

March 31, 2021 - announcement no. 5

Divestment of Natural Colors to EQT closed as of March 31, 2021

Chr. Hansen Holding A/S and EQT today announced the completion of the transaction announced on September 26, 2020, whereby EQT and Chr. Hansen Holding A/S entered into an agreement with the purpose of EQT to acquire the Natural Colors division from Chr. Hansen Holding A/S.

The divestment follows the 2025 Strategy of Chr. Hansen becoming a differentiated bioscience company with focus on the microbial and fermentation technology platforms. The total consideration for the transaction is EUR 800 million on a cash and debt free basis which Chr. Hansen has already received. Transfer of business activities is completed, however, the full legal transition in a few countries will be finalized during the coming months.

Financial implications

The proceeds from the divestment will be used to reduce the leverage of Chr. Hansen. Also, as announced in connection with the Annual General Meeting on November 25, 2020, Chr. Hansen intends to pay out an extraordinary dividend at least equal to a normalized ordinary dividend for 2019/20, and will initiate the standard process for paying out extraordinary dividends. More information on the timing of the extraordinary dividend can be expected in connection with the Q2 announcement on April 15, 2021.

The one-off profits from the transaction, which is the difference between the book value of the transferred assets and liabilities and the transaction value received, will be accounted for as part of the profits from discontinued operations in Q3. The impact is estimated to be around EUR 650 million after taxes and transaction costs associated with the divestment.

The divestment covers business operations with asset transfers in more than 30 countries including transfer of 5 separate corporate entities and around 600 employees. Consistent with the transaction agreement, Chr. Hansen undertakes to provide various transition services for a period of up to two years to Natural Colors/EQT to ensure continuity of Natural Color business activities. The costs associated with Chr. Hansen corporate activities in Natural Colors that are not transferred to EQT will be partly covered by the fees from the transition services agreements, and will not impact the guidance on EBIT margin b.s.i. for this year.

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About Chr. Hansen

Chr. Hansen is a global, differentiated bioscience company that develops natural ingredient solutions for the food, nutritional, pharmaceutical and agricultural industries. At Chr. Hansen we are uniquely positioned to drive positive change through microbial solutions. We have worked for over 145 years to enable sustainable agriculture, cleaner labels and healthier living for more people around the world. Our microbial and fermentation technology platforms, including our broad and relevant collection of around 40,000 microbial strains, have game-changing potential. Matching customer needs and global trends we continue to unlock the power of good bacteria to respond to global challenges such as food waste, global health and the overuse of antibiotics and pesticides. As the world's most sustainable food ingredients company, we touch the lives of more than 1 billion people every day. Driven by our legacy of innovation and curiosity to pioneer science, our purpose – To grow a better world. Naturally. – is at the heart of everything we do.