

Annual general meeting

Brødrene Hartmann A/S

27 April 2021



*Record-breaking results
in a year of challenge*

Agenda

1. Report from the board of directors on the company's activities in the past financial year
2. Presentation of the audited annual report for adoption
3. Presentation of and indicative vote on the remuneration report
4. Resolution on the discharge from liability of members of the executive board and the board of directors
5. Resolution on the distribution of profit or the payment of loss in accordance with the adopted annual report
6. Election of members to the board of directors
7. Adoption of the remuneration to the board of directors for 2021
8. Election of auditor
9. Proposal from the board of directors for an authorisation to acquire treasury shares
10. Proposal from the board of directors to authorise the chairman of the annual general meeting with full right of substitution to file the resolutions passed at the general meeting for registration with the Danish Business Authority
11. Any other business

Fully electronic general meeting – technical setup

Webcast

- Click the 'Broadcast' arrow to open livestreaming of the annual general meeting.
- Video and/or slides will be displayed after around 30 seconds (depending on your connection speed).

Questions

- Click the question icon (speech bubble icon) if you would like to ask a question.
- Type your question in the text field at the bottom of the screen (the chat box) and click on the arrow to the right to submit.
- A confirmation that your question has been received will be displayed on your screen.

Hotline in case of technical issues

- If you have technical questions concerning online participation, please call Computershare's help desk on +45 45 46 09 97.

Items 1-5: Report, annual report, remuneration report, discharge and distribution of profit

1. Report from the board of directors on the company's activities in the past financial year
2. Presentation of the audited annual report for approval
3. Presentation of and indicative vote on the remuneration report
4. Resolution on the discharge from liability of members of the executive board and the board of directors
5. Resolution on the distribution of profit or the cover of loss in accordance with the approved annual report
 - Profit for the year: DKK 274 million (2019: DKK 167 million)
 - The board of directors recommends that no dividend is paid for the financial year 2020 (2019: no dividend)

Report from the board of directors 2020

- Highlights
- Developments in 2020
- Strategy
- Guidance and ambitions

Highlights

Growth

+9%

- Strong volume growth and favourable mix
- Solid revenue growth despite negative currency effects
- Exceptional activity due to COVID-19
- Continued conversion to sustainable moulded fibre

Earnings

+73%

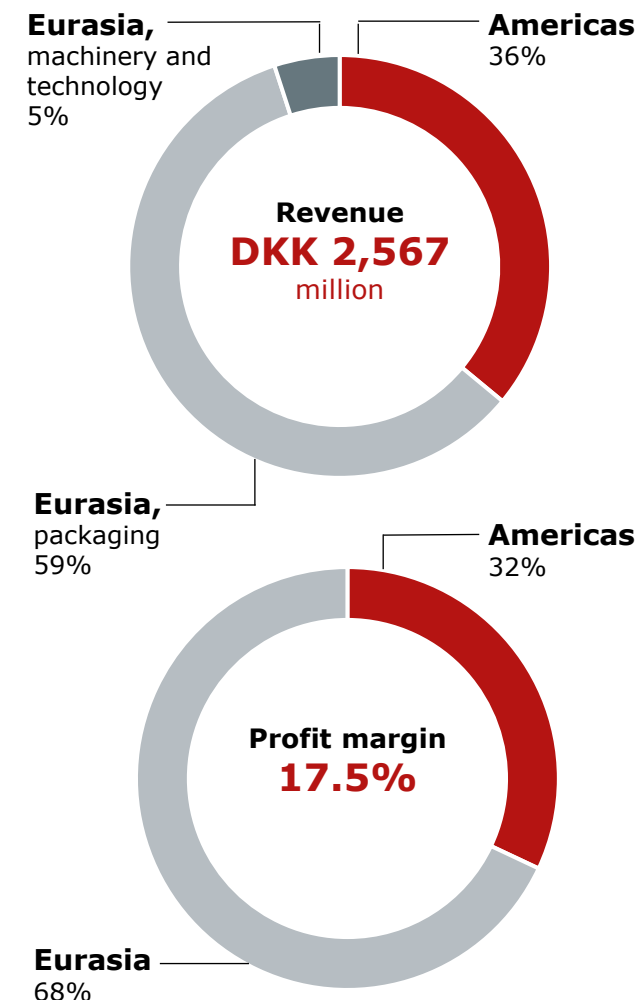
- Historically strong earnings level
- High utilisation and efficiency during low season
- Good product mix and volumes lifted earnings

Investments

DKK 437_m

- Capacity expansion in Europe and USA
- New factory in Brazil commissioned in Q4
- Acquisition of Indian Mohan Fibre in Q4
- Acquisition of Russian Gotek-Litar closed in Q1 2021

References to operating profit and profit margin are before special items and hyperinflation (IAS 29) restatement.



COVID-19 effects



Impact

- Significant and temporary shift in consumption
- Fluctuations in currencies and raw material prices
- Substitution from food service to retail sales and from open markets to supermarkets

Risk

- Lower visibility and elevated operational risk
- Economic implications and currency fluctuations
- Temporary production and distribution interruptions as well as raw material price hikes

Focus

- Protect employees, partners and customers
- Monitor developments across markets
- Ensure supplies, operations and deliveries

Segment overview

Americas

Revenue: DKK 933m (-2%)

Profit margin: 16.2% (2019: 12.5%)

Strong demand and solid volume growth

High utilisation and favourable product mix

Negative impact from currencies and raw material prices

Eurasia

Revenue: DKK 1,635m (+16%)

Profit margin: 20.1% (2019: 12.1%)

Exceptional demand and volume growth

Strong utilisation level and improved product mix

India included since November 2020



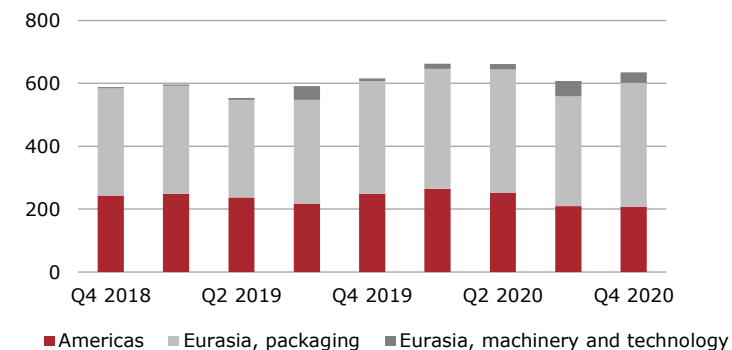
Currency movements, primarily related to the Argentine peso (ARS), reduced revenue by DKK 219 million and operating profit by 13 million in 2020.

Financials

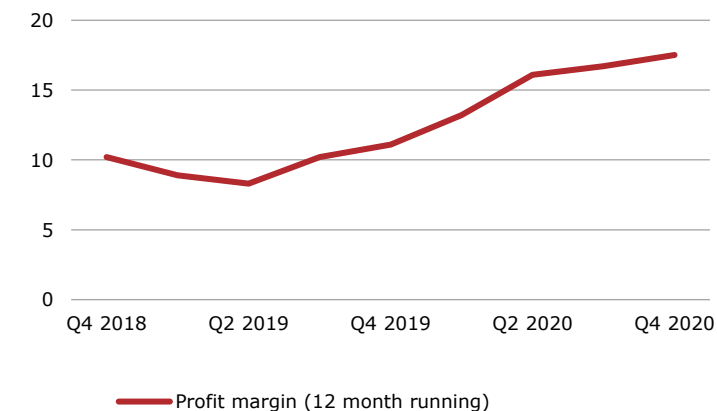
- Revenue positively impacted by COVID-19
 - Strong volume growth and higher share of retail packaging
 - Hartmann Technology sales increased to DKK 117m (2019: DKK 61m)
- Historically strong earnings and profitability
 - Volume growth and product mix
 - High utilisation level and production efficiency

DKK m	2020	2019
Revenue	2,567	2,356
Operating profit	452	262
Special items	(13)	0
Profit	274	167
Free cash flows (operating and investing)	12	100
Invested capital	1,654	1,502
Profit margin, %	17.5	11.1
ROIC, %	28.7	16.9

Revenue (DKK m)



Profit margin excl. IAS 29 (%)



Strategy – trends and strengths

Trends

Demographics



Population growth
Increasing prosperity
Urbanisation
Retail growth

Sustainability



Growing awareness
Single-use plastic ban
Well-proven alternative

Consumer behaviour



Consumption growth
Demand for more egg types
Focus on nutrition and animal welfare
Clear differentiation of eggs

Strengths

Expertise



Customer advice
Consumer research
Data-based approach

Platform



Solid market positions
+50 countries
15 factories

Products



Versatile portfolio
Renewable and tailored
FSC and CO₂ neutral

Technology



Proven since 1936
Industry-leading
Internal and external

Strategy – focus

Capacity



- Increase capacity
- Strengthen presence in existing markets
- Explore new markets

Initiatives

New capacity in Europe, the USA and Brazil

Acquired Indian Mohan Fibre

Enter Russia and add capacity in Europe and the USA in 2021

Efficiency



- Continuous cost reduction
- Automation of production
- Improved processes and methods

Initiatives

Investments in automation

Technology implementation

Higher output per employee

Reduced raw material per unit

Marketing



- Focus on expertise and products
- Highlight moulded fibre eco-friendliness

Initiatives

New product launches

Several consumer surveys

Intensified marketing efforts

Guidance and financial ambitions

Guidance 2021

Revenue

DKK 2.7-3.0bn

Profit margin*

14-17%

Investments

DKK ~550m

- Volume growth in core business from expanded capacity and acquired businesses
- Positive COVID-19 impact on volumes and product mix expected in H1 2021
- Positive effect from DKK 78m licence income from IPR settlement in Q1
- Investments include acquisition of Russian business for DKK 116m
- COVID-19 entails reduced visibility and increased operational risk

Ambitions

Continual growth in packaging sales



Year-on-year revenue growth



Profit margin* of at least

≥14%

This presentation contains forward-looking statements reflecting management's expectations of future events and financial results. The statements are subject to uncertainty and must be viewed in the context of among other things the business environments and financial markets, which may cause actual results to deviate materially from those projected by Hartmann. Reference is made to sections on COVID-19, outlook and risk management as well as note 28 in the annual report 2020.

*Before restatement for hyperinflation and special items

Remuneration report 2020 and discharge

Remuneration report for 2020

- New requirement for proposal of remuneration report for indicative vote on the general meeting (Danish Companies Act section 139b)
- The remuneration report for 2020 covers remuneration for Hartmann's board of directors and executive board in 2019-2020
- The report is available at Hartmann's website

Discharge for the executive board and the board of directors

If you wish to ask a question in LUMI

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A confirmation that your message has been received will be displayed.

Technical questions, please call:
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Debate



Items 1-5: Approval

Approval of items 1-5

1. Report from the board of directors
2. Annual report
3. Remuneration report
4. Discharge from liability of members of the executive board and the board of directors
5. Distribution of profit

Item 6: Election of members to the board of directors

The board of directors proposes that the following shareholder-elected members are re-elected:

- Jan Klarskov Henriksen
- Jan Madsen
- Marianne Schelde
- Steen Parsholt

Karen Hækkerup did not wish to be re-elected

Danny Fleischer and Palle Skade Andersen were elected by employees for four years (2018-2022)

Item 7: Adoption of remuneration for 2021

The board of directors recommends that the base remuneration to each board member be increased by DKK 25,000 compared to 2020, so that it will be DKK 250,000 in the future:

- Ordinary members receive DKK 250,000
- The vice chairman continues to receive this remuneration multiplied by 1½
- The chairman continues to receive this remuneration multiplied by 3
- Ordinary members of the audit committee continue to receive remuneration equalling ½ of the board remuneration
- The chairman of the audit committee continues to receive remuneration equalling 1½ of the board remuneration
- Members of the nomination and remuneration committee will not receive remuneration for their work related to this committee

Remuneration to the board of directors in 2019-2020 is stated in the remuneration report for 2020

Item 8: Election of auditor

The board of directors proposes that Deloitte Statsautoriseret Revisionspartnerselskab be re-elected

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Debate



Items 6-8: Approval

Approval of items 6-8

6. Election of members to the board of directors
7. Adoption of remuneration for 2021
8. Election of auditor

Item 9: Authorisation to acquire own shares

Proposal from the board of directors for an authorisation to acquire treasury shares

- The board of directors is authorised to let the company acquire treasury shares with up to a nominal value of DKK 14,030,180 in the period until the next annual general meeting at the stock price plus/minus 10 per cent as a maximum at the time of the acquisition

Item 10: Authorisation of the chairman of the meeting

Proposal from the board of directors to authorise the chairman of the annual general meeting with full right of substitution to file the resolutions passed with the Danish Business Authority and to make such alterations or additions to the resolutions passed as may be required for registration of the said resolutions with the Danish Business Authority.

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Debate



Items 9-10: Approval

Approval of items 9-10

9. Authorisation to acquire own shares

10. Authorisation of the chairman of the meeting

Item 11: Any other business

Any other business

Annual general meeting

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