th></th>
<th>Target</th>
<th>Max</th>
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<tbody>
<tr>
<td>CEO</td>
<td>80%</td>
<td>120%</td>
</tr>
<tr>
<td>CFO/EVP</td>
<td>60%</td>
<td>90%</td>
</tr>
</tbody>
</table>

1 Base plus pension.
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
Financial and non-financial ambitions until 2024/25

FINANCIALS
Creating value for shareholders.

Industry-leading growth
• Mid-to high single-digit organic growth CAGR

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

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

PRODUCTS
More than 80% of revenue from sustainable products.
• 25m hectares covered with natural solutions
• 200m people consuming our probiotics
• 2m tons of yogurt waste reduced

PLANET
Limit global temperature rise to 1.5C.
• 100% Renewable energy
• 100% Circular management of biowaste
• 100% Key packaging materials recyclable

PEOPLE
A diverse, engaged and safe workforce.
• 1:1 Female employees and women in management
• Top 25 Score in engagement matters survey
• < 1.5 Lost-Time Incident Frequency
We aim for industry-leading organic growth across our two segments

**FOOD CULTURES & ENZYMES**

Organic growth: 34.3% 34.5% 34.3% 34.3% 34.3%
EBIT margin: 28.3% 29.2% 31.0% 31.5% 32.2%

**HEALTH & NUTRITION**

Organic growth: 12% 9% 12% 8% 5%
EBIT margin: 2% 14% 8% 9% 9%

**CONTINUING OPERATIONS**

EBIT margin: 32.8% 33.1% 33.5% 33.6% 33.7%
We remain committed to driving gross margin expansion while investing in sales & marketing and R&D to support future growth.

**COST OF SALE % of revenue**

<table>
<thead>
<tr>
<th>Year</th>
<th>% of Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>15/16</td>
<td>40.3%</td>
</tr>
<tr>
<td>16/17</td>
<td>39.5%</td>
</tr>
<tr>
<td>17/18</td>
<td>39.2%</td>
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<tr>
<td>18/19</td>
<td>38.5%</td>
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<tr>
<td>19/20</td>
<td>39.8%</td>
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<tr>
<td>24/25</td>
<td>39.8%</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>% of Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>15/16</td>
<td>12.1%</td>
</tr>
<tr>
<td>16/17</td>
<td>13.2%</td>
</tr>
<tr>
<td>17/18</td>
<td>13.2%</td>
</tr>
<tr>
<td>18/19</td>
<td>14.1%</td>
</tr>
<tr>
<td>19/20</td>
<td>13.9%</td>
</tr>
<tr>
<td>24/25</td>
<td>13.9%</td>
</tr>
</tbody>
</table>

**ADMINISTRATIVE EXPENSES % of revenue**

<table>
<thead>
<tr>
<th>Year</th>
<th>% of Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>15/16</td>
<td>7.6%</td>
</tr>
<tr>
<td>16/17</td>
<td>7.2%</td>
</tr>
<tr>
<td>17/18</td>
<td>6.8%</td>
</tr>
<tr>
<td>18/19</td>
<td>6.5%</td>
</tr>
<tr>
<td>19/20</td>
<td>5.5%</td>
</tr>
<tr>
<td>24/25</td>
<td>5.5%</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Year</th>
<th>% of Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>15/16</td>
<td>8.0%</td>
</tr>
<tr>
<td>16/17</td>
<td>7.8%</td>
</tr>
<tr>
<td>17/18</td>
<td>8.1%</td>
</tr>
<tr>
<td>18/19</td>
<td>8.1%</td>
</tr>
<tr>
<td>19/20</td>
<td>8.0%</td>
</tr>
<tr>
<td>24/25</td>
<td>8.0%</td>
</tr>
</tbody>
</table>

Note: Restated figures for continuing operations (Microbial Platform).
Growth in free cash flow to exceed growth in absolute EBIT supported by reduced investment needs until 2024/25

Selection of large capex projects

- Capacity upgrade, Roskilde: 2021/22
- Freeze dried & powder packaging, Copenhagen: 2022/23
- Additional fermentation capacity upgrades, US: 2022/23
- NEW: HMO production, Kalundborg (phase I): 2022/23-2024/25
- 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

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

<table>
<thead>
<tr>
<th>Year</th>
<th>% of Revenue</th>
<th>Ex. HMO</th>
</tr>
</thead>
<tbody>
<tr>
<td>18/19</td>
<td>12.6%</td>
<td>118</td>
</tr>
<tr>
<td>19/20</td>
<td>12.2%</td>
<td>119</td>
</tr>
<tr>
<td>20/21E</td>
<td>~150-175</td>
<td></td>
</tr>
<tr>
<td>24/25E</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

Profitability drivers:
CAPEX spending for continuing operations in EUR million and % of revenue
We have ambitions sustainability targets across our three dimensions Products, Planet and People.

### CONTRIBUTION TO GLOBAL GOALS
in % of gross revenue

- **PRODUCTS**
  - FARMLAND TREATED WITH NATURAL SOLUTIONS in ha
  - YOGURT WASTE SAVED in tons
    - 2015: 0.1, 2016: 0.2, 2017: 0.4, 2018: 0.6, 2019: 0.8, 2020: 2.0

- **PLANET**
  - PROBIOTICS CONSUMED in million people

- **PEOPLE**
  - Female employees and women in management (target: 1:1 ratio)
  - Score in annual engagement survey (target: top 25%)
  - Lost Time Incident Frequency (target: < 1.5)

### Key Performance Indicators

- **PRODUCTS**
  - New purpose “Grow a Better World. Naturally.” launched

- **PLANET**
  - Better Energy agreement
  - SBT initiative joined

- **PEOPLE**
  - 40% Usage of renewable energy across sites (target: 100%)
  - 69% Circular management of biowaste (target: 100%)
  - 67% Key packaging materials recyclable (target: 100%)

---

1. Continuing operations.
2. Plant Health or silage inoculants.
3. Includes continuing operations and discontinued operations.
Creating shareholder value
with very clear capital allocation priorities

CAPITAL ALLOCATION PRIORITIES

<table>
<thead>
<tr>
<th>Priority</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organic growth</td>
<td>Investments into capacity, innovation and people</td>
</tr>
<tr>
<td>Bolt-on acquisitions</td>
<td>To strengthen technology platform and/or expand market access</td>
</tr>
<tr>
<td>Ordinary dividend¹</td>
<td>40-60% of net income</td>
</tr>
<tr>
<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
Q1 2020/21 Results
Strong start to the year supported by all businesses
Financial highlights Q1 2020/21 (continuing operations)

ORGANIC GROWTH
10%
Q1 2019/20: 2%
Guidance 20/21: 5-8%

EBIT MARGIN
before special items
28.5% underlying¹
25.2% reported
Q1 2019/20: 29.0%
Guidance: 20/21: 27-28%

FREE CASH FLOW
before acquisitions &
divestments and special items
(EUR 6.9m)
Q1 2019/20: EUR 7.5m
Guidance 20/21: EUR 120-160m

¹ Underlying EBIT margin b.s.i. excludes recent acquisitions. See Q1 2020/21 company announcement, p. 20 for reconciliation.
Launching new innovations & advancing integration agenda during first quarter
Strategic highlights Q1 2020/21

REINVEST
- FC&E strengthening core dairy range with new product innovations including YoFlex® Premium, nu-trish® Premium, F-DVS® Pure Appeal and SPICEIT® MPlus
- Human Health with great momentum in women’s health and adding oral care to its product portfolio
- Animal Health expanding route-to-market and further rolling out products globally

LEVERAGE
- Expansion of Fermented Plant Bases product range with new bioprotection solution
- New Plant Health application center opened in the US to support sales activities on the ground
- Strong project pipeline at Bacthera; momentum in live biotherapeutics industry accelerating

EXTEND
- Integration of UAS Labs and HSO Health Care progressing as planned (finalization by end of FY21)
- Jennewein transaction completed in October 2020; delay in capacity built-up
- Contribution from all three acquisitions now around EUR 100m revenue and around EUR 10m EBITDA for FY21

REVIEW
- Carve-out well under way; closing in spring 2021 expected
Pick up in growth in EMEA and NA offset by weakness in APAC
Regional highlights Q1 2020/21 (continuing operations)

**EMEA** 37% of revenue
- +7% organic growth (Q1 2019/20: -3%)
  - FC&E with solid growth; improved momentum in ME & Turkey
  - H&N grew slightly driven by strong growth in AH, while HH declined because of delays in product launches and soft volumes

**NORTH AMERICA** 32% of revenue
- +9% organic growth (Q1 2019/20: +8%)
  - Solid growth in FC&E, primarily driven by cheese
  - Strong growth in H&N driven by HH, while AH was on par with last year

**LATIN AMERICA** 13% of revenue
- +40% organic growth (Q1 2019/20: +9%)
  - Very strong growth in FC&E driven by both volume and EUR pricing (approx. 2/3)
  - H&N grew very strongly across all three businesses

**APAC** 18% of revenue
- -4% organic growth (Q1 2019/20: -2%)
  - FC&E declined because of continued softness in the Chinese yogurt and probiotic market
  - H&N delivered very strong growth driven by AH while HH declined because of infant formula

Regional performance by quarter
Continuing operations Q1 2018/19 – Q1 2020/21

ORGANIC GROWTH

REVENUE SPLIT Q1 20/21
Strong growth in cheese and enzymes offset by continued weakness in yogurt
Food Cultures & Enzymes Q1 2020/21

SALES PERFORMANCE

- Very strong growth in cheese, enzymes and fermented plant bases followed by strong growth in meat as well as solid growth in bioprotection, while fermented milk was on par with last year; probiotics and wine declined
- Dairy end markets remained soft globally with fermented milk declining slightly due to reduced output in China and LATAM, whilst cheese grew >1%

MARGIN DEVELOPMENT

- EBIT margin decreased by 1.4%-pts. as production efficiencies, lower travel activity and cost management initiatives were offset by higher freight costs, unfavorable product mix, higher depreciation and FX
Strong quarter in AH driven by new wins, while momentum in HH slowed
Health & Nutrition Q1 2020/21

SALES PERFORMANCE

- Human Health (HH) with solid growth driven by very strong performance in supplements, mainly in US, while infant formula declined because of delays in product launches and softer volumes
- Animal Health (AH) with very strong growth driven by Poultry & Swine supported by new customer wins and global roll-out of GalliPro® Fit, while Cattle delivered good growth
- Plant Health (PH) with very strong growth driven by bionematicides business in LATAM
- Acquisitions contributed EUR 21m revenue

MARGIN DEVELOPMENT

- Decrease in EBIT margin related to recent acquisitions and FX; profitability of underlying business improved supported by strong volume growth (on easy baseline) and lower travel activities, partly offset by higher freight costs and FX
- Acquisitions contributed EUR 4m to EBITDA and a EUR 2m loss to EBIT

---

1 Underlying EBIT margin excludes recent acquisitions. See Q1 2020/21 company announcement, p. 20 for reconciliation.
Strong organic growth with equal contributions from volume and price
Continuing operations Q1 2020/21

### Revenue Composition

<table>
<thead>
<tr>
<th>Volume/mix</th>
<th>Price</th>
<th>FX</th>
<th>Acquisitions</th>
<th>Total (Q1 20/21)</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUR 220m</td>
<td>5%</td>
<td>5%</td>
<td>(8%)</td>
<td>EUR 244m</td>
</tr>
</tbody>
</table>

10% organic growth

### Quarterly Organic Growth

<table>
<thead>
<tr>
<th>Quarter</th>
<th>18/19</th>
<th>19/19</th>
<th>19/20</th>
<th>19/20</th>
<th>19/20</th>
<th>19/20</th>
<th>19/20</th>
<th>20/21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>11%</td>
<td>9%</td>
<td>9%</td>
<td>3%</td>
<td>2%</td>
<td>6%</td>
<td>9%</td>
<td>9%</td>
</tr>
</tbody>
</table>

- Organic growth was equally split between volume/mix and price
- FX headwind mainly related to depreciation of USD
- Acquisitions of UAS Labs, HSO Health Care and Jennewein contributed EUR 21m to Group revenue in Q1
Profitability reflects recent acquisitions & FX headwinds
Continuing operations Q1 2020/21

• Gross margin decreased by 4.4%-pts. to 55.9% due to acquisitions (>3%-pts.), FX (1%-pt.), higher freight costs and product mix that were partly compensated by production efficiencies and scalability

• Operating expenses as % of revenue decreased to 30.6% (compared to 31.2% last year) because of lower travel expenses due to COVID-19 restrictions and cost management
Cash flow reflects HMO investments; leverage to come down from elevated level
Continuing operations / Group Q1 2020/21

CASH FLOW STATEMENT (Continuing operations)

<table>
<thead>
<tr>
<th>EUR million</th>
<th>Q1 19/20</th>
<th>Q1 20/21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating cash flow</td>
<td>29.9</td>
<td>38.8</td>
</tr>
<tr>
<td>Cash flow from op. invest. act.</td>
<td>(23.2)</td>
<td>(52.1)</td>
</tr>
<tr>
<td>M&amp;A</td>
<td>-</td>
<td>(319.0)</td>
</tr>
<tr>
<td>JV</td>
<td>(5.5)</td>
<td>(5.1)</td>
</tr>
<tr>
<td>Financing cash flow</td>
<td>(6.3)</td>
<td>315.7</td>
</tr>
<tr>
<td>FCF b.a.d.s.i.(^1)</td>
<td>7.5</td>
<td>(6.9)</td>
</tr>
</tbody>
</table>

LEVERAGE RATIO in net debt/EBITDA b.s.i. (Group)

<table>
<thead>
<tr>
<th>EUR million</th>
<th>Q4 19/20</th>
<th>Q1 20/21E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating cash flow</td>
<td>3.1</td>
<td>3.8</td>
</tr>
<tr>
<td>Cash flow from op. invest. act.</td>
<td>(23.2)</td>
<td>(52.1)</td>
</tr>
<tr>
<td>M&amp;A</td>
<td>(319.0)</td>
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</tr>
<tr>
<td>JV</td>
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<td>(6.9)</td>
<td>(6.9)</td>
</tr>
</tbody>
</table>

- Increase in operating cash flow driven by lower taxes paid and higher non-cash adjustments partly offset by a negative development in working capital
- Increase in operating investing cash flow driven (capex-to-sales ratio of 22.4%) driven by the acquisition of the Kalundborg site; capex-to-sales ratio ex. HMO was 12.1% (compared to 10.5% last year)
- Leverage ratio with 3.8x above ambition to be in line with investment grade credit rating due to recent acquisitions

\(^1\) Before acquisitions, divestment and special items.
A year of transition with higher uncertainty due to COVID-19
Guidance 2020/21 (continuing operations)

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 potential 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 negative consequences of implementing Brexit.

The guidance for EBIT margin before special items and for free cash flow before acquisitions and special items assumes constant currencies from the time of this announcement and for the remainder of the financial year.

<table>
<thead>
<tr>
<th>ORGANIC GROWTH</th>
<th>EBIT MARGIN B.S.I. ²</th>
<th>FREE CASH FLOW B.A.S.I. before divestment ²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outlook 2020/21¹</td>
<td>5-8%</td>
<td>EUR 120-160m with capex of EUR ~150-175m</td>
</tr>
</tbody>
</table>

¹ 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 potential 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 negative consequences of implementing Brexit.

² The guidance for EBIT margin before special items and for free cash flow before acquisitions and special items assumes constant currencies from the time of this announcement and for the remainder of the financial year.
Profitability outlook reflects recent M&A, FX and strategic investments
Guidance 2020/21

• Decline in underlying business driven by normalization of cost base following one-offs in FY20 and return to normal spending patterns and 2025 Strategy investments
• Current FX rates suggest up to ~1%-pt. hit for FY21
• Special items of EUR 15-20m expected for FY21

1 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.
Financial calendar

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