Q3 2021/22 AIDE MEMOIRE

This memoire sets forth public information previously provided by Chr. Hansen. The information provided below may prove helpful in estimating the financial performance for Q3 2021/22. Please note that the items listed below are not exhaustive and that other factors may affect the comparisons versus last year.

FY22 guidance (Company Announcement Q2 FY22, p. 9):

- “For 2021/22, organic revenue growth is now expected to be 7-11%, compared to the original expectation of 5-8%, considering the strong organic growth in the first half of 2021/22 combined with additional pricing initiatives to address the accelerating inflationary pressure, and the current high level of macroeconomic uncertainty following the Russian invasion of Ukraine.”

- “EBIT margin b.s.i. is now expected to be 26-27%, compared to the original expectation of 27-28%. The adjusted outlook for the EBIT margin before special items is due to the accelerated inflationary environment which is only partly offset by adjustments in sales prices, and actions to protect against supply chain disruptions. The donation of profit from continued operations during the conflict in Chr. Hansen LLC, Russia will have a limited negative impact on the EBIT margin b.s.i. for 2021/22.”

- “With guidance for higher organic revenue growth and lower EBIT margin before special items outlook, the expectations for the underlying operating profit remain largely unchanged and free cash flow before acquisitions & divestments and special items is still expected to be around EUR 140-170 million. The free cash flow outlook assumes a CAPEX level in line with 2020/21.”

FX sensitivities (Company Announcement Q2 FY22, p. 9):

- “The most significant currency exposure relates to USD, which accounts for around 35% of revenue, while exposure to other currencies is more modest. A 5% decrease in the EUR/USD exchange rate would have a negative annualized impact on revenue measured in EUR of around EUR 20 million. Organic revenue growth is sensitive to exchange rate fluctuations in currencies for which Chr. Hansen applies a EUR-based pricing model. The EBIT margin is also sensitive to exchange rate fluctuations. Production in the US only partly offsets the impact on revenue from changes in the EUR/USD exchange rate. Therefore, the relative EBIT exposure is higher than the revenue exposure. A 5% decrease in the EUR/USD exchange rate would impact EBIT negatively by roughly two thirds of the revenue impact. This level of sensitivity also applies to the free cash flow.”

Q2 FY22 comments (Conference Call Transcript Q2 FY22):

- Human Health: “Growth in HH […] accelerated in Q2, supported by the rebound of the probiotic supplement market in Europe and the US, high pre-launch activity, new business wins in Women's Health, and strong momentum across all three acquisitions. However, we expect momentum to normalize during H2, […] not to go negative.”

- HMO: “Our HMO business continued to deliver on the direction that we have provided. […] It’s a market that is emerging and developing fast, but […] we expect to grow above 20% for the year and we see good tracking on our HMO business. […] We continue to sign up more customers for our HMO solutions, where we are commercializing the top five HMOs and producing those successfully.”
• **Animal Health:** “Customers are increasingly under pressure to save costs, with negatively impacted by the selling environment for animal feed products. We continue to see very good growth with our recent launches, for example, GalliPro Fit in poultry.”

• **FC&E:** “Cost savings and productivity improvement continued to drive a lot of the dialogues with customers, resulting in new opportunities for bulk conversions and yield-optimizing solutions, while growth in add-on concepts such as bioprotection was slower.”

• **FC&E China:** “The lockdowns in China are becoming quite severe. [...] Transportation is under pressure. Our team has limited ability to visit customers. We are quite positive that we were able to have a slight positive development on our business. We don’t expect any significant growth in the underlying fermented category in China, but we believe that our business will be flat-to-slightly positive for the year. It just doesn’t enable us to further accelerate the commercialization and momentum with customers, given the strong implementation of lockdowns in China.”

• **Lighthouses:** “Lighthouses delivered 12% organic growth in Q2, which was, as expected, lower than in Q1, driven by timing of orders. Growth for H1 was 22% compared to 11% for the core business.”

• **Q2 EBIT margin:** “EBIT margin b.s.i. came in at 27.7%. This is 70 basis points above last year. The improvement was driven by the strong volume development in H&N, production efficiencies, as well as positive contribution from currencies [...] of approximately half a percentage point, [...] but was partly offset by the higher input cost and general ramp-up of activities. Year to date, the EBIT margin b.s.i. reached 26.2% and was on par with last year.”

• **FY22 organic growth outlook:** “We have adjusted the outlook upwards from 5-8% previously to now 7-11%, supported by the strong performance in H1 FY22. However, the widening of the range with only six months left of the year underlines the increased uncertainty that we are facing right now.”

• **FY22 EBIT margin outlook:** “The EBIT margin b.s.i. is now expected to be between 26-27%, compared to the original expectation of 27-28% and despite the increase in organic growth. The adjustment is mainly due to the accelerated inflationary environment, which is only partly offset in this financial year by adjustment in the selling prices. The margin is also expected to be impacted by actions to protect against supply chain disruptions and to a smaller extent, the donation of profit from continued operations during the conflict in Chr. Hansen LLC, Russia. [...] We expect the net impact from this to be largely neutral on the implied absolute EBIT level range, compared to our previous guidance on organic growth and EBIT margin.”

• **Human Health outlook:** “If we look at what drives the guidance up, this is much due to the strong performance in H1 in HH. This we do expect to somewhat normalize in the rest of the year as we did see a very positive impact from early ordering ahead of new product launches by customers, especially in North America in Q2.”

• **Inflationary pressures/price increases:** “As inflationary pressures continue to intensify, a key priority during Q2 were price adjustments. With our customers, we implemented the first increases at the beginning of the calendar year. [...] But the current energy market developments are likely to have a significant unfavorable impact beyond FY22. [...] The cost inflation to our cost base is assumed to be in the round of 10%. [...] Due to the war in Ukraine, overall market volatility and inflationary pressure have further accelerated in recent weeks, and we are implementing a second round of price increases this month.”
Q3 FY21 comments (Conference Call Presentation Q3 FY21, p. 5-7):

Regions:
- EMEA (3% org growth): FC&E delivered good growth, while H&N declined on a high comparable
- NA (5% org growth): FC&E delivered solid growth; H&N declined slightly due to Human Health
- LATAM (19% org growth): FC&E and H&N grew very strongly across business units; EUR pricing accounted for approx. >1/3
- APAC (-6% org growth): FC&E declined due to continued weakness in China but less than in H1; H&N declined on a high comparable

FC&E (5% org growth):
- Very strong growth in meat and fermented plant bases and strong growth in bioprotection; cheese delivered solid growth and fermented milk and enzymes good growth, while probiotics declined slightly
- Global fermented milk volumes declined year-to-date due to reduced production and demand in China and Latin America, while cheese grew around 1% benefitting from the recovery of food service in Q3
- EBIT margin declined 1.4%-pts. as production efficiencies were more than offset by FX and a return to more normal spending patterns

H&N (0% org growth):
- Human Health declined due to COVID-19 impact and customers responding to elevated inventory levels, mainly in NA and APAC
- Animal Health delivered solid growth driven by strong momentum in Cattle and good growth in Poultry & Swine
- Plant Health grew very strongly
- Acquisitions contributed EUR 30m; HSO now included in organic growth
- Decrease in EBIT margin related to recent acquisitions, FX (1%-pts. headwind) and ramp-up activities following COVID-19 lockdowns

Sources
- Company Announcement Q2 FY22
- Conference Call Transcript Q2 FY22
- Conference Call Presentation Q3 FY21

Forward-looking statements

This document contains forward-looking statements that reflect management’s current views and expectations with respect to Chr. Hansen’s future and potential financial performance. Those forward-looking statements are based upon data and information currently available to the company and upon a variety of assumptions many of which may be beyond our control and subject to risks and uncertainties that may cause the actual results of the Company or the industry to differ materially from such forward-looking statements. The information, opinions and forward-looking statements contained in this document speak only as at the date of it and the company is under no obligation to publish any updates thereof except for what is required by applicable law or stock exchange rules and regulations.