

Investor Seminar
October 22, 2018

Bringing disruption and shareholder value through venture investment



MANIFESTO
VENTURES



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A food revolution is underway...

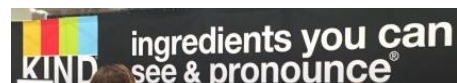
As a response to deep consumer aspirations...



Health



Authenticity



Sustainability



Immediacy



...and a result of changes brought by technology



New delivery models



New retailer models



New digital engagement models



New approach to research and agriculture



Danone Ventures was started in 2016

With a mission to partner with entrepreneurs



**MANIFESTO
VENTURES**

**Our Mission : Bring the Danone Manifesto to life
by partnering with a tribe of disruptive entrepreneurs**



Investing



in Innovative companies that invent
new products, brands and models



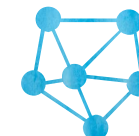
Supporting



them to their next stage
of development



Cross-Fertilizing



Danone with an entrepreneurial
mindset and innovative ideas



Our investment territories are diverse And aligned with Danone's broader agenda

The Upstream Ecosystem



Zero Waste

Next Gen Protein

Urban Farming

Alternative / Sustainable / Local
sourcing

Emerging Brands & Products



Organic, clean label & beyond

Plant-Based & Superfood

Fermented & Probiotics

Natural Energy

Healthy Aging,
Food for Beauty, Sleep

Healthy Babies & Kids

Ultra Freshness

New Consumer & Shopper Models



New Vending technology

D2C Models

Place of wellness

@ Home

Personalization & Smart Health

Digital engagement,
Big Data & AI

We have invested nearly 100 m\$
In disruptive companies and partners

venture investments



growth stage investments



fund of funds

accel
foods.



Total Investment Ambition
By 2020

200 m\$

In 2 years, we have formed a diverse portfolio of investments in disruptive companies in the US and in Europe

direct investments



Leading French F&B revolution with unconventional premium indulgence



Increasing fresh food accessibility via vending/ connected fridge innovation



Redefining model for healthy, organic frozen baby food prep in France



Drive growth & pioneer sustainability in new deep ocean water category



Leading 'Harmless', Fair for Life business model development offering plant-based beverages



Innovative oat offering for plant-based foods



Direct-to-consumer kids meal kits



Purified & Personalized Home water system



partnerships

H2 2016

H1 2017

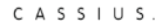
H2 2017

H1 2018

H2 2018



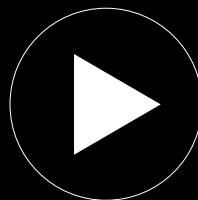
Partner to expand network and expertise in early stage, US packaged F&B ecosystem



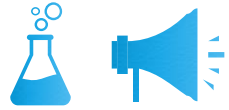
Access tech / digital expertise and identify next gen partners for F&B brands



“Meet our Entrepreneurs” (Video)



Accelerate growth and create value Through collaboration projects in various areas



innovation & marketing



go to market/international



sales & distribution



accel
foods.



people & organization



finance & regulatory

**FARMER'S
FRIDGE** **HARMLESS
HARVEST®**



operations / supply chain



Accelerate growth and create value

By leveraging the Danone global expertise



New Product Launch



HARMLESS HARVEST

New Product launch & Co-Manufacturing

FARMER'S FRIDGE

Quality & Food Safety

blédina
DU CÔTÉ DES MAMANS

Yooji



Brand Refresh

Reinforce retail presence

Expand factory

Digital

CASSIUS.

RESEARCH & INNOVATION

Ongoing Deal Flow / Diligence Sharing



mitte
Go-to-Market & Commercialization Strategy

KONA DEEP

Sustainability Road mapping

euw



G&I & Alimentation teams

Nutrition, New Models, New Retail

CASSIUS.



Accelerate growth and create value

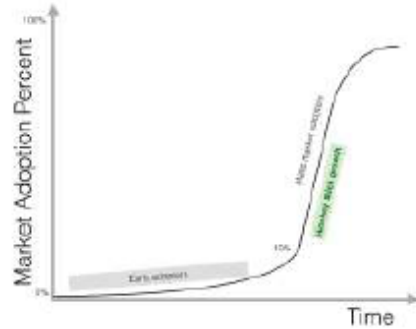
Manifesto Ventures team as an interface between Danone and our Portfolio



Accelerate Danone's transformation

Learning from the Start Up agile model

Agile & resilient innovation model



YUMBLE



Partnering
with retailers

Stunt, digital,
targeted
marketing



Disrupting with
products &
packs



Capex "light,"
flexible model



Our Ambition 2020

Deliver value for Danone's shareholders and entrepreneurs



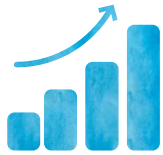
**Strong network
and portfolio**

Portfolio of 20-25 start-ups across stages, categories...

—
...**centered in US**, but leveraging **presence in Europe** and partners **in Asia**...

—
...with **sizable and fast-growing revenues**...

—
...and nourish 3-4 concepts that can become the **next Danone success stories**



**Significant impact
on start-ups growth**

Clear entrepreneur support model fueling growth, generating positive word of mouth and referrals from founders

—
Founders satisfied with DV investment due to value creation



**Successful cross-
fertilization & integration**

Effective cross-fertilization efforts resulting in **Danone learning about disruptive brands and business models**

—
Danone Ventures **reaching and inspiring a high share of employees** through communications, events, job rotations, BU partnerships and community building

—
Position Danone as an open and collaborative leader in the alimentation revolution

Our measures of success

Combine financial, innovation and impact metrics

Return



Cash return at par with
leading consumer goods
VCs and PEs

Growth



Growth Stage: robust double
digit growth

Venture Stage: fast growth

Innovation



3-4 investments
to become Danone
success stories

Impact



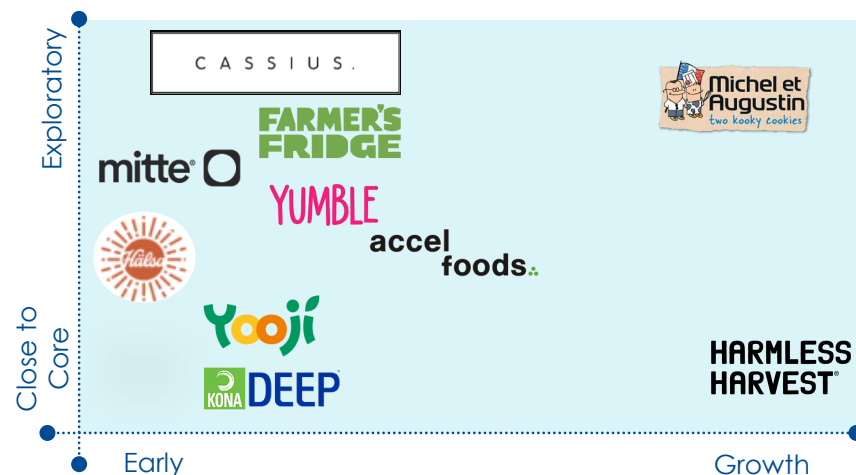
80% of portfolio
companies to have a
positive contribution to
One Planet One Health
Agenda

Total Investment

200 m\$ by 2020

In a crowded investment space We believe 4 things make us different

1 Our Disruptive Scope



3 Our International Reach



2 Our Collaborative Approach

We have started 30+ projects with our portfolio companies in:

- Innovation & Marketing
- Go-to-Market Strategy
- International Expansion
- Sales Strategy
- Operation Support
- Finance & Regulatory Support
- Team building support



4 Our Mission-Driven Approach



First Corporate Venture Fund
Independently Certified
(Aug 2018)



OUR BELIEFS

As Danone, we believe that

GOOD HEALTH IS EVERYTHING TO ALL OF US
Good health is a state of physical well-being. It involves the mind as well as the body and emotion to feel an individual.

FOOD IS ESSENTIAL FOR EVERYDAY LIFE
Healthy, energy and driving is an essential part of life. To build such a healthy and well-being food is essential for all. We are committed to providing healthy food and it is a part of our mission.

HEALTHY CANNOT LIVE LONG WITHOUT PLEASURE
Without appetite and delight, no one would eat or keep eating well. Pleasure in food and beverage is a characteristic of every healthy life.

FOOD IS THE WEALTHY BEHIND EVERY CULTURE
Healthy eating is a way that gives joy and satisfaction. It is a part of every culture - always different and always growing - and worth taking the time to understand.

THE WEALTH OF NATIONS GROWS FROM A HEALTHY PLANET
Everything we eat depends on the earth that it grows in. As guardians of this planet, we have a duty of care and a timeless obligation to change to ensure responsibility and sustainability.

RESEARCH IS OUR BEST ALLY
Food is more than just food. It is the source of human existence. Understanding the science of food is the key to understanding its value and its potential.

PREPARING FOR TOMORROW IS THE RESPONSIBILITY OF TODAY
New ways can and will be found, to better serve this generation and the next, and to bring healthy, affordable food and safe water to the greatest number across the world.

OUR COMMITMENTS

As Danone, we commit:

FOR HEALTH AND WELL-BEING
We will invest in and support our portfolio companies for good health, by encouraging them and helping them to bring their products to people's lives.

WITH THE BEST WE CAN DO, ALWAYS
We will invest in and support our portfolio companies, with pride and openness, as a source of quality and integrity - embracing innovation, diversity, and sustainable long-term growth.

FOR EVERY PERSON, AT EVERY AGE, WITH PLEASURE
We will invest in and support our portfolio companies to provide food that meets the needs and tastes of every person at every stage of life, encouraging balanced and healthy eating habits.

FOR OUR OWN HOMES
We will invest in and support our portfolio companies to provide food that meets the needs and tastes of every person at every stage of life, encouraging balanced and healthy eating habits.

FOR OUR PLANET AND FUTURE GENERATIONS
We will invest in and support our portfolio companies to provide food that meets the needs and tastes of every person at every stage of life, encouraging balanced and healthy eating habits.

FOR WHAT IS BEYOND THE HORIZON
We will invest in and support our portfolio companies to provide food that meets the needs and tastes of every person at every stage of life, encouraging balanced and healthy eating habits.

NOT ALONE, BUT WITH PARTNERS AND FRIENDS
We are a collaborative company. We will invest in and support our portfolio companies to provide food that meets the needs and tastes of every person at every stage of life, encouraging balanced and healthy eating habits.

Each of us has the power to make this happen.

THANK YOU

L O N D O N 2 0 1 8

Disclaimer

- This presentation contains certain forward-looking statements concerning Danone. In some cases, you can identify these forward-looking statements by forward-looking words, such as “estimate,” “expect,” “anticipate,” “project,” “plan,” “intend,” “believe,” “forecast,” “foresee,” “likely,” “may,” “should,” “goal,” “target,” “might,” “will,” “could,” “predict,” “continue,” “convinced,” and “confident,” the negative or plural of these words and other comparable terminology. Forward looking statements in this document include, but are not limited to, statements regarding Danone’s operation of its business, the expected benefits of the transaction, and the future operation, direction and success of Danone’s business.
- Although Danone believes its expectations are based on reasonable assumptions, these forward-looking statements are subject to numerous risks and uncertainties, which could cause actual results to differ materially from those anticipated in these forward-looking statements. For a detailed description of these risks and uncertainties, please refer to the “Risk Factor” section of Danone’s Registration Document (the current version of which is available on www.danone.com).
- Subject to regulatory requirements, Danone does not undertake to publicly update or revise any of these forward-looking statements. This document does not constitute an offer to sell, or a solicitation of an offer to buy Danone securities.
- All references in this presentation to “Like-for-like (LFL) New Danone” changes, recurring operating income, recurring operating margin, recurring net income, recurring income tax rate, Recurring EPS, Yakult Transaction Impact, free cash flow and net financial debt correspond to financial indicators not defined in IFRS. Their definitions, their reconciliation with financial statements and IAS29 accounting treatment for Argentina are included in the Q3 sales press release issued on October 17th, 2018. Q1, Q2 and H1 2017 reported figures have been restated for IFRS 15. Indicators ROIC and Net Debt / EBITDA are defined on page 64 of Danone’s 2017 registration document
- Due to rounding, the sum of values presented in this document may differ from totals as reported. Such differences are not material.