

Interim Report 2022/23

September 1, 2022 – August 31, 2023

October 12, 2023 – Company announcement no. 9

Strong performance for the quarter despite a challenging environment

Statement by CEO Mauricio Graber: *“Supported by a strong Q4 performance, Chr. Hansen delivered a solid result for the first twelve months of the extended financial year 2022/23 at the upper end of our guidance with 11% organic revenue growth and an EBIT margin b.s.i. of 26.9%. Throughout the year, we have demonstrated the attractiveness of the markets we serve and the resilience of our business model, supported by a robust and agile organization adapting to changing customer requirements in a challenging environment.*

Together with Novozymes, we continue the regulatory approval process in relation to the proposed merger with closing expected in the fourth quarter of the calendar year 2023 or the first quarter of the calendar year 2024.”

Q4 2022/23 highlights

- Revenue amounted to EUR 352 million, up 7% from EUR 328 million in Q4 2021/22. Year-to-date (September 1, 2022 – August 31, 2023) revenue amounted to EUR 1,334 million, up 10% from the same period in 2021/22.
- Organic growth was 16%, equally supported by both business areas. The Lighthouses delivered 41% organic growth combined in Q4, mainly driven by HMO, while the core businesses delivered 14% organic growth. Year-to-date Group organic growth was 11%. The Lighthouses delivered 24% organic growth, while the core businesses delivered 10% organic growth.
- EBIT b.s.i. amounted to EUR 99 million, up 8% from EUR 91 million in Q4 2021/22. The increase was driven by volume growth, a positive contribution from pricing initiatives, and stable operating expenses, which was partly offset by the negative impact of higher input costs and exchange rates.
- The EBIT margin b.s.i. was 28.0%, compared to 27.9% in Q4 2021/22, as the strong sales development including the impact from pricing initiatives were offset by the negative impact of higher input costs and exchange rates.
- Free cash flow b.a.s.i. amounted to EUR 202 million for the year to date, up 17% from EUR 172 million in the same period last year, driven by the improvement in operating profit and lower taxes paid, which was partly offset by a negative change in working capital.

Interim dividend for the period September 1, 2022 – August 31, 2023

In connection with the merger agreement, Novozymes and Chr. Hansen have agreed on certain specific provisions in respect of distributions to their shareholders until completion of the proposed merger. Consistent with the merger agreement with Novozymes, the Board of Directors has decided to declare an interim dividend of DKK 7.72 or EUR 1.04 per share. The total dividend of EUR 137 million is equivalent to 55% of the adjusted profit for the period September 1, 2022 to August 31, 2023, and will be paid on October 17, 2023 (ex-dividend date of October 13, 2023).

Follow-up on 12-month outlook, September 1, 2022 – August 31, 2023

	Actuals 2023	Outlook July 6, 2023
• Organic revenue growth	11%	9-11%
• EBIT margin b.s.i.	26.9%	26-27%
• Free cash flow b.a.s.i.	EURm 202	EURm 200-230

Outlook, January 1, 2023 – December 31, 2023

In light of the performance for the first eight months of 2023, the outlook is adjusted for organic revenue growth and free cash flow b.a.s.i., while maintained for EBIT margin b.s.i. Organic growth for the remaining four months of 2023 is expected to be driven primarily by price growth including a positive impact from EUR-based pricing.

	Outlook October 12, 2023	Outlook July 6, 2023
• Organic revenue growth	10-12%	9-12%
• EBIT margin b.s.i.	26-27%	26-27%
• Free cash flow b.a.s.i.	EURm 190-230	EURm 200-250

The outlook for the calendar year 2023 is based on actual exchange rates until October 11, 2023, and for the remainder of the calendar year 2023 assuming constant exchange rates at the current level of EUR/USD rate of 1.06, compared to 1.09 at the time of the most recent outlook, provided on July 6, 2023. For further details on the outlook for the January 1, 2023 – December 31, 2023, please refer to page 9.

Financial highlights and key figures

	Q4 2022/23	Q4 2021/22	YTD 2022/23	YTD 2021/22		Q4 2022/23	Q4 2021/22	YTD 2022/23	YTD 2021/22
Income statement, EUR million					Group revenue growth drivers, %				
Revenue	352.3	327.9	1,334.4	1,218.0	Organic growth ¹⁾	16%	6%	11%	9%
Gross profit	192.9	183.9	723.3	676.5	Volume/mix	9%	4%	5%	7%
EBITDA b.s.i.	129.2	121.2	472.2	432.9	Price	7%	2%	6%	2%
EBITA b.s.i.	111.1	104.1	406.0	373.1	Currencies	(9%)	6%	(1%)	4%
EBIT b.s.i.	98.5	91.4	358.3	325.8	EUR growth	7%	12%	10%	13%
Special items	(7.4)	(3.9)	(21.3)	(4.9)	Organic growth by region, %				
EBIT	91.1	87.5	337.0	320.9	EMEA	20%	6%	16%	10%
Net financial expenses	(9.0)	(6.1)	(29.0)	(20.0)	NA	15%	1%	7%	8%
Profit for the period	60.2	62.1	227.0	225.1	APAC	5%	17%	4%	12%
Cash flow and investments, EUR million					LATAM	20%	3%	20%	7%
Operating cash flow	113.8	116.9	316.9	308.8	Food Cultures & Enzymes, EUR million / %				
Investing cash flow	(60.9)	(70.5)	(176.3)	(152.4)	Revenue	217.2	205.3	828.5	762.5
Investments in PPE	(46.1)	(58.4)	(116.2)	(119.3)	Organic growth ¹⁾	16%	5%	11%	7%
Free cash flow b.a.s.i.	69.0	56.4	201.7	172.1	Volume/mix	6%	1%	3%	5%
Balance sheet, EUR million					Currencies	(10%)	5%	(2%)	2%
Total assets			3,430.5	3,316.8	EUR growth	6%	10%	9%	9%
Invested capital			3,062.3	2,934.7	EBITDA b.s.i.	82.6	82.1	301.1	282.1
Equity			1,900.2	1,823.9	EBITDA margin b.s.i.	38.1%	40.0%	36.4%	37.0%
Net interest-bearing debt			931.7	880.6	EBIT b.s.i.	67.5	66.7	244.8	228.3
Key ratios					EBIT margin b.s.i.	31.1%	32.5%	29.6%	29.9%
Gross margin	54.8%	56.1%	54.2%	55.5%	ROIC excl. goodwill	33.9%	37.7%	32.3%	33.4%
EBITDA margin b.s.i.	36.7%	37.0%	35.4%	35.5%	Health & Nutrition, EUR million / %				
EBITA margin b.s.i.	31.6%	31.7%	30.4%	30.6%	Revenue	135.1	122.6	505.9	455.5
EBIT margin b.s.i.	28.0%	27.9%	26.9%	26.8%	Organic growth ¹⁾	16%	6%	11%	14%
EBIT margin	25.8%	26.7%	25.3%	26.3%	Volume/mix	14%	7%	8%	14%
Operational expenses	26.8%	28.2%	27.3%	28.8%	Currencies	(6%)	8%	0%	7%
R&D expenditure	7.9%	7.5%	7.7%	8.1%	EUR growth	10%	14%	11%	21%
Capital expenditures	14.8%	19.6%	10.2%	11.6%	EBITDA b.s.i.	46.6	39.1	171.1	150.8
EPS diluted, EUR	0.45	0.47	1.72	1.71	EBITDA margin b.s.i.	34.5%	31.9%	33.8%	33.1%
Net working capital	291.9	228.6	291.9	228.6	EBIT b.s.i.	31.0	24.7	113.5	97.5
Cash conversion	63.1%	60.1%	57.7%	58.4%	EBIT margin b.s.i.	23.0%	20.1%	22.4%	21.4%
ROIC excl. goodwill	25.5%	26.1%	24.1%	24.0%	ROIC excl. goodwill	16.5%	14.3%	15.6%	14.5%
ROIC	12.9%	12.6%	12.0%	11.4%					
Net debt to EBITDA before special items	2.0x	2.0x	2.0x	2.0x					

1) Organic growth: Increase in revenue adjusted for sales reduction, acquisitions and divestments, and measured in local currency.

Strategic and operational highlights

Novozymes and Chr. Hansen to combine and create a leading global biosolutions partner

On December 12, 2022, Chr. Hansen Holding A/S (Chr. Hansen) and Novozymes A/S (Novozymes) announced that the two companies had entered into an agreement to create a leading global biosolutions partner through a statutory merger.

On March 30, the extraordinary general meetings of Chr. Hansen and Novozymes both approved the proposed combination with a significant majority. In addition, the shareholders of Chr. Hansen also approved the change of financial year to follow the calendar year, which was a condition for the completion of the combination.

Since March 2023, the proposed merger has been cleared in the US, China, France (foreign direct investment), Italy (foreign direct investment), South Africa, Brazil and Turkey.

On October 10, Novozymes announced the Executive Leadership Team and organizational structure for the future combined company of Novozymes and Chr. Hansen.

The completion of the combination remains subject to the satisfaction of an additional number of conditions set out in the merger plan, including certain additional regulatory approvals. The completion of the combination is expected to occur in the fourth quarter of the calendar year 2023 or the first quarter of the calendar year 2024.

2025 Strategy

Chr. Hansen continues to execute on its 2025 Strategy, which is based on three pillars:

REINVEST in the core platforms Food Cultures & Enzymes and Health & Nutrition.

- In Q4, Chr. Hansen continued successful customer collaborations to drive productivity and accelerate innovation in dairy and plant-based products, including introduction of live probiotics in ambient category.
- In Q4, a new probiotic strain, CLEPIUS™, *L. plantarum*, was introduced in the gut-brain area in Human Health, with publication of its first clinical study.

LEVERAGE the technology platform to develop solutions for new applications and end-markets.

- In September 2023, Chr. Hansen released a new review of 26 clinical studies on HMOs (Human Milk Oligosaccharides), reporting beneficial effects of HMO in gut health and immune system.
- In September 2023, Chr. Hansen received approval from the Chinese authorities with regards to the technology to produce each of three HMOs (2'-FL, LNT and 3-FL). The approval enables Chr. Hansen to apply for the final approval of the three HMOs with Chinese authorities.

EXTEND the technology platform through acquisitions and the expansion of the R&D partner network.

- In September 2023, a new Innovation Campus in Hoersholm, Denmark, was inaugurated.

Long-term financial ambitions through 2024/25 (based on unchanged assumptions compared to October 12, 2022)

Chr. Hansen remains committed to delivering industry-leading profitable growth and strong cash flows with the focus on cost discipline and capital efficiency.

- Mid-to-high single-digit organic revenue growth, averaged over the period.
- An increase of the EBIT margin before special items over the period to more than 30% driven by efficiency gains, scalability benefits and acquisition synergies that will be partly reinvested in the business.
- Average growth in free cash flow before special items exceeding the average growth in EBIT before special items.

Sensitivity to the long-term financial ambitions

The geopolitical and macroeconomic environment has changed significantly, particularly impacted by the inflationary cost pressure, disruption of global supply chains, and effects related to Russia's invasion of Ukraine. As a consequence, Chr. Hansen's ability to meet the long-term financial ambitions through 2025, as initially announced in 2020, is highly sensitive to the following core assumptions:

- Adjustment of selling prices to offset inflationary pressure over the period.
- Normalization of global supply chains.
- Stabilization of the geopolitical and macroeconomic environment.
- Constant exchange rates and no impact from future acquisitions or divestments.

Business review

Market developments

Food Cultures & Enzymes

According to the latest Company estimates, the sector outlook for dairy, meat and processed food categories remains challenged. For 2023, Chr. Hansen expects flat to slightly declining volume growth as growth in the cheese segments is expected to be offset by declining markets for fermented milk, meat and processed food.

Health & Nutrition

According to the latest Company estimates, the sector growth of probiotic human health products is in line with the mid-term outlook of 4-6%, with continued softness in North America and South Korea. EMEA and China continue to develop favorably.

Customer interest in HMOs remained high with further penetration of HMOs into infant formula products. Product registrations have been achieved in key markets, including the EU. Chr. Hansen has received approval from the Chinese authorities with regards to the technology to produce each of three HMOs (2'-FL, LNT and 3-FL). The approval enables Chr. Hansen to apply for the final approval of the three HMOs with Chinese authorities.

Demand for microbial-based solutions for plant protection developed favorably, supported by strong commodity prices, which remain at a high level. Feed prices have decreased, but remain at a high level and are having an adverse impact on the selling environment for animal feed probiotics.

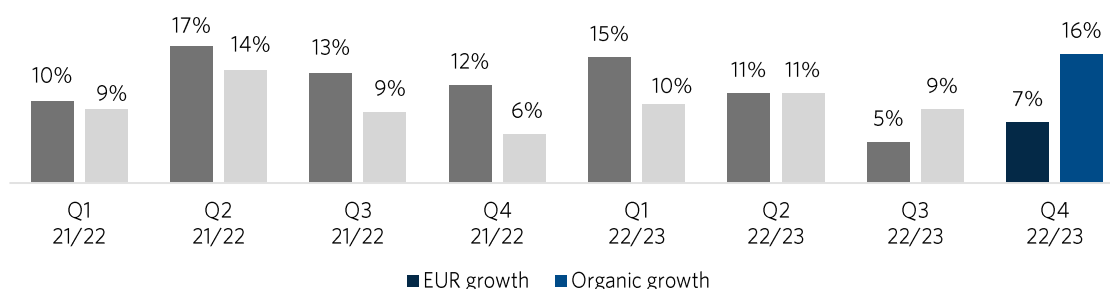
Sales performance

Q4 2022/23 revenue amounted to EUR 352 million, up 7% from EUR 328 million in Q4 2021/22. The impact from exchange rates was negative by 9 percentage points.

Organic growth was 16% in Q4, driven by volume growth and pricing. The Lighthouses delivered 41% organic growth combined in Q4, while the core businesses delivered 14% organic growth.

Year-to-date organic growth was 11%, which adjusted for a negative currency impact of 1% corresponded to a revenue increase of 10% to EUR 1,334 million. The Lighthouses accounted for approximately 10% of revenue and delivered 24% organic growth combined for the year to date, while the core businesses delivered 10% organic growth.

Revenue growth. Group



Business review

Sales performance by segment

Food Cultures & Enzymes

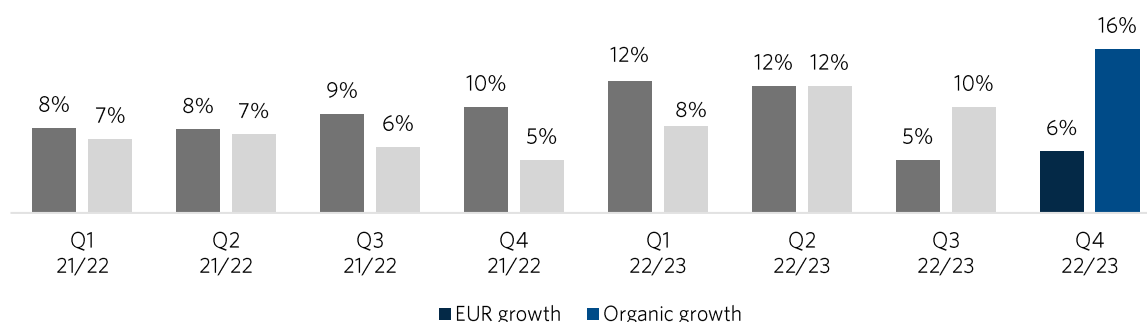
Q4 2022/23 revenue amounted to EUR 217 million, up 6% from EUR 205 million in Q4 2021/22. Revenue was negatively impacted by 10% from exchange rates. Organic growth was 16%, driven by price adjustments and solid volume growth.

Dairy delivered strong growth supported by pricing initiatives and strong momentum in both fresh dairy and cheese as well as in the lighthouses within bioprotection and fermented plant bases.

Food & Beverages delivered strong growth, driven by a combination of pricing and solid volumes.

Year-to-date organic growth was 11%, which adjusted for a negative currency impact of 2% corresponded to a revenue increase of 9% to EUR 828 million.

Revenue growth, Food Cultures & Enzymes



Health & Nutrition

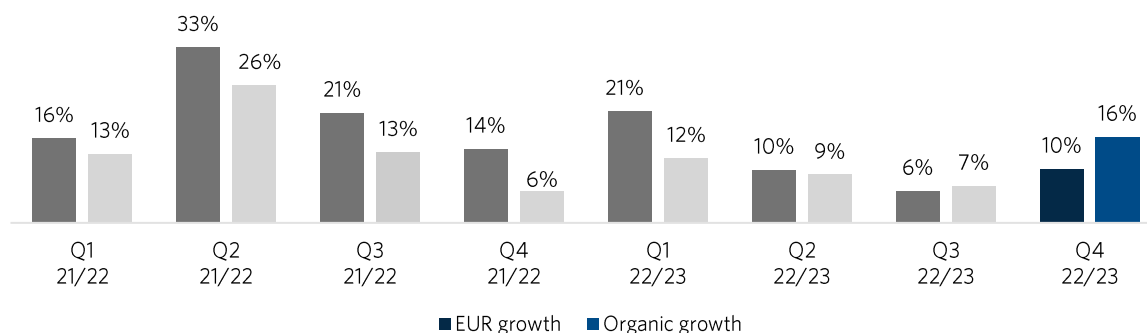
Q4 2022/23 revenue amounted to EUR 135 million, up 10% from EUR 123 million in Q4 2021/22. Revenue was negatively impacted by 6% from exchange rates. Organic growth was 16%, driven by strong volume growth combined with pricing initiatives.

Human Health & HMO delivered very strong growth, mainly driven by volume, but also by price. Volumes were strong due to the EMEA and NA regions developing well, while volumes in APAC were more modest due to continued market softness in South Korea. The volume growth was positively impacted by early timing of orders in Human Health.

Animal & Plant Health delivered solid growth, mainly supported by strong growth in Plant Health and price increases in Animal Health. The growth was positively impacted by the timing of orders in Animal & Plant Health.

Year-to-date organic growth was 11%, and with no impact from exchange rates, this corresponded to a revenue increase of 11% to EUR 506 million.

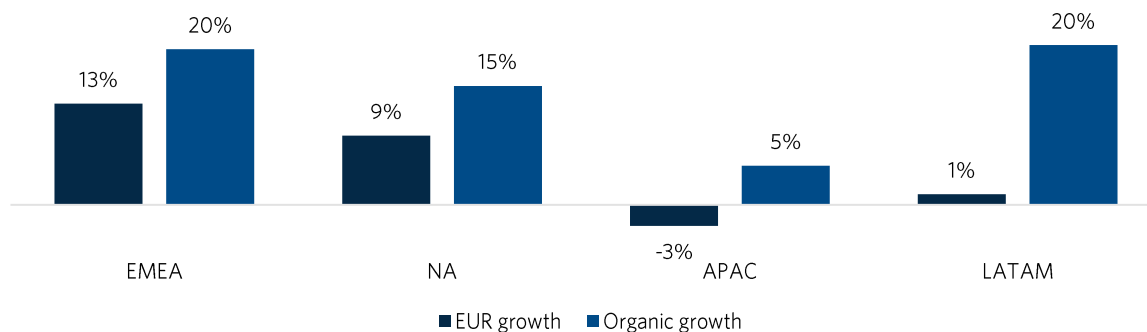
Revenue growth, Health & Nutrition



Business review

Sales performance by region

Revenue growth by region



Europe, Middle East and Africa (EMEA), 38% of revenue YTD 2022/23

Q4 2022/23 organic growth was 20%, while revenue in EUR increased by 13%. Organic growth was driven by both Health & Nutrition and Food Cultures & Enzymes. Health & Nutrition was supported by very strong volume growth and pricing initiatives, while Food Cultures & Enzymes was supported by pricing, including EUR-based pricing, as well as solid volume growth.

Year-to-date organic growth was 16%, which adjusted for a negative currency impact of 3% corresponded to a revenue increase of 13% to EUR 511 million.

North America (NA), 33% of revenue YTD 2022/23

Q4 2022/23 organic growth was 15%, while revenue in EUR increased by 9%. Organic growth was driven by both Health & Nutrition and Food Cultures & Enzymes. Health & Nutrition was supported by very strong volume growth and pricing initiatives. Food Cultures & Enzymes was driven by solid volume growth across categories.

Year-to-date organic growth was 7%, which adjusted for a positive currency impact of 3% corresponded to a revenue increase of 10% to EUR 438 million.

Asia-Pacific (APAC), 17% of revenue YTD 2022/23

Q4 2022/23 organic growth was 5%, while revenue in EUR declined by 3%. Organic growth was driven by both Food Cultures & Enzymes and Health & Nutrition. China contributed positively to the organic growth of Food Cultures & Enzymes. Organic growth was mainly driven by volume, but was also supported by pricing.

Year-to-date organic growth was 4%, which adjusted for a negative currency impact of 3% corresponded to a revenue increase of 1% to EUR 230 million.

Latin America (LATAM), 12% of revenue YTD 2022/23

Q4 2022/23 organic growth was 20%, while revenue in EUR increased by 1%. Revenue was negatively impacted by 19% due to exchange rates. Organic growth was driven by pricing initiatives, including EUR-based pricing, and volume growth in Food Cultures & Enzymes, while Health & Nutrition delivered a slight decline.

Year-to-date organic growth was 20%, which adjusted for a negative currency impact of 9% corresponded to a revenue increase of 11% to EUR 155 million.

Business review

Gross margin

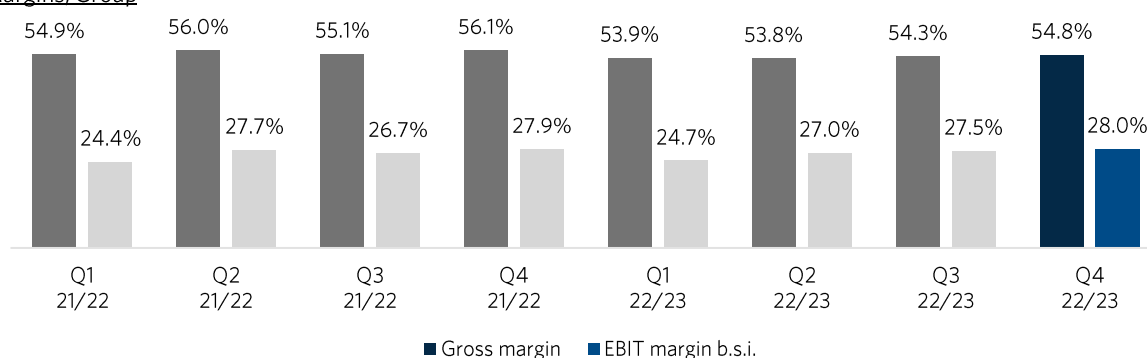
The Q4 2022/23 gross margin declined by 1.3 percentage point to 54.8%, negatively impacted by exchange rate developments and higher input costs, partly offset by pricing and productivity initiatives.

The year-to-date gross margin was 54.2%, compared to 55.5% in the same period last year, mainly due to inflationary pressure which was only partly offset by pricing and productivity initiatives.

Operating expenses

Q4 2022/23 operating expenses totaled EUR 94 million, up 2% from EUR 93 million in Q4 2021/22. Year-to-date operating expenses increased by 4% to EUR 365 million.

Margins, Group



EBIT b.s.i. and EBIT margin before special items

EBIT b.s.i. amounted to EUR 99 million, up 8% from EUR 91 million in Q4 2021/22. The increase was driven by volume growth, a positive contribution from pricing initiatives, and stable operating expenses, which was partly offset by a negative impact from higher input costs and exchange rates.

The EBIT margin b.s.i. was 28.0%, compared to 27.9% in Q4 2021/22, as the strong sales development including the impact from pricing initiatives were offset by a negative impact from higher input costs and exchange rates.

Year-to-date EBIT b.s.i. increased by EUR 33 million to EUR 358 million, while the EBIT margin b.s.i. was 26.9%, compared to 26.8% last year. The increase was driven by a positive contribution from pricing initiatives and volume growth, which was partly offset by a negative impact from higher input costs.

Food Cultures & Enzymes's Q4 2022/23 EBIT b.s.i. amounted to EUR 68 million, up 1% from EUR 67 million in Q4 2021/22. The EBIT margin b.s.i. was 31.1%, compared to 32.5% last year. The decrease was mainly driven by higher input costs, which was partly offset by pricing initiatives. The year-to-date EBIT margin b.s.i. was 29.6%, compared to 29.9% last year.

Health & Nutrition's Q4 2022/23 EBIT b.s.i. amounted to EUR 31 million, up 26% from EUR 25 million in Q4 2021/22. The EBIT margin b.s.i. was 23.0%, compared to 20.1% last year. The increase was driven by a positive impact from scalability and pricing initiatives, which were partly offset by a negative impact from exchange rates and higher input costs. The year-to-date EBIT margin b.s.i. was 22.4%, compared to 21.4% last year.

Special items and EBIT

Special items amounted to an expense of EUR 7 million in Q4 2022/23, compared to an expense of EUR 4 million last year. Special items related to the proposed merger with Novozymes. EBIT amounted to EUR 91 million, up 4% from EUR 88 million in Q4 2021/22. The EBIT margin ended at 25.8%, compared to 26.7% in Q4 2021/22.

Year-to-date special items were an expense of EUR 21 million, compared to an expense of EUR 5 million in the same period last year. EBIT amounted to EUR 337 million, up 5% from EUR 321 million in the same period last year. The EBIT margin was 25.3%, compared to 26.3% in the same period last year.

Business review

Net financials, share of JV and tax

Net financial expenses amounted to EUR 9 million, compared to EUR 6 million in Q4 2021/22. The increase was due to higher interest expenses. Year-to-date net financial expenses amounted to EUR 29 million, up from EUR 20 million last year, due to higher interest expenses.

The Bacthera JV produced a EUR 4 million loss to Chr. Hansen, compared to a loss of EUR 3 million in Q4 2021/22. Year-to-date, the loss was EUR 11 million, up from EUR 8 million in the same period last year.

Income taxes amounted to EUR 18 million, up from EUR 16 million in Q4 2021/22, reflecting a tax rate of 22.7%. Year-to-date income taxes amounted to EUR 70 million, up from EUR 68 million last year. Year to date, the effective tax rate was 23.6%, compared to 23.2% last year.

Profit for the period

Profit for the quarter amounted to EUR 60 million, down from EUR 62 million in Q4 2021/22. Year-to-date profit amounted to EUR 227 million, up from EUR 225 million in the same period last year. Year-to-date profit adjusted for special items amounted to EUR 248 million. An interim dividend of DKK 7.72 or EUR 1.04 per share, equal to 55% of the adjusted profit for the period September 1, 2022 to August 31, 2023, will be paid on October 17, 2023 (ex-dividend date of October 13, 2023).

Earnings per share, diluted, amounted to EUR 0.45, compared to EUR 0.47 in Q4 2021/22. Year-to-date earnings per share, diluted, amounted to EUR 1.72, compared to EUR 1.71 in the same period last year.

Cash flows

The year-to-date cash flow from operating activities b.s.i. was EUR 338 million, up 8% from EUR 314 million in the same period last year, driven by the improvement in operating profit and lower taxes paid as 2021/22 was negatively impacted by a one-off tax payment related to the acquisition of HSO. This was partly offset by a negative change in working capital mainly driven by an increase in trade receivables related to the timing of revenue during Q4.

The year-to-date cash flow used for operational investing activities was EUR 136 million, down 4% from EUR 142 million in the same period last year. The year-to-date free cash flow b.a.s.i. was EUR 202 million, up 17% from EUR 172 million in the same period last year due to the higher cash flow from operating activities.

During 2022/23, Chr. Hansen provided loans amounting to EUR 27 million and investments amounting to EUR 13 million to the Bacthera joint venture with Lonza, mainly to support the ongoing work to prepare production facilities for the SER-109 agreement with Seres Therapeutics. Bacthera will later receive milestone payments from Seres Therapeutics covering part of these investments.

Equity, Group

Total equity amounted to EUR 1,900 million, compared to EUR 1,824 million at August 31, 2022. An ordinary dividend for the 2021/22 financial year totaling EUR 125 million was paid out in Q1 2022/23.

Net debt, Group

Net interest-bearing debt amounted to EUR 932 million, or 2.0x EBITDA b.s.i., compared to EUR 881 million, or 2.0x EBITDA b.s.i., at August 31, 2022. The increase in net interest-bearing debt was due to a financial lease related to the new Innovation Campus in Hoersholm, Denmark.

Return on invested capital

Invested capital excluding goodwill amounted to EUR 1,561 million, up 10% from EUR 1,417 million at August 31, 2022. The increase was driven by property, plant and equipment, and trade receivables.

The year-to-date return on invested capital excluding goodwill was 24.1%, compared to 24.0% last year. The increase was driven by Health & Nutrition, while Food Cultures & Enzymes was down compared to last year.

Goodwill amounted to EUR 1,501 million, compared to EUR 1,518 at August 31, 2022. Return on invested capital including goodwill was 12.0%, compared to 11.4% last year.

Outlook

Outlook

A condition for the completion of the combination of Chr. Hansen Holding A/S (Chr. Hansen) and Novozymes A/S was a change of financial year of Chr. Hansen to follow the calendar year. The change was approved at the extraordinary general meeting on March 30. The current financial year was therefore extended by four months and runs from September 1, 2022 to December 31, 2023 (16 months). To ensure transparency on the financial performance Chr. Hansen has maintained its original guidance for the period September 1, 2022 to August 31, 2023, supplemented with a supporting outlook for the calendar year from January 1 to December 31, 2023.

Outlook, January 1, 2023 - December 31, 2023

Organic revenue growth

In light of the performance for the first eight months of 2023, the outlook organic revenue growth is adjusted to be in the range of 10-12% (previously 9-12%). The impact from exchange rates on revenue is expected to be negative.

As expectations for underlying market growth for the remainder of 2023 remain modest given the current uncertain geopolitical and macroeconomic environment, organic revenue growth for the remaining four months of 2023 is expected to be driven primarily by price growth including a positive impact from EUR-based pricing.

EBIT b.s.i. and EBIT margin b.s.i.

The EBIT margin b.s.i. is expected to be in the range of 26-27% compared to 26.3% in the same period last year.

Free cash flow b.s.i.

Free cash flow b.s.i. is now expected to be EUR 190-230 million (previously EUR 200-250 million) compared to EUR 152 million in the same period last year, mainly due to timing of CAPEX payments.

Sensitivity to the outlook

Continued changes in the geopolitical and macroeconomic climate, including additional sanctions against Russia or other countries where Chr. Hansen operates, supply disruptions and developments in raw material and other input costs, such as energy, may impact the outlook for the remainder of 2023.

The most significant currency exposure relates to USD, while exposure to other currencies is relatively modest. A 5% increase/decrease in the EUR/USD exchange rate would have a positive/negative annualized (12 months) impact on revenue measured in EUR of around EUR 25 million, while the impact on EBIT and cash flow is approximately two thirds of the impact on revenue. The outlook is based on actual rates until October 11, 2023, and for the remainder of the year assuming constant exchange rates at the current level of EUR/USD rate of 1.06 (previously EUR/USD rate of 1.09).

Organic revenue growth is sensitive to exchange rate fluctuations in currencies for which Chr. Hansen applies an EUR-based pricing model, while protecting the impact on EBIT and cash flow.

Additional information

Conference call

Chr. Hansen will host a conference call on October 12, 2023 at 10:00 am CEST. The conference call can be accessed via the Company's website, www.chr-hansen.com.

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Forward-looking statements

This company announcement contains forward-looking statements that reflect management's current views and expectations with respect to Chr. Hansen's future and potential financial performance.

Those forward-looking statements are based upon data and information currently available to the Company, and on a variety of assumptions, many of which may be beyond our control and subject to risks and uncertainties that may cause the actual results of the Company or the industry to differ materially from such forward-looking statements.

The information, opinions and forward-looking statements are provided as of the date stated in this document, and the Company is under no obligation to publish any updates thereof except for what is required by applicable law or stock exchange rules and regulations.

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 strongly positioned to drive positive change through microbial solutions. We have worked for over 145 years to enable sustainable agriculture, better food and healthier living for more people around the world. Our microbial and fermentation technology platforms, including our broad and relevant collection of around 50,000 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.

Interim Report September 1, 2022 - August 31, 2023

Statement of the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have considered and approved the interim report for Chr. Hansen Holding A/S for the period September 1, 2022 to August 31, 2023. The interim report has not been audited or reviewed by the Company's independent auditors.

The unaudited interim report has been prepared in accordance with International Financial Reporting Standards and IAS 34 as adopted by the EU, and additional Danish regulations.

In our opinion, the accounting policies used are appropriate and the overall presentation of the interim report is adequate. Furthermore, the interim report gives a true and fair view of the Group's assets, liabilities and financial position at August 31, 2023, and of the results of the Group's operations and cash flow for the period September 1, 2022 to August 31, 2023.

We further consider that the Management's Review in the preceding pages includes a true and fair account of the development and performance of the Group, the results for the period and the financial position, together with a description of the principal risks and uncertainties that the Group faces, in accordance with Danish disclosure requirements for listed companies. Besides what has been disclosed in this report, no changes in the Group's most significant risks and uncertainties have occurred relative to what was disclosed in the Annual Report of Chr. Hansen Holding A/S for 2021/22.

Hørsholm, October 12, 2023

Executive Board

Mauricio Graber
President and CEO

Lise Mortensen
CFO

Board of Directors

Dominique Reiniche
Chair

Jesper Brandgaard
Vice Chair

Luis Cantarell

Casper Lynghøj Giedo

Charlotte Hemmingsen

Lise Kaae

Heidi Kleinbach-Sauter

Kevin Lane

Karen Lauesen

Kim Ib Sørensen

Interim Report September 1, 2022 - August 31, 2023

Income statement

EUR million	Q4 2022/23	Q4 2021/22	YTD 2022/23	YTD 2021/22
Revenue	352.3	327.9	1,334.4	1,218.0
Cost of sales	(159.4)	(144.0)	(611.1)	(541.5)
Gross profit	192.9	183.9	723.3	676.5
Research and development expenses	(26.2)	(24.9)	(99.8)	(96.8)
Sales and marketing expenses	(46.9)	(46.5)	(182.9)	(173.9)
Administrative expenses	(22.5)	(22.6)	(86.0)	(82.0)
Other operating income	1.8	2.6	5.3	6.9
Other operating expenses	(0.6)	(1.1)	(1.6)	(4.9)
Operating profit before special items (EBIT b.s.i.)	98.5	91.4	358.3	325.8
Special items	(7.4)	(3.9)	(21.3)	(4.9)
Operating profit (EBIT)	91.1	87.5	337.0	320.9
Net financial expenses	(9.0)	(6.1)	(29.0)	(20.0)
Share of loss in joint ventures	(4.2)	(2.9)	(10.7)	(8.0)
Profit before tax	77.9	78.5	297.3	292.9
Income tax	(17.7)	(16.4)	(70.3)	(67.8)
Profit for the period	60.2	62.1	227.0	225.1
Earnings per share, EUR				
Earnings per share	0.45	0.47	1.72	1.71
Earnings per share, diluted	0.45	0.47	1.72	1.71

Statement of comprehensive income

EUR million	Q4 2022/23	Q4 2021/22	YTD 2022/23	YTD 2021/22
Profit for the period	60.2	62.1	227.0	225.1
Items that will not be reclassified subsequently to the income statement				
Remeasurements of defined benefits plans	0.5	1.9	0.5	1.8
Items that will be reclassified subsequently to the income statement when specific conditions are met				
Exchange rate adjustments of foreign Group companies	(9.8)	22.1	(40.7)	58.6
Reclassification of exchange rate adjustment of foreign Group companies	-	(0.5)	-	(0.5)
Fair value adjustments of interest rate hedges	(1.4)	7.5	2.3	30.8
Tax related to items recognized in other comprehensive income	1.7	(1.6)	0.9	(6.7)
Other comprehensive income for the period	(9.0)	29.4	(37.0)	84.0
Total comprehensive income for the period	51.2	91.5	190.0	309.1
Attributable to:				
Shareholders of Chr. Hansen Holding A/S	51.2	91.5	190.0	309.1

Interim Report September 1, 2022 - August 31, 2023

Cash flow statement

EUR million	Q4 2022/23	Q4 2021/22	YTD 2022/23	YTD 2021/22
Operating profit	91.1	87.5	337.0	320.9
Non-cash adjustments	33.1	20.1	116.7	100.7
Change in working capital	6.9	17.6	(60.5)	(32.5)
Financial items, net	(11.8)	(6.3)	(31.3)	(16.3)
Taxes paid	(5.5)	(2.0)	(45.0)	(64.0)
Cash flows from operating activities	113.8	116.9	316.9	308.8
Investments in intangible assets	(6.1)	(6.0)	(20.3)	(22.3)
Investments in property, plant and equipment	(46.1)	(58.4)	(116.2)	(119.3)
Cash flows from operational investing activities	(52.2)	(64.4)	(136.5)	(141.6)
Investments in joint ventures	-	-	(12.5)	-
Loans to joint ventures	(8.7)	(6.1)	(27.3)	(10.8)
Cash flows from investing activities	(60.9)	(70.5)	(176.3)	(152.4)
Free cash flow	52.9	46.4	140.6	156.4
Borrowings	12.8	-	233.6	150.0
Repayment of borrowings	(73.6)	(15.4)	(269.5)	(167.1)
Purchase of treasury shares	-	(9.2)	-	(9.2)
Sale of treasury shares	1.9	-	1.9	-
Dividends paid, net	-	-	(124.7)	(115.9)
Cash flows from financing activities	(58.9)	(24.6)	(158.7)	(142.2)
Net cash flow for the period	(6.0)	21.8	(18.1)	14.2
Cash and cash equivalents, beginning of period	63.9	56.2	82.8	55.1
Unrealized exchange gains/(losses) included in cash and cash equivalents	(1.9)	4.8	(8.7)	13.5
Net cash flow for the period	(6.0)	21.8	(18.1)	14.2
Cash and cash equivalents, end of period	56.0	82.8	56.0	82.8

Interim Report September 1, 2022 - August 31, 2023

Balance sheet

EUR million	Aug 31, 2023	Aug 31, 2022
ASSETS		
Non-current assets		
Goodwill	1,501.5	1,517.6
Other intangible assets	331.6	357.6
Property, plant and equipment	981.8	877.4
Investments in joint ventures	3.6	1.7
Receivables from joint ventures	55.0	25.8
Other receivables	26.9	25.6
Deferred tax	8.9	12.7
Total non-current assets	2,909.3	2,818.4
Current assets		
Inventories	194.2	180.6
Trade receivables	209.2	180.5
Tax receivables	13.7	12.7
Other receivables	33.3	28.9
Prepayments	14.8	12.9
Cash and cash equivalents	56.0	82.8
Total current assets	521.2	498.4
Total assets	3,430.5	3,316.8

Interim Report September 1, 2022 - August 31, 2023

Balance sheet

(continued)

EUR million	Aug 31, 2023	Aug 31, 2022
EQUITY AND LIABILITIES		
Equity		
Share capital	176.9	177.3
Currency translation reserve	(54.4)	(15.6)
Interest rate hedging reserve	20.9	19.2
Retained earnings	1,756.8	1,643.0
Total equity	1,900.2	1,823.9
Non-current liabilities		
Employee benefit obligations	4.9	5.5
Deferred tax	194.5	197.0
Provisions	2.5	5.1
Borrowings	923.4	853.4
Deferred gain, sale and lease back	42.7	44.7
Other payables	-	-
Total non-current liabilities	1,168.0	1,105.7
Current liabilities		
Borrowings	64.3	110.0
Trade payables	111.5	132.5
Tax payables	78.6	50.4
Deferred gain, sale and lease back	1.8	1.8
Other payables	106.1	92.5
Total current liabilities	362.3	387.2
Total liabilities	1,530.3	1,492.9
Total equity and liabilities	3,430.5	3,316.8

Statement of changes in equity

EUR million	Share capital	Currency translation reserve	Interest rate hedging reserve	Retained earnings	Total
2022/23					
Equity at September 1	177.3	(15.6)	19.2	1,643.0	1,823.9
Total comprehensive income for the period	(0.4)	(38.8)	1.7	227.5	190.0
Transactions with owners					
Sale of treasury shares	-	-	-	1.9	1.9
Share-based payments	-	-	-	11.1	11.1
Tax related to share-based payments	-	-	-	(2.0)	(2.0)
Dividends, net	-	-	-	(124.7)	(124.7)
Equity at August 31	176.9	(54.4)	20.9	1,756.8	1,900.2

EUR million	Share capital	Currency translation reserve	Interest rate hedging reserve	Retained earnings	Total
2021/22					
Equity at September 1	177.3	(73.7)	(4.9)	1,527.4	1,626.1
Total comprehensive income for the period	-	58.1	24.1	226.9	309.1
Transactions with owners					
Purchase of treasury shares	-	-	-	(9.2)	(9.2)
Share-based payments	-	-	-	12.9	12.9
Tax related to share-based payments	-	-	-	0.9	0.9
Dividends, net	-	-	-	(115.9)	(115.9)
Equity at August 31	177.3	(15.6)	19.2	1,643.0	1,823.9

Note 1 Accounting policies

Accounting policies

This unaudited interim report has been prepared in accordance with IAS 34 and additional Danish regulations for the presentation of quarterly interim reports by listed companies. The interim report has been prepared in accordance with the accounting policies set out in the Annual Report for 2021/22, except for all new, amended or revised accounting standards and interpretations (IFRSs) adopted by the European Union effective for financial years beginning on or after January 1, 2022. These have not had a material impact on the consolidated interim report.

Significant accounting estimates and judgements

In preparing this interim report, Management has made various accounting estimates and assumptions that may significantly influence the amounts recognized in the consolidated financial statement and related information at the reporting date. The accounting estimates and assumptions which Management considers to be material for the preparation and understanding of the interim report are stated in Note 1.2 in the Annual Report 2021/22 and relate to, e.g., income tax and deferred tax, goodwill, other intangible assets, property, plant and equipment as well as inventories.

Change of financial year

At the Extraordinary General Meeting held on March 30, 2023, it was approved to change Chr. Hansen's financial year to follow the calendar year (January 1 - December 31). The transition period is from September 1, 2022 to December 31, 2023 in accordance with section 15(3)(3) of the Danish Financial Statements Act.

Note 2 Segment information

EUR million	Food Cultures & Enzymes	Health & Nutrition	Not allocated	Group
Q4 2022/23				
Income statement				
Revenue	217.2	135.1	-	352.3
EUR growth	6%	10%	-	7%
Organic growth	16%	16%	-	16%
EBITDA before special items	82.6	46.6	-	129.2
EBITDA margin before special items	38.1%	34.5%	-	36.7%
Amortization, depreciation and impairment losses	(15.1)	(15.6)	-	(30.7)
EBIT before special items	67.5	31.0	-	98.5
EBIT margin before special items	31.1%	23.0%	-	28.0%
Share of loss of joint ventures	-	-	(4.2)	(4.2)
Special items and net financial expenses	-	-	(16.4)	(16.4)
Profit before tax	67.5	31.0	(20.6)	77.9

EUR million	Food Cultures & Enzymes	Health & Nutrition	Not allocated	Group
YTD 2022/23				
Income statement				
Revenue	828.5	505.9	-	1,334.4
EUR growth	9%	11%	-	10%
Organic growth	11%	11%	-	11%
EBITDA before special items	301.1	171.1	-	472.2
EBITDA margin before special items	36.4%	33.8%	-	35.4%
Amortization, depreciation and impairment losses	(56.3)	(57.6)	-	(113.9)
EBIT before special items	244.8	113.5	-	358.3
EBIT margin before special items	29.6%	22.4%	-	26.9%
Share of loss of joint ventures	-	-	(10.7)	(10.7)
Special items and net financial expenses	-	-	(50.3)	(50.3)
Profit before tax	244.8	113.5	(61.0)	297.3

Note 2 Segment information

(continued)

EUR million	Food Cultures & Enzymes	Health & Nutrition	Not allocated	Group
Q4 2021/22				
Income statement				
Revenue	205.3	122.6	-	327.9
EUR growth	10%	14%	-	12%
Organic growth	5%	6%	-	6%
EBITDA before special items	82.1	39.1	-	121.2
EBITDA margin before special items	40.0%	31.9%	-	37.0%
Amortization, depreciation and impairment losses	(15.4)	(14.4)	-	(29.8)
EBIT before special items	66.7	24.7	-	91.4
EBIT margin before special items	32.5%	20.1%	-	27.9%
Share of loss of joint ventures	-	-	(2.9)	(2.9)
Special items and net financial expenses	-	-	(10.0)	(10.0)
Profit before tax	66.7	24.7	(12.9)	78.5

EUR million	Food Cultures & Enzymes	Health & Nutrition	Not allocated	Group
YTD 2021/22				
Income statement				
Revenue	762.5	455.5	-	1,218.0
EUR growth	9%	21%	-	13%
Organic growth	7%	14%	-	9%
EBITDA before special items	282.1	150.8	-	432.9
EBITDA margin before special items	37.0%	33.1%	-	35.5%
Amortization, depreciation and impairment losses	(53.8)	(53.3)	-	(107.1)
EBIT before special items	228.3	97.5	-	325.8
EBIT margin before special items	29.9%	21.4%	-	26.8%
Share of loss of joint ventures	-	-	(8.0)	(8.0)
Special items and net financial expenses	-	-	(24.9)	(24.9)
Profit before tax	228.3	97.5	(32.9)	292.9

Note 2 Segment information

(continued)

EUR million	Food Cultures & Enzymes	Health & Nutrition	Not allocated	Group
Aug 31, 2023				
Assets				
Goodwill	532.4	969.1	-	1,501.5
Other intangible assets	82.6	249.0	-	331.6
Property, plant and equipment	575.7	406.1	-	981.8
Other non-current assets	-	-	94.4	94.4
Total non-current assets	1,190.7	1,624.2	94.4	2,909.3
Inventories	120.1	74.1	-	194.2
Trade receivables	119.2	90.0	-	209.2
Other assets	-	-	117.8	117.8
Total current assets	239.3	164.1	117.8	521.2
Total assets	1,430.0	1,788.3	212.2	3,430.5
Liabilities				
Trade payables	65.1	46.4	-	111.5
Deferred gain, sale and lease back	30.7	13.8	-	44.5
Other liabilities	-	-	1,374.3	1,374.3
Total liabilities	95.8	60.2	1,374.3	1,530.3
Net working capital	174.2	117.7	-	291.9
Invested capital excluding goodwill	801.8	759.0	-	1,560.8
ROIC excluding goodwill	32.3%	15.6%	-	24.1%
Additions to non-current assets excluding joint ventures, other receivables and deferred tax	72.4	64.1	-	136.5

Note 2 Segment information

(continued)

EUR million	Food Cultures & Enzymes	Health & Nutrition	Not allocated	Group
Aug 31, 2022				
Assets				
Goodwill	543.8	973.8	-	1,517.6
Other intangible assets	89.9	267.7	-	357.6
Property, plant and equipment	518.5	358.9	-	877.4
Other non-current assets	-	-	65.8	65.8
Total non-current assets	1,152.2	1,600.4	65.8	2,818.4
Inventories	106.3	74.3	-	180.6
Trade receivables	107.9	72.6	-	180.5
Other assets	-	-	137.3	137.3
Total current assets	214.2	146.9	137.3	498.4
Total assets	1,366.4	1,747.3	203.1	3,316.8
Liabilities				
Trade payables	74.2	58.3	-	132.5
Deferred gain, sale and lease back	32.4	14.1	-	46.5
Other liabilities	-	-	1,313.9	1,313.9
Total liabilities	106.6	72.4	1,313.9	1,492.9
Net working capital	140.0	88.6	-	228.6
Invested capital excluding goodwill	716.0	701.1	-	1,417.1
ROIC excluding goodwill	33.4%	14.5%	-	24.0%
Additions to non-current assets excluding joint ventures, other receivables and deferred tax	75.2	66.4	-	141.6

Note 2 Segment information

(continued)

EUR million	EMEA	North America	APAC	LATAM	Group
Q4 2022/23					
Revenue	138.1	119.5	57.9	36.8	352.3
EUR growth	13%	9%	(3%)	1%	7%
Organic growth	20%	15%	5%	20%	16%

EUR million	EMEA	North America	APAC	LATAM	Group
YTD 2022/23					
Revenue	511.1	438.1	230.5	154.7	1,334.4
EUR growth	13%	10%	1%	11%	10%
Organic growth	16%	7%	4%	20%	11%
Non-current assets excluding joint ventures, other receivables and deferred tax	2,390.0	373.1	17.9	33.9	2,814.9

EUR million	EMEA	North America	APAC	LATAM	Group
Q4 2021/22					
Revenue	122.3	109.8	59.5	36.3	327.9
EUR growth	5%	15%	24%	8%	12%
Organic growth	6%	1%	17%	3%	6%

EUR million	EMEA	North America	APAC	LATAM	Group
YTD 2021/22					
Revenue	452.9	398.0	227.6	139.5	1,218.0
EUR growth	8%	20%	17%	8%	13%
Organic growth	10%	8%	12%	7%	9%
Non-current assets excluding joint ventures, other receivables and deferred tax	2,352.3	350.7	21.2	28.4	2,752.6

Note 3 R&D expenditures

EUR million	Q4 2022/23	Q4 2021/22	YTD 2022/23	YTD 2021/22
R&D expenses (P&L)	26.2	24.9	99.8	96.8
- Amortization	3.3	2.9	13.2	11.8
- Impairment	0.3	1.7	0.5	2.4
+ Capitalization	5.1	4.4	16.3	16.6
R&D expenditures incurred	27.7	24.7	102.4	99.2

Note 4 EBIT b.s.i. to EBITDA b.s.i.

EUR million	Q4 2022/23	Q4 2021/22	YTD 2022/23	YTD 2021/22
EBIT b.s.i	98.5	91.4	358.3	325.8
Amortization and impairment losses	12.6	12.7	47.7	47.3
EBITA b.s.i.	111.1	104.1	406.0	373.1
Depreciation and impairment losses	18.1	17.1	66.2	59.8
EBITDA b.s.i.	129.2	121.2	472.2	432.9

Note 5 Events after the balance sheet date

Apart from the events recognized or disclosed in the financial statements, no events of importance to the financial statements have occurred after the balance sheet date.

Note 6 Calendar quarterly financial highlights and key figures

In the table below, financial highlights and key figures have been restated to reflect calendar quarters. The calendar quarterly financial highlights and key figures have not been audited or reviewed.

EUR million	8 months							
	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022	Q1 2023	Q2 2023	YTD 2023
Income statement, EUR million								
Revenue	304.3	314.6	336.3	304.5	1,259.7	337.2	333.1	922.6
Gross profit	168.0	174.2	191.3	158.2	691.7	180.3	181.6	503.5
EBITDA b.s.i.	106.8	110.0	129.3	95.8	441.9	117.2	120.3	336.6
EBITA b.s.i.	91.9	95.2	112.0	79.9	379.0	101.0	103.6	291.5
EBIT b.s.i.	80.1	83.4	99.4	68.6	331.5	89.2	91.4	258.8
Special items	(0.9)	(0.2)	(4.1)	(2.6)	(7.8)	(5.6)	(7.9)	(18.6)
EBIT	79.2	83.2	95.3	66.0	323.7	83.6	83.5	240.2
Profit for the period	56.6	56.3	67.6	41.6	222.1	55.5	57.1	163.6
Cash flows, EUR million								
Operating cash flow	94.4	57.8	98.3	36.7	287.2	90.2	100.2	273.7
Investing cash flow	(33.7)	(37.3)	(62.8)	(30.1)	(163.9)	(34.6)	(54.7)	(138.4)
Free cash flow b.a.s.i.	64.0	27.1	43.7	17.5	152.3	67.2	65.9	180.9
Key ratios, %								
Gross margin	55.2%	55.4%	56.9%	52.0%	54.9%	53.5%	54.5%	54.6%
EBITDA margin b.s.i.	35.1%	35.0%	38.4%	31.5%	35.1%	34.8%	36.1%	36.5%
EBITA margin b.s.i.	30.2%	30.3%	33.3%	26.2%	30.1%	30.0%	31.1%	31.6%
EBIT margin b.s.i.	26.3%	26.5%	29.6%	22.5%	26.3%	26.5%	27.4%	28.1%
Operational expenses	28.9%	28.9%	27.3%	29.4%	28.6%	27.0%	27.1%	26.5%
ROIC excl. goodwill	23.8%	24.2%	27.8%	19.0%	24.0%	24.8%	24.7%	26.0%
Growth, %								
Organic growth	9%	8%	9%	4%	7%	11%	11%	13%
Volume/mix	8%	7%	6%	0%	4%	5%	3%	6%
Price	1%	1%	3%	4%	3%	6%	8%	7%
Currencies	3%	6%	6%	3%	5%	0%	(5%)	(4%)
EUR growth	12%	14%	15%	7%	12%	11%	6%	9%