

Ohly Sharpens its Strategic Focus

Partnership with Lallemand for Hutchinson production

Issue 1, 2019

Strategic partnership with Lallemand

On January 18th 2019 we announced the transfer of our plant in Hutchinson, Minnesota (USA) to Lallemand as part of a long term strategic partnership. This obviously is a very important milestone for Ohly, Lallemand and the affected employees. In this newsletter issue, we explain the background of this move for Ohly, take a look at our site footprint and updated portfolio after the divestiture and address the most frequently asked questions we have received from our global customer base.

Increased portfolio focus and supply security for our customers

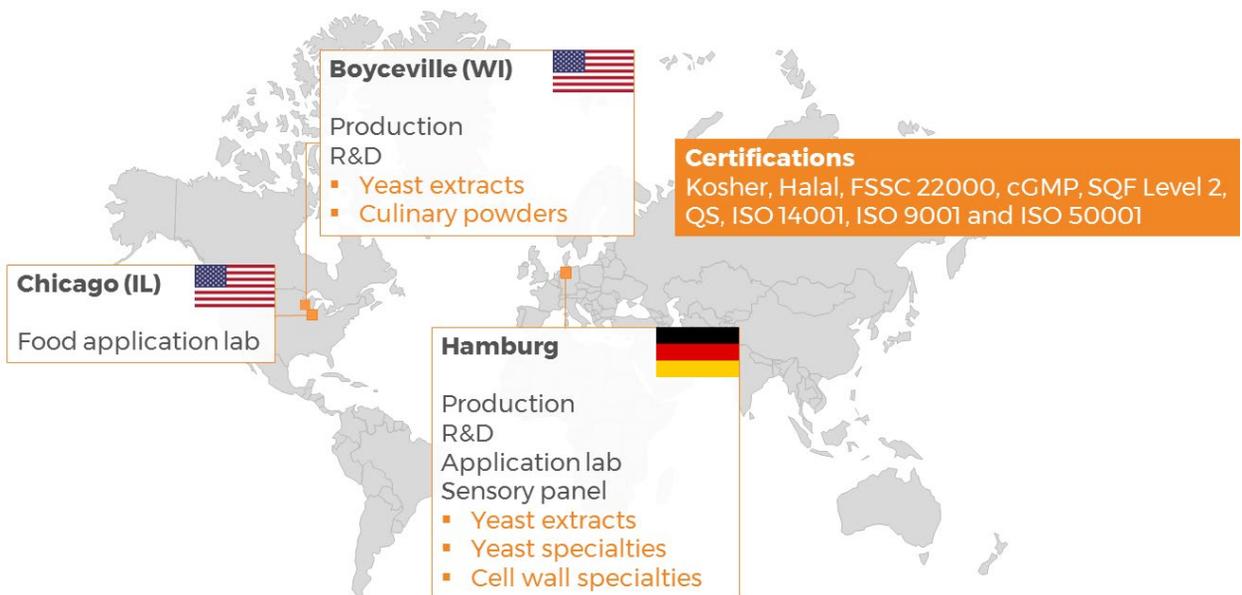
By transferring the Hutchinson site to Lallemand, we increase our focus on

our core areas - yeast extract specialties and PRODRY® culinary powders. Going forward we will continue to invest into these areas to realise their growth potential with innovative functional solutions that match consumer demand. With Lallemand taking over Hutchinson, whilst already having extensive experience in fermentation and inactive yeast, we will be able to further leverage the site's capabilities.

The divestiture to a strategic investor like Lallemand also serves two additional goals for Ohly - job security for the Hutchinson team and supply security for Ohly in the form of yeast cream, which we extract in our site in Boyceville. For this purpose, Lallemand and Ohly have engaged in a long term supply agreement alongside the site transfer. In doing so, sustainable product availability for our customers is ensured.

About Lallemand

Lallemand is a privately owned Canadian group specializing in the research, development, production, marketing and distribution of yeast and bacteria for use in the food ingredients, human nutrition, animal nutrition, baking, wine, beer, biofuels and pharmaceutical industries. Lallemand has approximately 4,000 employees located in more than 40 countries, on all continents and operates 23 yeast and 8 bacteria plants. The Lallemand group President & CEO is Antoine Chagnon.



Ohly continues to produce in two major regions

Our site footprint remains strong with our facilities in Hamburg (Germany) and Boyceville, WI (USA). In addition we have recently opened our hands on food application center in Chicago, IL (USA), which mirrors our application testing capabilities already available at our headquarters in Hamburg. Hamburg also hosts our inhouse sensory panel, with which we can test functional taste solutions for our clients.

The core of our PRODRY® culinary

powder product range lies in Boyceville, with extensive spray drying expertise available to support a breadth of formulations being converted into free flowing, easy to apply and deliciously tasting powders.

Extracts and culinary powders

Despite the handover of the Hutchinson related products (inactive and autolyzed yeasts, Bakon), Ohly retains an extensive functional and flavor offer from its

two sites in Boyceville, WI (USA) and Hamburg (Germany). We offer this to our four key markets:

Outlook

For Ohly, the divestiture of the Hutchinson site is a key step to free resources and sharpen the view on the aforementioned areas. There we strive to strengthen our expertise and add new functional solutions to our offering that help our customers create delicious and healthy recipes for the consumer.

Savory & Sweet



Function and taste

Feed health



Health & growth promotion

Fermentation



Specialized nutrients

Health & Nutrition



Healthy ingredients

Bakers YE	OHLY® / SAV-R®	Ohly-GO®	X-SEED®	AUXOFERM®
Torula YE specialites	PROVESTA®			
Yeast specialites				
Culinary powders	PRODRY®			

*YE= yeast extract

Frequently asked questions

Will Lallemand continue to supply existing products from Hutchinson?

Yes, Lallemand continues to operate Hutchinson and continues to supply the client base.

What's going to happen with the PROVESTA® brand? Will Ohly continue to sell under it?

As Ohly continues to market a significant number of products from Boyceville under the PROVESTA® brand, the rights to it remain with Ohly. Lallemand has been granted a license to use the brand for existing products sold from Hutchinson to ensure continuity for existing clients.

Which PROVESTA® products remain with Ohly?

A significant number of products sold under the PROVESTA® brand is produced / partly produced in Boyceville. Thus they remain with Ohly. This includes

- PROVESTA® 512, 518, 519
- PROVESTA® 201, 205, 208
- PROVESTA® 302, 341, 344, 345, 347, 356
- PROVESTA® 113, 116