

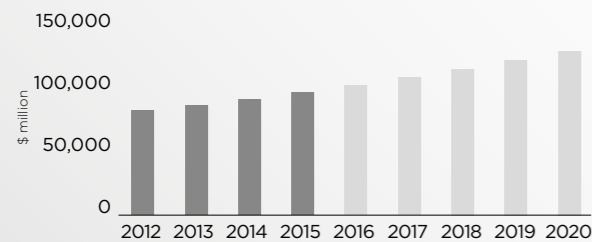
BUSINESS MODEL IN ACTION

SNACK

SNACKING IS A KEY GROWTH DRIVER FOR THE FOOD INDUSTRY. SAVOURY SNACKING IS EXPECTED TO GROW 6% IN CAGR¹ TO 2021, REACHING \$129 BILLION

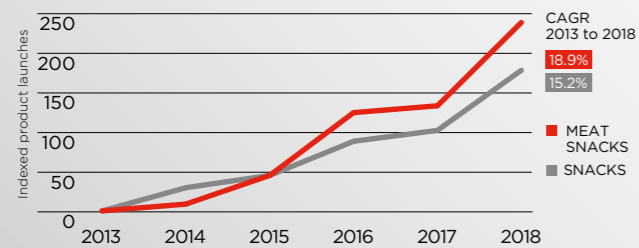
AN EXCITING AND GROWING MARKET

GLOBAL SAVOURY SNACKS MARKET VALUE AND FORECAST²



Meat snacking is currently worth \$2.9 billion² and based on its current share of the savoury snacking market, is estimated to reach \$4 billion by 2021, up 35%.

RELATIVE DEVELOPMENT OF MEAT SNACKS³ LAUNCHES VS SNACKS CATEGORY



Meat snacking product launches are outpacing snacking launches with CAGR 2013 to 2018 of 18.9% vs. snacking 15.2%.

Source:
 1 CAGR: Compound Annual Growth Rate.
 2 MarketLine Industry Profile Global Savory Snacks July 2017.
 3 Innova: CR Meat Snacks Trends Analysis 2019.

DRIVEN BY CONSUMER TRENDS
 Growth in meat sticks is driven by several factors.

- THE WAY WE CONSUME MEAT STICKS ARE:
- Compact for on the go consumption
 - A convenient replacement for a meal
 - Tasty and available in a variety of flavours, textures and meats
 - Widely available in multiple formats and outlets in more mature markets

- HEALTHY HALO - 'BETTER FOR YOU' MEAT STICKS ARE:
- High in protein, low in carbohydrates
 - Suitable for meat-based regimes
 - Available in cleaner label options
 - Available in healthier options using leaner meats or lower fat varieties

DELIVERED WITH THE UNIQUE DEVRO DIFFERENCE
 Devro is the market leader in small calibre sticks casing.

- PROVIDING A HIGH QUALITY, RELIABLE PRODUCT:
- Delivering a range that caters to the needs of markets and products globally
 - Providing different lengths, colours and finishes to maximise product differentiation
 - Producing across multiple sites to provide contingency of supply
 - Providing product traceability

- PROVIDING EXPERTISE:
- Local on-site technical support to optimise product quality and productivity
 - Supporting product development through our four global Product Application Testing Laboratories
 - Providing market leadership and insight
 - Commissioning new products and delivering training and support



“ DEVRO IS WELL POSITIONED TO MEET RAPIDLY GROWING DEMAND IN THE GLOBAL SNACKING SECTOR ”

BUSINESS MODEL IN ACTION continued

SIZZLE

HISTORICALLY, COLLAGEN CASING FOR PROCESSED SAUSAGES HAS STRUGGLED TO MEET THE CHALLENGING DEMANDS OF FRYING IN OIL AND GRILLING

SHOWCASING INNOVATION, DRIVING GROWTH



Fine-TC Ultra
For: European style sausages
Cooking: Pan frying, grilling and BBQ



Fine-JC Ultra
For: Japanese jumbo wieners
Cooking: Microwave then deep fat frying

FINE ULTRA

The new Fine Ultra product platform has been developed to deliver a better frying sausage with a tender bite, accommodating the diverse cooking and regulatory requirements around the world.

KEY BENEFITS OF ULTRA:

- Significantly improved performance during frying, including deep fat frying
- Improved performance on BBQ and grill
- Improved tenderness of bite
- A versatile casing for multiple products and applications
- High stuffing speeds

INTRODUCING AVEM™

At the end of 2019, Devro brought the Avem™ collagen gel to the market for poultry-based sausages. This product launch is meeting a growing demand for clean label, especially from consumers around the world who prefer a healthier lifestyle. It is the first poultry-based collagen gel in the world and is based on years of research and development, thus cementing our leading position as an innovator in edible casings.



BUSINESS MODEL IN ACTION continued

YIELD

THE CASE FOR COLLAGEN IS CLEAR

IMPROVING YIELD BENEFITS EVERYONE

FOR PRODUCERS

- Cost savings can be applied in:
- Higher meat quality and content
 - Better prices to the retailer
 - Marketing and brand building activities

FOR RETAILERS

- Cost savings can be invested in:
- Better value for customers
 - In-store promotions
 - Tastings and other marketing activities

WHICH FOR CONSUMERS MEANS:

- A great quality sausage at a reasonable price
- A safe and reliable product
- Investment in new product development and promotions

THE CASE FOR COLLAGEN IS CLEAR

IT DELIVERS SIGNIFICANT PRODUCTION SAVINGS

- Fully automatic sausage filling machines can be used effectively

Outputs can reach

450KG

per hour per person¹

Outputs with gut are

33%-50%

of the collagen levels per person

IT IS CONSISTENT

- The production process delivers consistency regardless of the season
- Consistently longer lengths reduces waste and times in changeovers

IT PROVIDES PRICE STABILITY

- Our customers can budget, plan and cost their products effectively while gut continues to suffer from price volatility

CONTINUOUS IMPROVEMENT WITH THE DEVRO DIFFERENCE

- PROVIDING ON-SITE EXPERTISE
- Expert staff, who understand the industry
 - Factory audits and technical support to optimise productivity
 - Problem solving on processing issues

DEVRO OFF-SITE SUPPORT

- Delivering training and development
- Supporting development through our four Product Application Testing Laboratories

DELIVERING THE RIGHT PRODUCT TO OPTIMISE PRODUCTIVITY

- A wide range of casings that cater to the needs of markets and products globally
- Providing different lengths, calibres and finishes to optimise productivity

PROVIDING A HIGH QUALITY, SECURE PRODUCT

- We offer full bovine collagen traceability back to the individual animal within our range

¹ Based on UK sausage output



DRAWING ON OUR EXPERTISE WE AIM TO BRING THE MANY BENEFITS OF COLLAGEN CASINGS TO OUR CUSTOMERS