*"We have together with our suppliers and customers shown in 2022 that we have the necessary flexibility to implement measures and therefore handle any further inflation. We are now preparing for a period of high uncertainty in terms of inflation and changing consumer behaviour".*

Jonas Tunestål, managing director and CEO

# Strong recovery but continued market uncertainty

## July – September 2022

- Net sales amounted to MSEK 3,202 (2,632) in the third quarter of 2022. At constant exchange rates net sales increased by 18 percent.
- Operating income (EBIT) increased to MSEK 112 (30), corresponding to a margin of 3.5 (1.1) percent.
- Income for the period amounted to MSEK 66 (4). Earnings per share amounted to SEK 0.99 (0.04).
- Operating cash flow was MSEK 248 (112).

## January – September 2022

- Net sales amounted to MSEK 9,050 (7,666) in the first nine months of 2022. At constant exchange rates net sales increased by 15 percent.
- Operating income (EBIT) decreased to MSEK 191 (192), corresponding to a margin of 2.1 (2.5) percent.
- Income for the period amounted to MSEK 83 (99). Earnings per share amounted to SEK 1.17 (1.49)
- Operating cash flow was MSEK 389 (278).

## Significant events in the quarter

- At an extraordinary general meeting on August 22, Paulo Gaspar was elected as new board member. Paulo Gaspar represents Grupo Lusiaves, which is Scandi Standard's second largest shareholder.

## Key metrics[2)]

| MSEK | Q3 2022 | Q3 2021 | Δ | 9M 2022 | 9M 2021 | Δ | R12M | 2021 |
|---|---|---|---|---|---|---|---|---|
| Net sales | 3,202 | 2,632 | 22% | 9,050 | 7,666 | 18% | 11,485 | 10,101 |
| EBITDA | 212 | 126 | 68% | 520 | 474 | 10% | 645 | 598 |
| **Operating income (EBIT)** | **112** | **30** | - | **191** | **192** | **-1%** | **221** | **222** |
| EBITDA margin % | 6.6% | 4.8% | 1.8ppt | 5.7% | 6.2% | -0.4ppt | 5.6% | 5.9% |
| EBIT margin % | 3.5% | 1.1% | 2.4ppt | 2.1% | 2.5% | -0.4ppt | 1.9% | 2.2% |
| Non-comparable items[1)] | - | -13 | -100% | - | -17 | -100% | 26 | 9 |
| Adjusted EBITDA[1)] | 212 | 139 | 52% | 520 | 491 | 6% | 618 | 589 |
| **Adjusted operating income (Adj. EBIT)[1)]** | **112** | **43** | 163% | **191** | **210** | -9% | **194** | **213** |
| Adjusted EBITDA margin[1)] % | 6.6% | 5.3% | 1.3ppt | 5.7% | 6.4% | -0.7ppt | 5.4% | 5.8% |
| Adjusted EBIT margin[1)] % | 3.5% | 1.6% | 1.9ppt | 2.1% | 2.7% | -0.6ppt | 1.7% | 2.1% |
| Income after finance net | 84 | 10 | - | 119 | 132 | -10% | 126 | 140 |
| Income for the period | 66 | 4 | - | 83 | 99 | -16% | 88 | 103 |
| Earnings per share, SEK | 0.99 | 0.04 | - | 1.17 | 1.49 | -22% | 1.27 | 1.60 |
| Return on capital employed % | 5.2% | 5.8% | -0.5ppt | 5.2% | 5.8% | -0.5ppt | 5.2% | 5.2% |
| Return on equity % | 4.0% | 6.3% | -2.3ppt | 4.0% | 6.3% | -2.3ppt | 4.0% | 5.5% |
| Operating cash flow | 248 | 112 | 121% | 389 | 278 | 40% | 457 | 347 |
| Net interest-bearing debt | 1,733 | 1,891 | -8% | 1,733 | 1,891 | -8% | 1,822 | 1,980 |
| NIBD/Adj. EBITDA | 2.8 | 2.8 | 2% | 2.8 | 2.8 | 2% | 2.9 | 3.4 |
| Lost time injuries (LTI) per million hours worked | 27.8 | 40.2 | -31% | 28.3 | 37.8 | -25% | 30.6 | 39.2 |
| Feed efficiency (kg feed/live weight) | 1.50 | 1.51 | -1% | 1.50 | 1.52 | -1% | 1.51 | 1.52 |

1) Restated non-comparable items. see note 6.
2) For a definition of alternative performance measures see page 22

# CEO Comments

Scandi Standard has delivered a result for the third quarter of 2022 in which we have largely offset cost inflation through raised sales prices and strong earnings in the Ready-to-eat segment. We also demonstrated that we can rapidly implement measures to manage a changing market. Despite a temporary reduction of slaughter volume, net sales increased 22 percent to MSEK 3,202 (2,632), driven by price increases, and I am pleased to be able to report operating income of MSEK 112 (30) for the quarter.

**Strong long-term demand**

Rising food prices result in consumers changing their purchasing habits and the current developments we estimate that consumer price sensitivity will increase.

The production cycle for chicken is significantly shorter than, for example, beef and pork, which has contributed to Scandi Standard being able to compensate for inflation by relatively quickly adapting our production volume to market demand. With distinct position in strong consolidated markets, our speedy response has had a real impact on balancing supply and demand. At the same time, long lead times in beef and pork production have led to surpluses and price pressure for these proteins, which has indirectly impacted chicken consumption. When the production of beef and pork has balanced the volumes to market demand, we expect to have healthy prerequisites for profitable volume development for chicken products.

After managing the first wave of inflation that impacted the business environment in 2022, we are now preparing for energy, packaging and logistics costs to continue to rise. Our assessment is that demand for chicken will benefit in relation to other proteins in such a market climate.

**Growth in Ready-to-cook and continued positive trend for Ready-to-eat**

The Ready-to-cook segment reported net sales of MSEK 2,265 (1,942), corresponding to growth of 17 percent, and operating income increased to MSEK 34 (7). The management in all markets has worked hard to manage increased inflation in a long-term and sustainable manner. The positive effects of the work have been offset partly by increased imports in some of our home markets.

The situation in Denmark remains challenging and we posted a loss of MSEK -50 (-60) in the Ready-to-cook segment. For this reason, operational changes are being implemented on an ongoing basis. Scandi Standard's total operations in Denmark, including Ready-to-eat and Ingredients, has once again posted a quarter with positive earnings.

Scandi Standard's other major segment Ready-to-eat has continued to develop positively. Net sales increased 36 percent to MSEK 802 (589) and operating income increased 54 percent to MSEK 70 (46). To enable continued growth, an expansion of the capacity of the Danish factory in Farre is planned during the fourth quarter of 2022. A decision has been made to start an additional expansion, which will increase production capacity in Farre by 30 percent by 2024.

By continuing to invest in our rapidly growing and profitable Ready-to-eat segment, we create added value for our protein as we take advantage of larger parts of the chicken while at the same time moving higher in the value chain. This is one of Scandi Standard's strategic focus areas and one of the keys of developing Scandi Standard's profitability for the years ahead.

**Climate labelling steers conscious choices**

Creating a future proof, sustainable business is one of Scandi Standard's strategic focus areas. It is therefore an important step that Scandi Standard launches climate labelling in all of its home markets. With help of the specialised and independent organisation, the Carbon Trust, we have calculated and certified the carbon footprint across the entire value chain of 282 products, all the way from farm to fork. The calculations have been certified in order to provide us with a good foundation to start from to achieve our climate targets that are aligned with the 1.5 °C goal of the Paris Agreement and to have a good foundation for our efforts to increase transparency as well as to guide consumers to more conscious choices.

Several scientific studies show that chicken is the animal protein that impacts the climate the least per kilo, but we also need to continue to reduce our carbon footprint. With these calculations as a basis, we can work more systematically with our climate efforts.

The sustainability indicators, use of antibiotics and foot pad condition, are largely unchanged in comparison with the preceding quarter, which is a decline compared with the preceding year, primarily driven by Ireland. A number of measures have been taken to improve the situation, but long lead times limit the effect in the quarter. We also launched an initiative to increase transparency upstream with our suppliers, in the areas of animal welfare, climate and the environment.

**Strong cash flow and stable position**

Cash flow was strong during the quarter, driven by a profit improvements, low investments and low working capital. Net debt declined in the quarter by MSEK 216 to MSEK 1,733. To date this year, the company's capital expenditures has been MSEK 143 of an expected MSEK 300 for 2022.

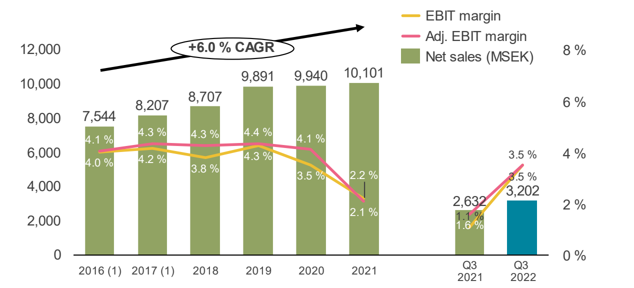
We have together with our suppliers and customers shown in 2022 that we have the necessary flexibility to implement measures and therefore handle any further inflation. We are now preparing for a period of high uncertainty in terms of inflation and changing consumer behaviour. I can remind you that the fourth quarter is a weaker period for Scandi Standard in terms of earnings due to seasonal variations.

In the longer term, there is a considerable potential for increasing the value per bird processed. It will be material for Scandi Standard to establish a long-term stable earnings level above the margins reported between 2015 and 2020. The transition requires a strong focus on the right culture, governance and leadership, increased efficiency throughout the value chain, and innovative development of our product portfolio. At the same time, we will create a fundamentally sustainable business in the long term. The work within these strategic focus areas is ongoing for all of Scandi Standard, but change takes time. After spending even more time in the business and met even more of Scandi Standard's employees, I am convinced that together, we can look forward to a positive and value-creating journey ahead.

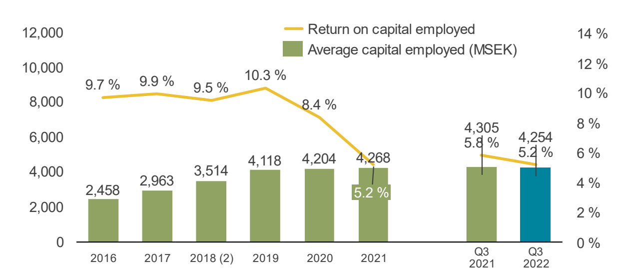
Stockholm, 28 October 2022

*Jonas Tunestål, Managing director and CEO*

**Net sales and EBIT margin**




**Average capital employed and Return on capital employed**




1) Pro forma including Manor Farm
2) Recalculated for IFRS16

# Group results, financial position and cash flow July – September 2022

**Net sales** amounted to MSEK 3,202 (2,632). At constant exchange rates, net sales increased by 18 percent. Net Sales to the Retail sales channel increased by 16 percent in net sales compared to the corresponding quarter previous year driven by price increases while volume decreased. Net sales to Foodservice sales channel increased by 38 in net sales while export sales increased with 24 percent in the quarter in line with rising prices in the international market.

**Operating income (EBIT)** for the Group amounted to MSEK 112 (30), corresponding to an operating margin (EBIT margin) of 3.5 (1.1) percent. No non-comparable items was reported in the third quarter.

The higher result was driven by improved results in all segments mainly due to price increases. Ready-to-cook Denmark still weighs on the result, where the challenging macro situation and high energy prices have a strong impact.

The Ready-to-eat business contributed positively to the results with strong growth and good operating result. Other business also improved compared to the previous year, where ingredients have been positively affected by an improved price picture.

**Finance net** for the Group amounted to MSEK -28 (-20). The increase is mainly driven by increased interest expenses for interest-bearing liabilities of MSEK -15 (-9). In addition the finance net consists of interest expenses for leasing of MSEK -3 (-3), and currency effects/other items of MSEK -11 (-7).

**Tax expenses** for the Group amounted to MSEK -18 (-6) corresponding to an effective tax rate of approximately 21 (62) percent. which is in line with expectations given the mix of tax rates between the different countries.

**Income for the period** for the Group increased to MSEK 66 (4). Earnings per share were SEK 0.99 (0.04).

**Net interest-bearing debt (NIBD)** for the Group was MSEK 1,733, a decrease by MSEK 216 from 30 June 2022. Operating cash flow in the quarter amounted to MSEK 248 (112) positively affected by improved EBITDA and positive change in working capital driven by improved management of accounts receivable but also partly linked to positive timing effect.

The investment rate has increased somewhat after a period of low investment levels, mainly driven by capacity investments in RTE and new ERP system. Paid financial items have increased driven by higher interest rates.

**Total equity** attributable to the owners of the parent company as of September 30, 2022, amounted to MSEK 2,196 (1,917). The equity to assets ratio amounted to 31.5 (29.1) percent. Return on equity was 4.0 (6.3) percent.

**The financial target** for the Group's adjusted EBITDA margin is to exceed 10 percent in the medium term. During the last twelve-month period, the company's adjusted EBITDA margin amounted to 5.4 percent, which is below the year 2021 level, and below the company's target.

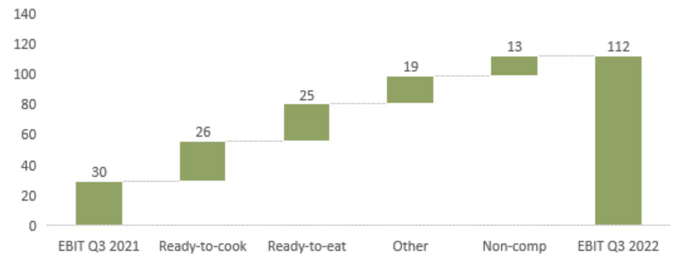
The financial target for the Group´s net interest-bearing debt in relation to adjusted EBITDA is 2.0-2.5x. The outcome as of September 30, 2022, was 2.8x (2.8x), which was above the target range for the Group but an improvement compared with the second quarter 2022.

### Net Sales and Operating Income (EBIT)[2)]

| MSEK | Q3 2022 | Q3 2021 | R12M | 2021 |
|---|---|---|---|---|
| Net sales | 3,202 | 2,632 | 11,485 | 10.101 |
| EBITDA | 212 | 126 | 645 | 598 |
| Depreciation | -87 | -84 | -375 | -328 |
| EBITA | 125 | 42 | 270 | 270 |
| Amortisation | -13 | -12 | -51 | -50 |
| **EBIT[2)]** | **112** | **30** | **221** | **222** |
| EBITDA margin, % | 6.6% | 4.8% | 5.6% | 5.9% |
| EBITA margin, % | 3.9% | 1.6% | 2.4% | 2.7% |
| EBIT margin, % | 3.5% | 1.1% | 1.9% | 2.2% |
| Non-comparable items[1)] | - | -13 | 26 | 9 |
| Adj. EBITDA[1)] | 212 | 139 | 618 | 589 |
| **Adj. EBIT[1)]** | **112** | **43** | **194** | **213** |
| Adj. EBITDA margin, %[1)] | 6.6% | 5.3% | 5.4% | 5.8% |
| Adj. EBIT margin, %[1)] | 3.5% | 1.6% | 1.7% | 2.1% |
| Chicken processed (tonne lw) [3)] | 89.338 | 102.736 | 364.622 | 393.369 |
| EBIT/kg | 1.3 | 0.3 | 0.6 | 0.6 |

1) Restated non-comparable items. see note 6
2) For specific explanatory items, see note 7.
3). Live Weight, tonnes

**Change in EBIT Q3 2021 – Q3 2022 (MSEK)**




### Finance net and tax expenses

| MSEK | Q3 2022 | Q3 2021 | R12M | 2021 |
|---|---|---|---|---|
| Finance income | 1 | 0 | 2 | 2 |
| Finance expenses | -29 | -20 | -97 | -83 |
| Finance net | -28 | -20 | -94 | -82 |
| Income after finance net | 84 | 10 | 126 | 140 |
| Income tax expenses | -18 | -6 | -39 | -37 |
| Income tax expenses % | -21% | -62% | -31% | -26% |
| **Income for the period** | **66** | **4** | **88** | **103** |
| Earnings per share, SEK | 0.99 | 0.04 | 1.27 | 1.60 |

### Net-interest-bearing debt (NIBD)

| MSEK | Q3 2022 | Q3 2021 | R12M | 2021 |
|---|---|---|---|---|
| **Opening balance NIBD** | **1,949** | **1,967** | **1,891** | **1.933** |
| EBITDA | 212 | 126 | 645 | 598 |
| Change in working capital | 115 | 31 | 126 | 162 |
| Net capital expenditure | -67 | -31 | -211 | -306 |
| Other operating items | -12 | -14 | -103 | -108 |
| **Operating cash flow** | **248** | **112** | **457** | **347** |
| Paid finance items, net | -27 | -16 | -81 | -69 |
| Paid tax | -7 | -5 | -54 | -56 |
| Dividend | 0 | - | 0 | -81 |
| Business combinations | - | -23 | -136 | -171 |
| Other items[1)] | 3 | 7 | -28 | -17 |
| **Decrease (+) / increase (-) NIBD** | **216** | **76** | **158** | **-47** |
| **Closing balance NIBD** | **1,733** | **1,891** | **1,733** | **1.980** |

1) Other items mainly consist of effects from changes in foreign exchange rates and net change of leasing assets

| Financial targets | Q3 2022 | Q3 2021 | R12M | 2021 | Target |
|---|---|---|---|---|---|
| Adj. EBITDA margin, % | 6.6% | 5.3% | 5.4% | 5.8% | 10% |
| NIBD/Adj. EBITDA | 2,8x | 2,8x | 2,9x | 3,4x | 2.0-2.5x |

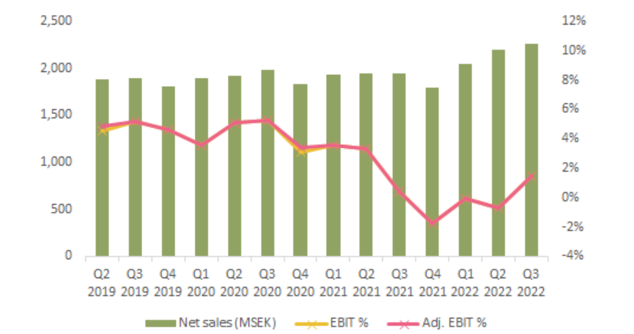
1) Target for Net sales and dividend is measured and evaluated on annual basis

# Overview – segment consolidation and KPIs

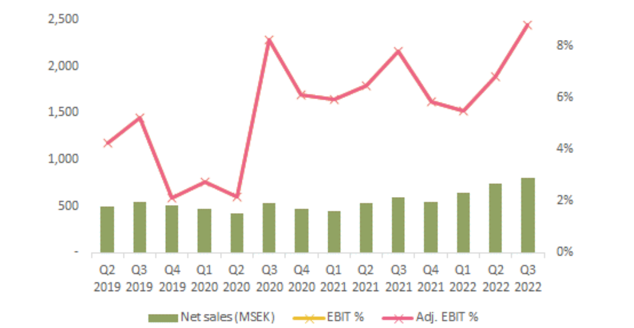
| | Ready-to-cook 1) | | Ready-to-eat 2) | | Other 3) | | Total | |
|---|---|---|---|---|---|---|---|---|
| **MSEK unless stated otherwise** | **Q3 2022** | **Q3 2021** | **Q3 2022** | **Q3 2021** | **Q3 2022** | **Q3 2021** | **Q3 2022** | **Q3 2021** |
| Net sales | 2,265 | 1,942 | 802 | 589 | 135 | 102 | 3,202 | 2,632 |
| EBITDA | 116 | 88 | 83 | 58 | 14 | -20 | 212 | 126 |
| Depreciation | -69 | -69 | -12 | -12 | -5 | -4 | -87 | -84 |
| EBITA | 46 | 20 | 70 | 46 | 8 | -24 | 125 | 42 |
| Amortisation | -13 | -12 | 0 | 0 | 0 | 0 | -13 | -12 |
| **EBIT** | **34** | **7** | **70** | **46** | **8** | **-24** | **112** | **30** |
| EBITDA margin, % | 5.1% | 4.5% | 10.3% | 9.8% | 10.2% | -19.9% | 6.6% | 4.8% |
| EBITA margin, % | 2.1% | 1.0% | 8.8% | 7.8% | 6.2% | -23.4% | 3.9% | 1.6% |
| EBIT margin, % | 1.5% | 0.4% | 8.8% | 7.8% | 6.1% | -23.3% | 3.5% | 1.1% |
| Non-comparable items 4) | - | - | - | - | - | -13 | - | -13 |
| Adj. EBITDA 4) | 116 | 88 | 83 | 58 | 14 | -7 | 212 | 139 |
| **Adj. EBIT 4)** | **34** | **7** | **70** | **46** | **8** | **-11** | **112** | **43** |
| Adj. EBITDA margin, % 4) | 5.1% | 4.5% | 10.3% | 9.8% | 10.2% | -6.9% | 6.6% | 5.3% |
| Adj. EBIT margin, % 4) | 1.5% | 0.4% | 8.8% | 7.8% | 6.1% | -10.4% | 3.5% | 1.6% |
| Capital employed | | | | | | | 4,265 | 4,243 |
| Return on capital employed | | | | | | | 5.2% | 5.8% |
| Chicken processed (LW) 5) | | | | | | | 89,338 | 102,736 |
| Net sales/kg | | | | | | | 35.8 | 25.6 |
| EBIT/kg | | | | | | | 1.3 | 0.3 |
| **Net sales split** | | | | | | | | |
| Sweden | 664 | 547 | 180 | 121 | 31 | 19 | 876 | 687 |
| Denmark | 432 | 392 | 507 | 377 | 64 | 53 | 1.004 | 822 |
| Norway | 406 | 385 | 105 | 85 | 6 | 6 | 518 | 475 |
| Ireland | 564 | 470 | 4 | 1 | 25 | 17 | 593 | 488 |
| Finland | 198 | 148 | 6 | 5 | 7 | 7 | 211 | 160 |
| **Total Net sales per country** | **2,265** | **1,942** | **802** | **589** | **135** | **102** | **3,202** | **2,632** |
| Retail | 1,759 | 1,515 | 149 | 125 | 6 | 4 | 1,913 | 1,644 |
| Export | 150 | 138 | 74 | 55 | 29 | 13 | 254 | 205 |
| Foodservice | 199 | 154 | 537 | 380 | 1 | 1 | 737 | 535 |
| Industry / Other | 157 | 135 | 41 | 30 | 99 | 84 | 297 | 248 |
| **Total Net sales sales channel** | **2,265** | **1,942** | **802** | **589** | **135** | **102** | **3,202** | **2,632** |
| Chilled | 1,816 | 1,551 | | | | | | |
| Frozen | 449 | 391 | | | | | | |
| **Total Net sales sub segment** | **2,265** | **1,942** | | | | | | |
| LTI per million hours worked 6) | 32.7 | 43.6 | 4.7 | 20.4 | | | 27.8 | 40.2 |
| Use of antibiotics (% of flocks treated) | 11.0 | 4.5 | | | | | 11.0 | 4.5 |
| Animal welfare indicator (foot score) 7) | 14.1 | 7.0 | | | | | 14.1 | 7.0 |
| CO2 emissions (g CO2e/kg product) 8) | | | | | | | 67.0 | 71.9 |
| Critical complaints 9) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Feed efficiency (kg feed/live weight) 10) | 1.50 | 1.51 | | | | | 1.50 | 1.51 |

1) Includes feed in Ireland, hatching in Sweden, 100% consolidation of the 51% owned entity Rokkedahl in Denmark. Net sales for the segment Ready-to-cook includes the external net sales
2) Net sales for the segment Ready-to-eat includes the external net sales. Operative result for the segment includes the integrated result for the group without internal margins
3) Other consist of Ingredients, business and group cost, see note 2 for definition of Other.
4) Adjusted for non-comparable items. see note 6
5) Live Weight, tonnes
6) Injuries lead to absence at least the next day, per million hours worked
7) Foot score; leading industry indicator for animal welfare. The score is measured according to industry standard, meaning assessing 100 feet per flock independent of flock size
8) g CO2e/kg product. Location-based method used for calculations. Emission factors from DEFRA 2020 and IEA 2018–2020. Includes 90% of Scope 1 and Scope 2 emissions for Scandi Standard Group, with exception for owned and leased vehicles and energy and electricity consumed at our sites Harlösa, SweHatch, Rokkedahl och Ski
9) Includes recall from customers or consumers, presence of foreign objects in the product, allergens or incorrect content or sell by dates
10) Feed conversion rate (kg feed/kg live weight). Includes only conventional chickens (approximately 85% of the Group's chicken). The figures are based on grower's reported figures in all countries except in Sweden, where figures are country averages from Svensk Fågel

**Ready-to-cook**




**Ready-to-eat**




Note, adjusted operating income in line with operating income as no non-comparable items was reported in the periods

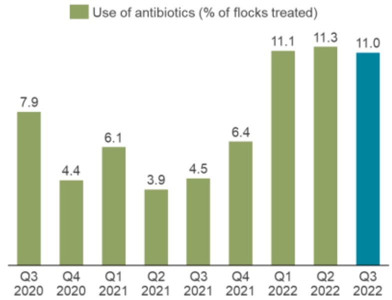
# Sustainability performance

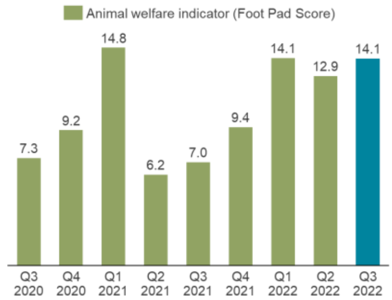
### Focus areas and development

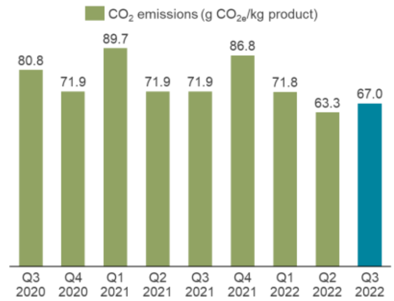
Scandi Standard's vision is *Better Chicken for a Better Life.* We contribute to sustainable food production by providing healthy and innovative chicken products produced in a responsible and resource-efficient way. Expectations and requirements on Scandi Standard's sustainability work from different stakeholders are increasing and are to a larger extent linked to operational and financial success for the Group – with the ambition to be a sustainability leader in the global poultry space.

### Third quarter 2022

- The lost time injury frequency rate (LTIFR) during the third quarter 2022 was 27.8 LTIs per million hours worked. This is 31 percent lower than the third quarter 2021 and considerably lower than the full-year result for 2021. The work to further improve is ongoing, and the target is to reach an average level of 25.0 LTIs per million hours worked in the fourth quarter of 2022.
- During the third quarter of 2022, use of antibiotics in the Group remained higher than in previous years, even if it is still low in an international comparison and negligible in the Nordic countries. In the third quarter, 11.0 percent of flocks were treated, compared with 4.5 percent in the corresponding quarter in 2021. The decline in result is, as before, mainly driven by the Irish operations and Scandi Standard continues to work with systematic improvement measures, which are expected to lead to gradual advances toward previously reported levels.
- Foot pad condition (foot score) is a leading industry indicator for animal welfare, a low score equates good foot health, where values below 15−20 are good in an international comparison. The result for the third quarter of 2022 was 14.1 points, which is a decline compared with the corresponding quarter of 2021, when the result was 7.0. Like the use of antibiotics, the decline in result is driven by the Irish business, and here as well we are systematically working to return to previously reported levels.
- Decreasing the climate impact of its own operations as well as across the value chain is a key priority at Scandi Standard. The result for the third quarter with regards to carbon intensity in own operations was 67.0 g CO2e/kg product which was seven percent lower year-on-year. The decrease was attributable to lower consumption of fuel oil in Swedish operations, as well as to an update of emission factors used for calculating emissions where, for example, district heating has been updated to use the respective specific production prerequisites in Sweden and Denmark.
- Critical complaints remain at a very low level, no new complaint was reported during the third quarter of 2022.


### Scandi Standard climate labelling products in all home markets

As announced in the second quarter, Scandi Standard has worked together with the specialist and independent organisation Carbon Trust to calculate and certify the carbon footprint of 282 products in the markets Scandi Standard operates in. The calculations were made throughout the value chain – from farm to fork – and will now be used as a basis to climate label the products. We see this as a step toward increased transparency and a way to take a lead in the climate transition and guide consumers toward more informed choices. Climate labelling will be launched on an ongoing basis in the various markets in the fourth quarter of 2022 and the first quarter of 2023 and will be adapted to local conditions.

Several scientific studies show that chicken is the animal protein that impacts the climate the least per kilo, but we also need to continue to reduce our carbon footprint. The calculations made on a product level in all countries mean that we have a good basis to obtain a detailed understanding of our climate impact and to be able to take those actions that make the most difference. This is also a key component in the update of our climate and sustainability targets, which is currently ongoing.

Among the measures identified, there is, for example, an initiative where Scandi Standard works towards increased transparency in the value chain regarding data and information related to animal care, environment and climate.

| Sustainability Overview | Q3 2022 | Q3 2021 | Δ | 9M 2022 | 9M 2021 | Δ | 2021 | 2022 Target |
|---|---|---|---|---|---|---|---|---|
| LTI per million hours worked[1] | 27.8 | 40.2 | -31% | 28.3 | 37.8 | -25% | 39.2 | 25.0[6] |
| Use of antibiotics (% of flocks treated) | 11.0 | 4.5 | 146% | 11.1 | 4.8 | 132% | 5.2 | 4.7 |
| Animal welfare indicator (foot score)[2] | 14.1 | 7.0 | 99% | 13.7 | 9.2 | 49% | 9.3 | 8.4 |
| CO2 emissions (g CO2e/kg product)[3] | 67.0 | 71.9 | -7% | 67.4 | 77.4 | -13% | 79.9 | 75.9 |
| Critical complaints[4] | 0 | 0 | 0% | 1 | 4 | -75% | 7 | 0 |
| Feed efficiency (kg feed/live weight)[5] | 1.50 | 1.51 | -1% | 1.50 | 1.52 | -1% | 1.52 | 1.50 |

1) Injuries lead to absence at least the next day, per million hours worked
2) Foot score; leading industry indicator for animal welfare. The score is measured according to industry standard, meaning assessing 100 feet per flock independent of flock size
3) g CO2e/kg product. Location-based method used for calculations. Emission factors from Energiföretagen 2020, Energistyrelsen 2020 and AIB 2020. Includes 80% of Scope 1 and Scope 2 emissions for Scandi Standard Group, with exception for owned and leased vehicles, technical gases, and energy and electricity consumed at our sites Harlösa, SweHatch, Rokkedahl och Ski
4) Includes recall from customers or consumers, presence of foreign objects in the product, allergens or incorrect content or sell by dates
5) Feed conversion rate (kg feed/kg live weight). Includes only conventional chickens, approximately 85% of the Group's chicken. The figures are based on grower's reported figures in all countries except in Sweden, where figures are country averages from Svensk Fågel
6) The target for lost time injury frequency rate (LTIFR) is set to be achieved in Q4 2022, and corresponds to 38% decrease in the LTIFR compared to full year 2021

# Segment: Ready-to-cook

| MSEK | Q3 2022 | Q3 2021 | Δ | R12M | 2021 |
|---|---|---|---|---|---|
| Net sales | 2,265 | 1,942 | 17% | 8,300 | 7,611 |
| EBITDA | 116 | 88 | 31% | 339 | 424 |
| Depreciation | -69 | -69 | 1% | -304 | -266 |
| EBITA | 46 | 20 | 138% | 34 | 158 |
| Amortisation | -13 | -12 | 7% | -51 | -50 |
| **EBIT** | **34** | **7** | **352%** | **-16** | **110** |
| EBITDA margin, % | 5.1% | 4.5% | 0.6ppt | 4.1% | 5.6% |
| EBITA margin, % | 2.1% | 1.0% | 1.0ppt | 0.4% | 2.1% |
| EBIT margin, % | 1.5% | 0.4% | 1.1ppt | -0.2% | 1.4% |
| Non-comparable items[1)] | - | - | - | - | - |
| Adj. EBITDA[1)] | 116 | 88 | 31% | 339 | 424 |
| **Adj. EBIT[1)]** | **34** | **7** | **352%** | **-16** | **110** |
| Adj. EBITDA margin, %[1)] | 5.1% | 4.5% | 0.6ppt | 4.1% | 5.6% |
| Adj. EBIT margin, %[1)] | 1.5% | 0.4% | 1.1ppt | -0.2% | 1.4% |
| | | | | | |
| LTI per million hours worked[2)] | 32.7 | 43.6 | -25% | 33.9 | 43.2 |
| Animal welfare indicator[3)] | 14.1 | 7 | 99% | 12.9 | 9.3 |
| Critical complaints[4)] | 0 | 0 | 0% | 0 | 1 |

1) Restated non-comparable items, see note 6
2) Injuries lead to absence at least the next day, per million hours worked
3) Foot score; leading industry indicator for animal welfare
4) Includes recall from customers or consumers, presence of foreign objects in the product, allergen or incorrect content or sell-by dates

**Net sales within the segment Ready-to-cook (RTC)** increased by 17 percent from MSEK 1,942 to MSEK 2,265 MSEK. In fixed currency, the increase in net sales was 13 percent, driven by price increases across all sales channels. For Retail, growth in net sales amounted to 16 percent.

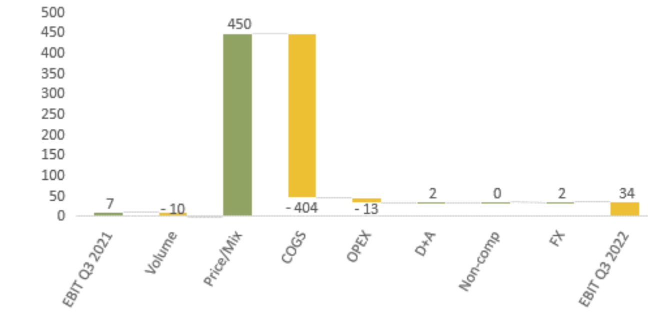
Sweden and Ireland are main contributors with an increased net sales of 22 percent and 20 percent respectively versus the same period last year. Finland is also progressing and increased net sales by 34 percent.

Slaughtered volumes reduced by 12 percent compared to 2021, mainly driven by Denmark whilst volume in Finland continues to grow.

Sales of frozen products are increasing by 15 percent, while the corresponding figure for chilled landed at 17 percent.

During the quarter, export to Asia has ramped up as restrictions related to bird flu have been removed.

**Ready-to-cook: Change in EBIT Q3 2021 – Q3 2022 (MSEK)**




**Operating income (EBIT) for Ready-to-cook** increased by MSEK 26 to MSEK
34 (7) corresponding to an operating income margin (EBIT margin) of - 1.5 (0.4) percent.

Decreased volumes have had a negative effect on the result in the quarter.

Cost increases in input goods are better compensated for by the price increases implemented during the third quarter of 2022, with some variation between countries. Increasing energy costs are continuing to be challenging.

The third quarter of last year was also burdened with cost related to termination of supplier contracts of MSEK 17 as well as affected by bird flu.

Ready-to-cook Denmark worsened the result vs the second quarter with MSEK -20 delivering a negative result of -50 MSEK for the third quarter. This is driven by a challenging macro environment with changes in demand and high energy prices.

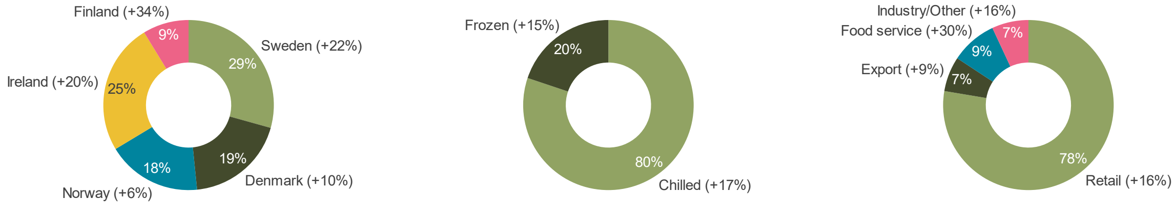
Other operating costs increased during the quarter, mainly driven by inflation and internal projects.

No non-comparable items were reported in the third quarter.

Lost time injuries (LTI) for the RTC business amounted to 32.7 per million hours worked during the second quarter, which is an improvement of 25 percent compared to the corresponding quarter last year, this shows that implemented measures still deliver expected results.

No critical complaint was reported for RTC during the second quarter.

**Net Sales per Country, product type and sales channel. Change versus corresponding quarter previous year in brackets ()**




**Segment Ready-to-cook (RTC):** is the Group's largest product category and consists of products that are either chilled or frozen, that have not been cooked. These include whole birds, cuts of meat, deboned and seasoned, or marinated products. Products are made available mainly via Retail and Foodservice sale channels to both domestic and export markets. The segment comprises RTC processing plants in all five countries, the feed business in Ireland, egg production in Norway, and the hatching business in Sweden. Net sales for the segment consist of the external net sales.

# Segment: Ready-to-eat

| MSEK | Q3 2022 | Q3 2021 | Δ | R12M | 2021 |
|---|---|---|---|---|---|
| Net sales | 802 | 589 | 36% | 2,736 | 2,112 |
| EBITDA | 83 | 58 | 43% | 238 | 187 |
| Depreciation | -12 | -12 | 2% | -50 | -49 |
| EBITA | 70 | 46 | 54% | 188 | 138 |
| Amortisation | 0 | 0 | - | 0 | 0 |
| **EBIT** | 70 | 46 | 54% | 188 | 138 |
| EBITDA margin, % | 10.3% | 9.8% | 0.5ppt | 8.7% | 8.8% |
| EBITA margin, % | 8.8% | 7.8% | 1.0ppt | 6.9% | 6.5% |
| EBIT margin, % | 8.8% | 7.8% | 1.0ppt | 6.9% | 6.6% |
| Non-comparable items[1] | - | - | - | - | - |
| Adj. EBITDA[1] | 83 | 58 | 43% | 238 | 187 |
| **Adj. EBIT[1]** | 70 | 46 | 54% | 188 | 138 |
| Adj. EBITDA margin, %[1] | 10.3% | 9.8% | 0.5ppt | 8.7% | 8.8% |
| Adj. EBIT margin, %[1] | 8.8% | 7.8% | 1.0ppt | 6.9% | 6.6% |
| LTI per million hours worked[2] | 4.7 | 20.4 | -77% | 14.8 | 13.6 |
| Critical complaints[3] | 0 | 0 | 0% | 4 | 6 |

1) Restated non-comparable items. see note 6
2) Injuries lead to absence at least the next day, per million hours worked
3) includes recall from customers or consumers, presence of foreign objects in the product, allergens or incorrect content or sell by dates

**Net sales within the segment Ready-to-eat (RTE)** increased by 36 percent from MSEK 589 to MSEK 802. In fixed currency, the increase was 31 percent.

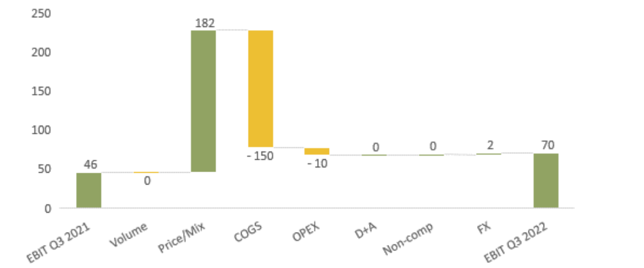
Net sales in Sweden showed strong growth during the second quarter with an increase of 49 percent and is now representing 23 percent of the RTE business. On top of the price/mix improvements, Sweden is also growing 13 percent on volume, much driven by sales success within quick service restaurants (QSR)l.

Also, Denmark and Norway delivered significant growth in net sales mainly driven by price.

Net sales within Foodservice grew by 41 percent and does now represent 67 percent of the RTE net sales. The growth derives from changes in consumer behaviour within quick service restaurants (QSR) in the Nordics and Northern Europe where consumers tend to opt more for chicken products versus other sources of protein.

Retail sales increased by 19 percent and represent 19 percent of total RTE sales, while Export grew by 36 percent and now stand for 9 percent of the RTE business.

**Ready-to-eat: Change in EBIT Q3 2021 – Q3 2022 (MSEK)**




**Operating income (EBIT) for RTE** increased by MSEK 25 to MSEK 70 (46) corresponding to an operating margin (EBIT margin) of 8.8 (7.8) percent.

The price increases have compensated for the cost increases of input goods and energy that have affected the business. Also, a product mix transition to higher value products contributes to the positive result.

At the same time the segment continued to be negatively impacted by the fire that occurred in the production site in Farre at the beginning of April, mainly due to lost sales. Refurbishment is planned for the fourth quarter.

Other operating costs increased with MSEK 10, driven by higher sales and marketing spending to stimulate innovation and growth.

Also, the operating margin of 8.8 percent for the segment is clearly exceeding the corresponding period in 2019 (5,2 percent) before the Covid-19 pandemic and 2 percent units higher than the second quarter of 2022. The EBITDA margin is now over 10 percent, which is above our financial target.

No non-comparable items were reported in the third quarter 2022.

Lost time injuries (LTI) for the RTE business amounted to 4.7 per million hours worked during the third quarter, which was an improvement from 20.4 in the corresponding quarter previous year. The number of hours worked within the RTE business is relatively low in comparison to RTC, hence also a smaller number of accidents influences the LTIFR. Looking at the whole Group, the LTIFR has improved by 31 percent in the third quarter compared to the corresponding quarter last year.

No critical complaints were reported during the third quarter.

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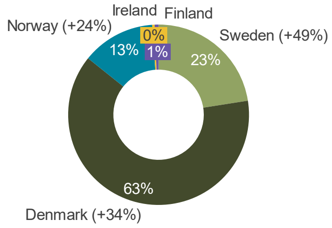
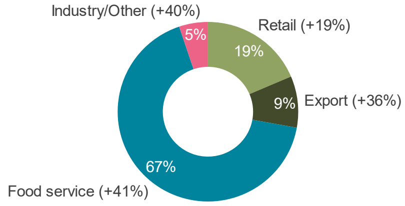
**Net Sales per Country and sales channel. Change versus corresponding quarter previous year in brackets ()**




**Segment Ready-to-eat (RTE)**: consists of products that have been cooked during processing and are ready to be consumed, either directly or after being heated up. Products range from grilled and pre-sliced chicken fillets with different seasoning to chicken nuggets. Sales are mainly to Retail and Foodservice sales channels, and part of the production is exported. The segment comprises RTE processing plants in Sweden, Denmark and Norway, combined with third-party production. Net sales for the segment consist of the external net sales. The operational result includes the integrated result for the group without internal margins.

# Segment: Other/ Ingredients and group cost

### Ingredients

Net sales within Ingredients amounted to MSEK 135 (102) with an operating income (EBIT) of MSEK 22 (5). The improvement in operating income (EBIT) was mainly driven by increased sales prices.

### Group cost

Group costs of MSEK -14 (-28) were recognised in the Group operating income (EBIT).

# Other

### Personnel

The average number of fulltime employees in the second quarter 2022 was 3,179 (3,201) and 3,139 (3,250) in the first nine months of the year.

### Government support

During the third quarter 2022 an amount of MSEK 0 (2) of governmental support has been recognized in profit. The received government support refers to compensation for increased sick leave.

### Average exchange rates

| | 2022–09 | 2021–09 |
|---|---|---|
| DKK/SEK | 1.42 | 1.37 |
| NOK/SEK | 1.05 | 0.99 |
| EUR/SEK | 10.53 | 10.15 |

# Group results, financial position and cash flow January – September 2022

**Net sales** amounted to MSEK 9,050 (7,666). At constant exchange rates net sales increased by 15 percent. The largest driver is price increases. Net sales to Retail sales channel increased with 9 percent while net sales to Food service increased with 46 percent after restrictions related to Covid-19 pandemic were lifted. Sales to the Export channel also increased.

**Operating income (EBIT)** for the Group amounted to MSEK 191 (192), corresponding to an operating margin (EBIT margin) of 2.1 (2.5) percent. No non-comparable items reported in the period.

The decrease in operating income is mainly driven by lower results in Ready-to-cook, while Ready-to-eat has improved its results.

In addition to inflation the operating income within Ready-to-cook was also affected by costs related to the write-down of fixed assets in Ireland, costs related to the fire incident in Farre and a provision for compensation linked to an old contract dispute in Finland. Read-to-eat was also negatively affected by increased inflation, including higher energy costs however, managed to counter the negative effects by implemented price increases, growth, a good sales mix and stable operative results.

**Finance net** for the Group amounted to MSEK -72 (-60). The increase is primarly driven by increased driven by interest expenses for interest-bearing liabilities of MSEK -37 (-28) due to increased interest rates. In addition the finance net consists of interest on leasing of MSEK -9 (-9) and currency/other items of MSEK - 26 (-23).

**Tax expenses** for the Group amounted to MSEK -35 (-34) corresponding to an effective tax rate of approximately 30 (25) percent. The increased tax rate in 2022 was mainly explained by the mix of tax rates between the different countries and that no deferred tax asset was booked for Finland in the first nine months.

**Income for the period** for the Group decreased by 16 percent to MSEK 83 (99). Earnings per share was SEK 1.17 (1.49).

**Net interest-bearing debt (NIBD)** for the Group was MSEK 1,733, a decrease by MSEK 247 from the 31st of December 2021. The operating cash flow for the first nine months increased to MSEK 389 (278) positively affected by higher EBITDA and by a low capital expenditure as the investment rate during the beginning of the year has been at a very low level in order to create financial flexibility.

**Total equity** attributable to the owners of the parent company as of September 30, 2022, amounted to MSEK 2,196 (1,917). The equity to assets ratio amounted to 31.5 (29.1) percent. Return on equity was 4.0 (6.3) percent.

**The financial target** for the Group's adjusted EBITDA margin is to exceed 10 percent in the medium term During the last twelve-month period, the company's adjusted EBITDA margin amounted to 5.4 percent, which is below the year 2021 level, and below the company's target.

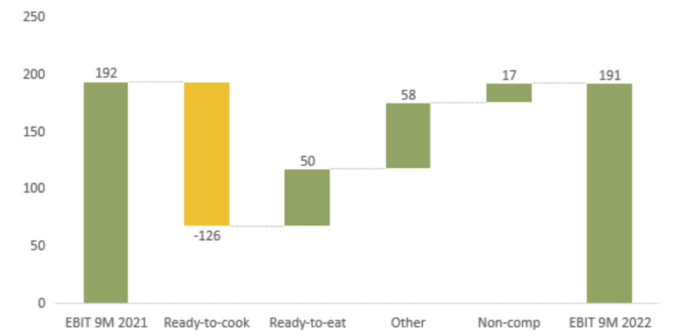
The financial target for the Group´s net interest-bearing debt in relation to adjusted EBITDA is 2.0-2.5x. The outcome as of September 30, 2022, was 2.8x (2.8x), which was above the target range for the Group but an improvement compared with previous quarter.

### Net Sales and Operating Income (EBIT)[2)]

| MSEK | 9M 2022 | 9M 2021 | R12M | 2021 |
|---|---|---|---|---|
| Net sales | 9,050 | 7.666 | 11,485 | 10.101 |
| EBITDA | 520 | 474 | 645 | 598 |
| Depreciation | -291 | -244 | -357 | -328 |
| EBITA | 230 | 230 | 270 | 270 |
| Amortisation | -39 | -37 | -51 | -50 |
| **EBIT** | **191** | **192** | **221** | **222** |
| EBITDA margin, % | 5.7% | 6.2% | 5.6% | 5.9% |
| EBITA margin, % | 2.5% | 3.0% | 3.1% | 2.7% |
| EBIT margin, % | 2.1% | 2.5% | 1.9% | 2.2% |
| Non-comparable items[1)] | - | -17 | 26 | 9 |
| Adj. EBITDA[1)] | 520 | 491 | 618 | 589 |
| **Adj. EBIT[1)]** | **191** | **210** | **194** | **213** |
| Adj. EBITDA margin, %[1)] | 5.7% | 6.4% | 5.4% | 5.8% |
| Adj. EBIT margin, %[1)] | 2.1% | 2.7% | 1.7% | 2.1% |
| Chicken processed (tonne lw)[3)] | 270,335 | 299,081 | 364,622 | 393,369 |
| Adj. EBIT/kg | 0.7 | 0.6 | 0.6 | 0.6 |

1) Restated non-comparable items. see note 6
2) For specific explanatory items, see note 7.
3) Live Weight, tons

**Change in EBIT 9M 2021 – 9M 2022 (MSEK)**




### Finance net and tax expenses

| MSEK | 9M 2022 | 9M 2021 | R12M | 2021 |
|---|---|---|---|---|
| Finance income | 1 | 0 | 2 | 2 |
| Finance expenses | -73 | -60 | -97 | -83 |
| Finance net | -72 | -60 | -94 | -82 |
| Income after finance net | 119 | 132 | 126 | 140 |
| Income tax expenses | -35 | -34 | -39 | -37 |
| Income tax expenses % | -30% | -25% | -31% | -26% |
| **Income for the period** | **83** | **99** | **88** | **103** |
| Earnings per share, SEK | 1.17 | 1.49 | 1.27 | 1.60 |

### Net-interest-bearing debt (NIBD)

| MSEK | 9M 2022 | 9M 2021 | R12M | 2021 |
|---|---|---|---|---|
| **Opening balance NIBD** | **1,980** | **1.933** | **1,891** | **1.933** |
| EBITDA | 520 | 474 | 645 | 598 |
| Change in working capital | 68 | 104 | 126 | 162 |
| Net capital expenditure | -143 | -238 | -211 | -306 |
| Other operating items | -57 | -61 | -103 | -108 |
| **Operating cash flow** | **389** | **278** | **457** | **347** |
| Paid finance items, net | -65 | -52 | -81 | -69 |
| Paid tax | -58 | -61 | -54 | -56 |
| Dividend | 0 | -81 | 0 | -81 |
| Business combinations | 0 | -35 | -136 | -171 |
| Other items | -19 | -7 | -28 | -17 |
| **Decrease (+) / increase (-) NIBD** | **247** | **-42** | **158** | **-47** |
| **Closing balance NIBD** | **1,733** | **1.891** | **1,733** | **1.980** |

1) Other items mainly consist of effects from changes in foreign exchange rates and net change of leasing assets.

| Financial targets | 9M 2022 | 9M 2021 | R12M | 2021 | Target |
|---|---|---|---|---|---|
| Adj. EBITDA margin, % | 5.7% | 6.4% | 5.4% | 5.8% | 10% |
| NIBD/Adj. EBITDA | 2.8x | 2.8x | 2.9x | 3.4x | 2.0-2.5x |

1) Target for Net sales and dividend is measured and evaluated on annual basis

# Other information

## Risks and uncertainties

Scandi Standards' risks and uncertainties are described on pages 57 – 61 and pages 89 – 92 in the Annual Report 2021, which is available at www.scandistandard.com.

This description also includes a section on "Changed purchasing costs" which is also stated here in updated form: The Group is also exposed to general cost changes including energy, transportation, insurance and packaging materials and for cost changes as an effect of geopolitical uncertainty. The was in Ukraine has led to increased volatility in pricing on inputs goods such as feed, frying oil and packaging material as well as for energy and transport. The war has also increased the risk of temporary shortage of certain food commodities, which in turn could affect live animal production. Scandi Standard's business model, which generally enables fluctuations in raw material prices to be carried over to customers, provides a good basis for compensating for price and cost increases over time.

## Events after the close of the period

Kasper Lenbroch has been hired as new Country Manager for Denmark. Kasper, whom will start on November 1st, 2022, has a solid experience from working with fast moving consumer goods (FMCG) and the retail market in the Nordics as well as abroad and will be an important force in our effort to create value for our customers and consumers in Denmark .

Stockholm, 12 November 2021

Jonas Tunestål

*Managing director and CEO*

*This is a translation of the original Swedish version published on www.scandistandard.com*

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# Auditor's report

Scandi Standard AB (publ) reg. no. 556921-0627

### Introduction

We have reviewed the condensed interim financial information (interim report) of Scandi Standard as of 30 September 2022 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

### Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, 28 October 2022

Öhrlings PricewaterhouseCoopers AB

Ann-Christine Hägglund

Authorized Public Accountant

# Consolidated income statement

| MSEK | Q3 2022 | Q3 2021 | 9M 2022 | 9M 2021 | R12M | 2021 |
|---|---|---|---|---|---|---|
| Net sales | 3,202 | 2,632 | 9,050 | 7,666 | 11,485 | 10,101 |
| Other operating revenues | 3 | 4 | 19 | 13 | 17 | 18 |
| Changes in inventories of finished goods and work in progress | 71 | 28 | -33 | -27 | 47 | 54 |
| Raw materials and consumables | -2,135 | -1,655 | -5,751 | -4,619 | -7,333 | -6,200 |
| Cost of personnel | -524 | -515 | -1,585 | -1,561 | -2,065 | -2,041 |
| Depreciation, amortisation and impairment | -100 | -96 | -329 | -281 | -426 | -378 |
| Other operating expenses | -405 | -370 | -1,179 | -998 | -1,514 | -1,332 |
| Share of income of associates | 0 | 0 | 0 | 0 | 2 | 2 |
| **Operating income** | **112** | **30** | **191** | **192** | **221** | **222** |
| Finance income | 1 | 0 | 1 | 0 | 2 | 2 |
| Finance expenses | -29 | -20 | -73 | -60 | -97 | -83 |
| **Income after finance net** | **84** | **10** | **119** | **132** | **126** | **140** |
| Tax on income for the period | -18 | -6 | -35 | -34 | -39 | -37 |
| **Income for the period** | **66** | **4** | **83** | **99** | **88** | **103** |
| Whereof attributable to: | | | | | | |
| Shareholders of the Parent Company | 65 | 2 | 76 | 98 | 83 | 104 |
| Non-controlling interests | 2 | 1 | 7 | 1 | 5 | -1 |
| | | | | | | |
| Average number of shares | 65,327,164 | 65,325,178 | 65,327,164 | 65,275,290 | 65,326,171 | 65,287,762 |
| Earnings per share, SEK | 0.99 | 0.04 | 1.17 | 1.49 | 1.27 | 1.60 |
| Earnings per share after dilution, SEK | 0.99 | 0.04 | 1.17 | 1.49 | 1.27 | 1.60 |
| Number of shares at the end of the period | 66,060,890 | 66,060,890 | 66,060,890 | 66,060,890 | 66,060,890 | 66,060,890 |

# Consolidated statement of comprehensive income

| MSEK | Q3 2022 | Q3 2021 | 9M 2022 | 9M 2021 | R12M | 2021 |
|---|---|---|---|---|---|---|
| **Income for the period** | **66** | **4** | **83** | **99** | **88** | **103** |
| **Other comprehensive income** | | | | | | |
| *Items that will not be reclassified to the income statement* | | | | | | |
| Actuarial gains and losses in defined benefit pension plans | 15 | 13 | 45 | 24 | 63 | 42 |
| Tax on actuarial gains and losses | -3 | -3 | -9 | -5 | -13 | -9 |
| **Total** | **12** | **11** | **35** | **19** | **50** | **33** |
| *Items that will or may be reclassified to the income statement* | | | | | | |
| Cash flow hedges | 14 | 1 | 25 | -1 | 25 | -1 |
| Currency effects from conversion of foreign operations | 50 | 17 | 132 | 54 | 147 | 70 |
| Income from currency hedging of foreign operations | -13 | -2 | -19 | -10 | -23 | -14 |
| Tax attributable to items that will be reclassified to the income statement | -3 | 0 | -5 | 0 | -5 | 0 |
| **Total** | **48** | **16** | **133** | **43** | **145** | **55** |
| | | | | | | |
| Other comprehensive income for the period, net of tax | 60 | 27 | 168 | 63 | 194 | 88 |
| **Total comprehensive income for the period** | **127** | **31** | **252** | **162** | **282** | **192** |
| Whereof attributable to: | | | | | | |
| Shareholders of the Parent Company | 125 | 29 | 245 | 160 | 277 | 193 |
| Non-controlling interests | 2 | 1 | 7 | 1 | 5 | -1 |

# Consolidated statement of financial position

| MSEK | Note | September 30, 2022 | September 30, 2021 | December 31, 2021 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Non-current assets** | | | | |
| Goodwill | | 957 | 911 | 921 |
| Other intangible assets | | 900 | 850 | 876 |
| Property plant and equipment | | 1,880 | 1,910 | 1,889 |
| Right-of-use assets | | 387 | 416 | 415 |
| Participations in associated companies | | 48 | 44 | 46 |
| Surplus in funded pensions | | 78 | 13 | 34 |
| Derivative instruments | 3 | 15 | - | - |
| Financial assets | 3 | 3 | 1 | 3 |
| Deferred tax assets | | 78 | 59 | 65 |
| **Total non-current assets** | | **4,347** | **4,205** | **4,249** |
| **Current assets** | | | | |
| Biological assets | | 101 | 104 | 103 |
| Inventory | | 784 | 700 | 785 |
| Trade receivables | 3 | 1,156 | 928 | 811 |
| Other short-term receivables | | 122 | 92 | 92 |
| Prepaid expenses and accrued income | | 158 | 143 | 104 |
| Cash and cash equivalents | 3 | 303 | 425 | 350 |
| **Total current assets** | | **2,625** | **2,394** | **2,245** |
| **TOTAL ASSETS** | | **6,972** | **6,599** | **6,494** |
| | | | | |
| **EQUITY AND LIABILITIES** | | | | |
| **Shareholder's equity** | | | | |
| Share capital | | 1 | 1 | 1 |
| Other contributed equity | | 646 | 646 | 646 |
| Reserves | | 259 | 114 | 125 |
| Retained earnings | | 1,291 | 1,157 | 1,180 |
| **Capital and reserves attributable to owners** | | **2,196** | **1,917** | **1,951** |
| Non-controlling interests | | 8 | 3 | 0 |
| **Total equity** | | **2,204** | **1,920** | **1,951** |
| | | | | |
| **Liabilities** | | | | |
| **Non-current liabilities** | | | | |
| Non-current interest-bearing liabilities | 3 | 1,632 | 1,870 | 1,884 |
| Non-current leasing liabilities | | 343 | 365 | 367 |
| Derivative instruments | 3 | - | 8 | 5 |
| Provisions for pensions | | - | - | 3 |
| Other provisions | | 10 | 8 | 9 |
| Deferred tax liabilities | | 174 | 158 | 178 |
| Other non-current liabilities | 4 | 69 | 64 | 65 |
| **Total non-current liabilities** | | **2,228** | **2,472** | **2,511** |
| **Current liabilities** | | | | |
| Current leasing liabilities | | 75 | 70 | 68 |
| Derivative instruments | 3 | 1 | 3 | 5 |
| Trade payables | 3 | 1,658 | 1,303 | 1,291 |
| Tax payables | | 82 | 55 | 55 |
| Other current liabilities | 4 | 164 | 351 | 179 |
| Accrued expenses and prepaid income | | 559 | 426 | 433 |
| **Total current liabilities** | | **2,540** | **2,208** | **2,031** |
| **TOTAL EQUITY AND LIABILITIES** | | **6,972** | **6,599** | **6,494** |

# Consolidated statement of changes in equity

| | | Equity attributable to shareholders of the Parent Company | | | | | | |
|---|---|---|---|---|---|---|---|---|
| MSEK | Note | Share capital | Other contributed equity | Reserves | Retained earnings | Equity attributable to shareholders of the Parent Company | Non-controlling interests | Total equity |
| **Opening balance January 1, 2021** | | **1** | **727** | **70** | **1,077** | **1,875** | **1** | **1,876** |
| Income for the year | | | | | 104 | 104 | -1 | 103 |
| Other comprehensive income for the year, net after tax | | | | 55 | 33 | 88 | - | 88 |
| **Total comprehensive income** | | | | **55** | **138** | **193** | **-1** | **192** |
| Dividend | | | -81 | | | -81 | - | -81 |
| Long term incentive program (LTIP) | | | | | -3 | -3 | - | -3 |
| Repurchase of own shares | | | | | -32 | -32 | - | -32 |
| **Total transactions with the owners** | | **-** | **-81** | **-** | **-35** | **-117** | **0** | **-117** |
| **Closing balance December 31, 2021** | | **1** | **646** | **125** | **1,180** | **1,951** | **0** | **1,951** |
| **Opening balance January 1, 2022** | | **1** | **646** | **125** | **1,180** | **1,951** | **0** | **1,951** |
| Income for the period | | | | | 76 | 76 | 8 | 83 |
| Other comprehensive income, net after tax | | | | 133 | 35 | 168 | - | 168 |
| **Total comprehensive income** | | | | **133** | **111** | **244** | **8** | **252** |
| Dividend | | | | | | | | |
| Long term incentive program (LTIP) | | | | | 0 | 0 | - | 0 |
| Repurchase of own shares | | | | | | | | |
| **Total transactions with the owners** | | **-** | **-** | **-** | **0** | **0** | **0** | **0** |
| **Closing balance September 30, 2022** | | **1** | **646** | **258** | **1,291** | **2,196** | **8** | **2,204** |

# Consolidated statement of cash flows

| MSEK | Q3 2022 | Q3 2021 | 9M 2022 | 9M 2021 | R12M | 2021 |
|---|---|---|---|---|---|---|
| **OPERATING ACTIVITIES** | | | | | | |
| Operating income | 112 | 30 | 191 | 192 | 221 | 222 |
| Adjustment for non-cash items | 107 | 103 | 337 | 284 | 406 | 354 |
| Paid finance items, net | -27 | -16 | -65 | -52 | -81 | -69 |
| Paid current income tax | -7 | -5 | -58 | -61 | -54 | -56 |
| **Cash flow from operating activities before changes in operating capital** | **184** | **111** | **405** | **364** | **492** | **451** |
| Changes in inventories and biological assets | -70 | -33 | 34 | 21 | -47 | -60 |
| Changes in operating receivables | 43 | -9 | -366 | -99 | -204 | 64 |
| Changes in operating payables | 141 | 72 | 400 | 181 | 377 | 158 |
| **Changes in working capital** | **115** | **31** | **68** | **104** | **126** | **162** |
| **Cash flow from operating activities** | **299** | **142** | **472** | **468** | **618** | **613** |
| **INVESTING ACTIVITIES** | | | | | | |
| Business combinations | - | -23 | - | -35 | -136 | -171 |
| Investments in rights of use assets | 0 | 0 | -1 | 0 | -2 | -1 |
| Investments in intangible assets | -25 | | -31 | | -31 | |
| Investment in property, plant and equipment | -42 | -31 | -111 | -238 | -180 | -306 |
| **Cash flows used in investing activities** | **-67** | **-54** | **-143** | **-273** | **-348** | **-478** |
| **FINANCING ACTIVITIES** | | | | | | |
| New loan | 613 | - | 2,561 | | 2,561 | - |
| Repayment loan | -944 | - | -2,857 | -31 | -2,857 | -31 |
| Payments for amortisation of leasing liabilities | -19 | -21 | -63 | -64 | -83 | -84 |
| Dividend | - | - | - | -81 | - | -81 |
| Repurchase of own shares | - | - | - | -32 | - | -32 |
| Other | 2 | -3 | -8 | 19 | 3 | 29 |
| **Cash flows in financing activities** | **-348** | **-23** | **-367** | **-189** | **-376** | **-199** |
| **Cash flows for the period** | **-116** | **65** | **-38** | **6** | **-107** | **-63** |
| **Cash and cash equivalents at beginning of the period** | **424** | **358** | **350** | **413** | **425** | **413** |
| Currency effect in cash and cash equivalents | -4 | 2 | -8 | 7 | -15 | 1 |
| Cash flow for the period | -116 | 65 | -38 | 6 | -107 | -63 |
| **Cash and cash equivalents at the end of the period** | **303** | **425** | **303** | **425** | **303** | **350** |

# Parent Company income statement

| MSEK | Q3 2022 | Q3 2021 | 9M 2022 | 9M 2021 | R12M | 2021 |
|---|---|---|---|---|---|---|
| Net sales | - | - | - | - | - | - |
| Operating expenses | 0 | 0 | 0 | 0 | 0 | 0 |
| **Operating income** | **0** | **0** | **0** | **0** | **0** | **0** |
| Finance net[1)] | 1 | -6 | 398 | 4 | 403 | 9 |
| **Income after finance net** | **1** | **-6** | **398** | **4** | **403** | **9** |
| Group contribution | - | - | - | - | 2 | 2 |
| Tax on income for the period | 0 | -1 | 0 | -2 | 2 | 0 |
| **Income for the period** | **1** | **-6** | **398** | **2** | **406** | **10** |

[1)]*Regards dividend from subsidiaries*

# Parent Company statement of comprehensive income

| MSEK | Q3 2022 | Q3 2021 | 9M 2022 | 9M 2021 | R12M | 2021 |
|---|---|---|---|---|---|---|
| Income for the period | 1 | -6 | 398 | 2 | 406 | 9 |
| Other comprehensive income for the period, net of tax | - | - | - | - | - | - |
| **Total comprehensive income for the period** | **1** | **-6** | **398** | **2** | **406** | **9** |

# Parent Company statement of financial position

| MSEK | Note | September 30, 2022 | September 30, 2021 | December 31, 2021 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Non-current assets** | | | | |
| Investments in subsidiaries | | 938 | 533 | 938 |
| Receivables from Group entities | | - | 405 | - |
| **Total non-current assets** | | **938** | **938** | **938** |
| **Current assets** | | | | |
| Receivables from Group entities | | 89 | 10 | 12 |
| Cash and cash equivalents | | 0 | 0 | 0 |
| **Total current assets** | | **88** | **10** | **12** |
| **TOTAL ASSETS** | | **1,027** | **948** | **950** |
| **EQUITY AND LIABILITIES** | | | | |
| **Equity** | | | | |
| **Restricted equity** | | | | |
| Share capital | | 1 | 1 | 1 |
| **Non-restricted equity** | | | | |
| Share premium account | | 645 | 645 | 645 |
| Retained earnings | | -17 | -27 | -27 |
| Income for the period | | 398 | 2 | 10 |
| **Total equity** | | **1,027** | **621** | **629** |
| **Current liabilities** | | | | |
| Tax payables | | 0 | 2 | 0 |
| Liabilities to Group companies | 4 | - | 326 | 320 |
| Accrued expenses and prepaid income | | - | 0 | - |
| **Total current liabilities** | | **0** | **327** | **320** |
| **TOTAL EQUITY AND LIABILITIES** | | **1,027** | **948** | **950** |

# Parent Company statement of changes in equity

| MSEK | |
|---|---|
| **Opening balance 1 January, 2021** | **732** |
| | |
| Income for the year | 10 |
| Other comprehensive income for the year, net after tax | - |
| **Total comprehensive income** | **10** |
| | |
| Dividend | -81 |
| Repurchase of own shares | -32 |
| **Total transactions with the owners** | **-113** |
| | |
| **Closing balance December 31, 2021** | **629** |
| **Opening balance 1 January, 2021** | **629** |
| | |
| Income for the period | 398 |
| Other comprehensive income for the period, net after tax | - |
| **Total comprehensive income** | **398** |
| | |
| **Closing balance September 30, 2022** | **1,027** |

# Notes to the condensed consolidated financial information

## Note 1. Accounting policies

Scandi Standard applies International Financial Reporting Standards (IFRS) as adopted by the European Union. This report has been prepared in accordance with IAS 34, Interim Financial Reporting, the Swedish Annual Accounts Act and recommendation RFR 1, Supplementary accounting principles for Groups, issued by the Swedish Financial Reporting Board. The Parent Company's accounts have been prepared in accordance with the Swedish Annual Accounts Act and recommendation RFR 2, Accounting for legal entities. issued by the Swedish Financial Reporting Board. No changes have been made in the Group's accounting and valuation principles compared with the accounting and valuation principles described in Note 1 of the Annual Report 2021.

**Amount and dates**

Unless otherwise stated. amounts are indicated in millions of Swedish kronor (MSEK). All comparative figures in this report refer to the corresponding period of the previous year unless otherwise stated. Rounding errors may occur.

**Long-term incentive program**

The Annual General Meeting 2022 decided on a long-term incentive program (LTIP 2022) for key employees which is designed to promote the long-term value growth of the company and the Group and increase alignment between the interests of the participating individual in the program and the company's shareholders. LTIP 2022 retains components form the long-term incentive plans adopted in 2019–2021. However, the participants are required to invest in Scandi Standard shares in order to participate in LTIP 2022. The programs are equity-settled, share based compensation plans accounted for in accordance with IFRS 2, Share based payments. The programs are expensed over the vesting period (3 years). At the end of each reporting period the Group considers changes in the anticipated number of vested shares. Social charges related to the programs are recognized as a cash-settled instrument. For more information about the Group's long-term incentive programs, see Notes 1 and 5 in the Annual Report 2021.

## Note 2. Segment information

Scandi Standard manages and monitors its business based on the segments Ready-to-cook, Ready-to-eat and Other. The operational segments are in line with the Groups operational structure, which is an integrated matrix organization, i.e. managers are held responsible both for product segments and geographies. An integral part of the Company strategy for continued growth and value creation is to share best practice, capitalize on product development and drive scale efficiencies across the Group. Operations not included in the segments Ready-to-cook and Ready-to-eat and corporate functions are recognised as Other.

The responsibility for the Group's financial assets and liabilities, provisions for taxes, gains and losses on the re-measurement of financial instruments according to IFRS 9 and pension obligations according to IAS 19 are dealt with by the corporate functions and are not allocated to the segments.

**Segment Ready-to-cook (RTC):** is the Group's largest product segment and consists of products that are either chilled or frozen, that have not been cooked. These include whole birds, cuts of meat, deboned and seasoned, or marinated products. Products are made available mainly via Retail and Foodservice to both domestic and export markets. The segment comprises RTC processing plants in all five countries, the feed business in Ireland, egg production in Norway, and the hatching business in Sweden. Net sales for the segments consist of the external net sales.

**Segment Ready-to-eat (RTE):** consists of products that have been cooked during processing and are ready to be consumed, either directly or after being heated up. Products range from grilled and pre-sliced chicken fillets with different seasoning to chicken nuggets. Sales are mainly to Retail and Foodservice sales channels, and part of the production is exported. The segment comprises RTE processing plants in Sweden, Denmark and Norway, combined with third-party production. Net sales for the segments consist of the external net sales. The operational result includes the integrated result for the group without internal margins.

**Other**: consists of ingredients, which are products mainly for non-human consumption, and mainly used for industrial production of animal feed and other applications, in line with Scandi Standard's ambition is to utilize the animal entirely, as it reduces production waste to almost zero and contributes to a lower carbon footprint. No individual part of *Other* is significant enough in size to constitute its own segment.

| | Ready-to-cook [1] | | Ready-to-eat [2] | | Other [3] | | Total | |
|---|---|---|---|---|---|---|---|---|
| MSEK | 9M 2022 | 9M 2021 | 9M 2022 | 9M 2021 | 9M 2022 | 9M 2021 | 9M 2022 | 9M 2021 |
| **Net Sales** | 6,510 | 5,822 | 2,193 | 1,569 | 347 | 275 | 9,050 | 7,666 |
| **Operating income (EBIT)** | 16 | 142 | 156 | 107 | 19 | -56 | 191 | 192 |
| Non-comparable items[4] | - | - | - | - | - | -17 | - | -17 |
| Adjusted EBIT[4] | 16 | 142 | 156 | 107 | 19 | -39 | 191 | 210 |
| Share of income of associates | | 0 | | | | | - | 0 |
| Finance income | | | | | | | 1 | 0 |
| Finance expenses | | | | | | | -73 | -60 |
| Tax on income for the period | | | | | | | -35 | -34 |
| **Income for the period** | | | | | | | **83** | **99** |

1) Includes feed in Ireland, hatching in Sweden, 100% consolidation of the 51% owned entity Rokkedahl in Denmark. Net sales for the segment Ready-to-cook includes the external net sales
2) Net sales for the segment Ready-to-eat includes the external net sales. Operative result for the segment Ready-to-eat includes the integrated result for the group without internal margins
3) Other consist of ingredients business and group cost, see note 2 for definition of Other. Group cost was MSEK 18 (30) in the first half year.
4) Restated non-comparable items. see note 6

# Note 3. Accounting and valuation of financial instruments

Scandi Standard's financial instruments, by classification and by level in the fair value hierarchy as per 30 September 2022 and for the comparison period, are shown in the tables below.

| September 30 2022, MSEK | Valued at amortised cost | Valued at fair value through profit and loss[1] | Derivatives used in hedge accounting[1] |
|---|---|---|---|
| **Assets** | | | |
| Other non-current financial assets | 3 | - | - |
| Trade receivables | 1,156 | - | - |
| Derivatives instruments | - | - | 15 |
| Cash and cash equivalents | 303 | - | - |
| **Total financial assets** | **1,463** | **-** | **15** |
| | | | |
| **Liabilities** | | | |
| Non-current interest-bearing liabilities | 1,632 | - | - |
| Other non-current liabilities | - | - | - |
| Derivatives instruments | - | - | 1 |
| Current interest-bearing liabilities | - | - | - |
| Other current liabilities | - | - | - |
| Trade and other payables | 1,658 | - | - |
| **Total financial liabilities** | **3,291** | **-** | **1** |

| September 30 2021, MSEK | Valued at amortised cost | Valued at fair value through profit and loss[1] | Derivatives used in hedge accounting[1] |
|---|---|---|---|
| **Assets** | | | |
| Other non-current financial assets | 1 | - | - |
| Trade receivables | 928 | - | - |
| Derivative instruments | - | - | - |
| Cash and cash equivalents | 425 | - | - |
| **Total financial assets** | **1,354** | **-** | **-** |
| | | | |
| **Liabilities** | | | |
| Non-current interest-bearing liabilities | 1,870 | - | - |
| Other non-current liabilities | - | - | - |
| Derivative instruments | - | - | 11 |
| Current interest-bearing liabilities | - | - | - |
| Other current liabilities | - | 165 | - |
| Trade and other payables | 1,303 | - | - |
| **Total financial liabilities** | **3,173** | **165** | **11** |

1) The valuation of the Groups financial assets and liabilities is performed in accordance with the fair-value hierarchy:
Level 1. Quoted prices (unadjusted) in active markets for identical instruments.
Level 2. Data other than quoted prices included within level 1 that are observable for the asset or liability either directly as prices or indirectly as derived from prices.
Level 3. Non-observable data for the asset or liability.

As of 30 September 2022, and at the end of the comparison period the Group had financial derivatives (level 2) measured at fair value on the balance sheet. The fair value of forward exchange contracts is estimated based on current forward rates at the reporting date, while interest rate swaps are valued using estimates of future discounted cash flows. As of 30 September 2022, the derivatives amounted to MSEK 14 (-11).

For the Group's long-term borrowing, which as of 30 September 2022 amounted to MSEK 1,632 (1,870), fair value is considered to be equal to the amortised cost as the borrowings are held at floating market rates and hence the booked value will be approximated as the fair value.

For other financial instruments, fair value is estimated at cost adjusted for any impairment. Other current liabilities (level 3) as of 30 September 2021 refers to the additional purchase price related to the acquisition of Manor Farm. The liability was valued at estimated fair value based on historic and future expected EBITDA.

## Note 4. Other liabilities

The part in other current liabilities for the Group as per 30 September 2022 amounting to MSEK - (165), refers to the additional purchase price related to performed acquisitions.

The current liabilities to Group entities in the Parent Company as per 30 September 2022 amounted to MSEK - (326).

## Note 5. Alternative KPIs

The Scandi Standard Group uses the below alternative KPIs. The Group believes that the presented alternative KPIs are useful when reading the financial statements in order to understand the Group's ability to generate results before investments, assess the Group's opportunities to dividends and strategic investments and to assess the Group's ability to fulfil its financial obligations.

| From Income Statement, MSEK | | Q3 2022 | Q3 2021 | 9M 2022 | 9M 2021 | R12M | 2021 |
|---|---|---|---|---|---|---|---|
| Net sales | A | 3,202 | 2,632 | 9,050 | 7,666 | 11,485 | 10,101 |
| Income for the period | B | 66 | 4 | 83 | 99 | 88 | 103 |
| + Reversal of tax on income for the year | | 18 | 6 | 35 | 34 | 39 | 37 |
| **Income after finance net** | **C** | **84** | **10** | **119** | **132** | **126** | **140** |
| + Reversal of financial expenses | | 29 | 20 | 73 | 60 | 97 | 83 |
| + Reversal of financial income | | -1 | 0 | -1 | 0 | -2 | -2 |
| **Operating income (EBIT)** | **D** | **112** | **30** | **191** | **192** | **221** | **222** |
| + Reversal of depreciation, amortisation and impairment | | 100 | 96 | 329 | 281 | 426 | 378 |
| + Reversal of share of income of associates | | - | 0 | - | 0 | -2 | -2 |
| **EBITDA** | **E** | **212** | **126** | **520** | **474** | **645** | **598** |
| Non-comparable items in income for the period (EBIT) | F | 0 | 13 | - | 17 | -26 | -9 |
| **Adjusted income for the period (Adj. EBIT)** | **D+F** | **112** | **43** | **191** | **210** | **194** | **213** |
| Adjusted operating margin (Adj. EBIT margin) | (D+F)/A | *3.5%* | *1.6%* | *2.1%* | *2.7%* | *1.7%* | *2.1%* |
| Non-comparable items in EBITDA | G | - | 13 | - | 17 | -26 | -9 |
| **Adjusted EBITDA** | **E+G** | **212** | **139** | **520** | **491** | **618** | **589** |
| *Adjusted EBITDA margin %* | *(E+G)/A* | *6.6%* | *5.3%* | *5.7%* | *6.4%* | *5.4%* | *5.8%* |

| From Statement of Cash Flow, MSEK | | Q3 2022 | Q3 2021 | 9M 2022 | 9M 2021 | R12M | 2021 |
|---|---|---|---|---|---|---|---|
| **Operating activities** | | | | | | | |
| Operating income (EBIT) | | 112 | 30 | 191 | 192 | 221 | 222 |
| Adjustment for non-cash items | | | | | | | |
| + Depreciation, amortisation and impairment | | 100 | 96 | 329 | 281 | 426 | 378 |
| - Share of income of associates | | - | 0 | - | 0 | -2 | -2 |
| **EBITDA** | | **212** | **126** | **520** | **474** | **645** | **598** |
| Non-comparable items in EBITDA | G | - | 13 | - | 17 | -26 | -9 |
| **Adjusted EBITDA** | | **212** | **139** | **520** | **491** | **618** | **589** |

| From Balance Sheet, MSEK | | September 30, 2022 | September 30, 2021 | December 31, 2021 |
|---|---|---|---|---|
| **Total assets** | | **6,972** | **6,599** | **6,494** |
| **Non-current non-interest-bearing liabilities** | | | | |
| Deferred tax liabilities | | -174 | -158 | -178 |
| Other non-current liabilities | | -69 | -64 | -65 |
| **Total non-current non-interest-bearing liabilities** | | **-243** | **-221** | **-243** |
| **Current non-interest-bearing liabilities** | | | | |
| Trade payables | | -1,658 | -1,303 | -1,291 |
| Tax payables | | -82 | -55 | -55 |
| Other current liabilities | | -164 | -351 | -179 |
| Accrued expenses and prepaid income | | -559 | -426 | -433 |
| **Total current non-interest-bearing liabilities** | | **-2,464** | **-2,134** | **-1,958** |
| **Capital employed** | | **4,265** | **4,243** | **4,293** |
| Less: Cash and cash equivalents | | **-303** | -425 | -350 |
| **Operating capital** | | **3,962** | **3,818** | **3,943** |
| | | | | |
| **Average capital employed** | **H** | **4,254** | **4,305** | **4,268** |
| **Average operating capital** | **I** | **3,890** | **3,856** | **3,887** |
| | | | | |
| Operating income (EBIT), R12M | | 221 | 248 | 222 |
| Adjusted operating income (Adj. EBIT), R12M | J | 194 | 293 | 213 |
| Financial income | K | 1 | 0 | 2 |
| | | | | |
| **Return on capital employed** | **(J+K)/H** | **5.2%** | **5.8%** | **5.2%** |
| **Return on operating capital** | **J/I** | **5.7%** | **6.4%** | **5.7%** |
| | | | | |
| **Interest bearing liabilities** | | | | |
| Non-current interest-bearing liabilities | | 1,632 | 1,870 | 1,884 |
| Non-current leasing liabilities | | 343 | 365 | 367 |
| Derivates | | -14 | 11 | 11 |
| Current leasing liabilities | | 75 | 70 | 68 |
| **Total interest-bearing liabilities** | | **2,037** | **2,316** | **2,330** |
| Less: Cash and cash equivalents | | -303 | -425 | -350 |
| **Net interest-bearing debt** | | **1,733** | **1,891** | **1,980** |

# Note 6. Items affecting comparability (non-comparable items)

Items affecting comparability (non-comparable items) are transactions or events that rarely occur or are unusual in the ordinary business operations, and hence are unlikely to occur again. The Group's alternative performance measures, adjusted EBITDA, adjusted EBITA and adjusted operating income (adjusted. EBIT), are adjusted for non-comparable items as presented in the tables below to facilitate the understanding of the underlying current trading of the ordinary business operations. For a definition of alternative performance measures see page 22.

**Non-comparable items in operating income (EBIT)**

| MSEK | Q3 2022 | Q3 2021 | 9M 2022 | 9M 2021 | R12M | 2021 |
|---|---|---|---|---|---|---|
| Earn-out Debt adjustment [1] | - | -13 | - | -17 | 13 | 9 |
| **Total** | **-** | **-13** | **-** | **-17** | **13** | **9** |

[1] In last year income of MSEK 22 related to decreased earn-out debt resulting from the final purchase price payment relating to the acquisition of Manor Farm and cost of MSEK -13 resulting from the final purchase price payment relating to the acquisition of the Finnish business.

**Non-comparable items in operating income (EBIT) by segment**

| MSEK | Q3 2022 | Q3 2021 | 9M 2022 | 9M 2021 | R12M | 2021 |
|---|---|---|---|---|---|---|
| Group cost | - | -13 | - | -17 | 13 | 9 |
| **Total** | **-** | **-13** | **-** | **-17** | **13** | **9** |

# Note 7. Specific explanatory items (Exceptional items)

Specific explanatory items (Exceptional items) are transactions or events that do not qualify as non-comparable items as they are likely to occur from time to time in the ordinary business operations. Disclosures about these items are provided to facilitate the understanding and assessment of the financial result. These items are not adjusted for in the Group's and the segment's alternative performance measures, adjusted EBITDA, adjusted EBITA and adjusted operating income (adjusted EBIT).

**Specific explanatory items (Exceptional items) in operating income (EBIT)**

| MSEK | Q3 2022 | Q3 2021 | 9M 2022 | 9M 2021 | R12M | 2021 |
|---|---|---|---|---|---|---|
| Bird flu[1] | - | -19 | -20 | -52 | -47 | -80 |
| Covid-19 pandemic[2] | - | - | - | -8 | - | -8 |
| Settlement supplier contract[3] | - | -17 | - | -17 | - | -17 |
| Severance package[4] | - | -6 | - | -19 | - | -19 |
| One-time payment Afa Insurance[5] | | - | | - | 12 | 12 |
| Fire incident in RTE facility in Farre, Denmark[6] | -7 | - | -17 | - | -17 | - |
| Write down assets[7] | - | - | -26 | - | -26 | - |
| Provision contract dispute[8] | - | - | -19 | - | -19 | - |
| **Total** | **-7** | **-42** | **-82** | **-96** | **-98** | **-112** |

[1] Cost related to bird flu – mainly price reductions.
[2] Costs related to Covid-19 pandemic - Temporarily closing of production lines on products within Foodservice in Denmark, provision for bad debt, and inventory write-down.
[3] Settlement related to supplier contract in Denmark.
[4] Costs related to severance package for restructuring (Q3 2021), for Scandi Standard general manager and Group CEO and senior management in Ireland
[5] In October 2021, Swedish entities in the Scandi Standard Group received a one-time payment of MSEK 12 from Afa insurance.
[6] Fire incident in RTE facility in Farre, Denmark in April 2022
[7] Write-down of hatchery machinery and write-down of leasing contracts regarding hatchery on farm equipment in Ireland
[8] Provision for compensation linked to an old contract dispute in Finland.

**Specific explanatory items (Exceptional items) in operating income (EBIT) by segments**

| MSEK | Q3 2022 | Q3 2021 | 9M 2022 | 9M 2021 | R12M | 2021 |
|---|---|---|---|---|---|---|
| Ready-to-cook | - | -36 | -65 | -74 | -81 | -90 |
| Ready-to-eat | -7 | -1 | -17 | -9 | -17 | -9 |
| Other | - | - | - | - | - | - |
| Group cost | - | -5 | - | -13 | - | -13 |
| **Total** | **-7** | **-42** | **-82** | **-96** | **-98** | **-112** |

# Definitions

**Adjusted income for the period**
Income for the period adjusted for non-comparable items.

**CAGR**
Yearly average growth.

**Capital employed**
Total assets less non-interest-bearing liabilities. including deferred tax liabilities.

**Average Capital employed**
Average capital employed as of the two last years.

**Adjusted return on operating capital (ROC)**
Adjusted operating income last twelve months (R12M) divided by average operating capital.

**COGS**
Cost of goods sold.

**Earnings per share (EPS)**
Income for the period. attributable to the shareholders. divided by the average number of shares.

**Adjusted earnings per share (EPS)**
Adjusted income for the period. attributable to the shareholders. divided by the average number of shares.

**EBIT**
Operating income.

**Adjusted operating income (Adj. EBIT)**
Operating income (EBIT) adjusted for non-comparable items.

**EBITA**
Operating income before amortisation and impairment and share of income of associates.

**Adjusted EBITA**
Operating income before amortisation and impairment and share of income of associates. adjusted for non-comparable items.

**Adjusted EBITA margin**
Adjusted EBITA as a percentage of net sales.

**EBITDA**
Operating income before depreciation, amortisation and impairment and share of income of associates.

**Adjusted EBITDA**
Operating income before depreciation, amortisation and impairment and share of income of associates. adjusted for non-comparable items.

**EBITDA margin**
EBITDA as a percentage of net sales.

**Adjusted EBITDA margin**
Adjusted EBITDA as a percentage of net sales.

**Equity per share**
Equity attributable to the shareholders, divided by the outstanding number of shares at the end of the period.

**Net interest-bearing debt (NIBID)**
Interest-bearing debt excluding arrangement fees less cash and cash equivalents.

**Net sales**
Net sales is gross sales less sales discounts and joint marketing allowances.

**Non-comparable items**
Transactions or events that rarely occur or are unusual in the ordinary business operations, and hence are unlikely to occur again.

**Operating capital**
Total assets less cash and cash equivalents and non-interest-bearing liabilities. including deferred tax liabilities.

**Average operating capital**
Average operating capital as of the two last years.

**Operating cash flow**
Cash flow from operating activities excluding paid finance items net and paid current income tax. with the addition of net capital expenditure and net increase in leasing assets.

**Adjusted operating cash flow**
Cash flow adjusted for non-comparable items.

**Operating margin (EBIT margin)**
Operating income (EBIT) as a percentage of net sales.

**Adjusted operating margin (Adj. EBIT margin)**
Adjusted operating income (Adj. EBIT) as a percentage of net sales.

**Other operating expenses**
Other operating expenses include marketing, Group personnel and other administrative costs.

**Other operating revenues**
Other operating revenue is revenue not related to sales of chicken, instead such as rent of excess land/buildings to other users and payment by non-employees for use of the Company's canteens.

**Production costs**
Production costs include direct and indirect personnel costs related to production and other production related costs.

**Raw materials and consumables**
Costs of raw materials and other consumables include the purchase costs of live chicken and other raw materials such as packaging etc.

**Return on capital employed (ROCE)**
Operating income last twelve months (R12M) plus interest income divided by average capital employed.

**Return on equity (ROE)**
Income for the period last twelve months (R12M) divided by average total equity.

**Return on operating capital (ROC)**
Operating income last twelve months (R12M) divided by average operating capital.

**Adjusted return on capital employed (ROCE)**
Adjusted operating income last twelve months (R12M) plus interest income divided by average capital employed.

**RTC**
Ready-to-cook. Products that require cooking.

**RTE**
Ready-to-eat. Products that are cooked and may be consumed directly or after heating-up.

**R12M**
Rolling twelve months

**Specific Explanatory items (exceptional items)**
Transactions or events that do not qualify as non-comparable items as they are likely to occur from time to time in the ordinary business. Disclosure about these items are useful to understand and assess the performance of the business.

**Working capital**
Total inventory and operating receivables less non-interest-bearing current liabilities.

## Conference Call

A conference call for investors, analysts and media will be held on 28 October 2022 at 8.30 AM CET.

Dial-in numbers:

UK: 020 3936 2999
Sweden: 010 884 80 16
US: +1 646 664 1960
Other countries: +44 20 3936 2999

Slides used in the conference call can be downloaded at www.scandistandard.com under Investor Relations. A recording of the conference call will be available on www.scandistandard.com afterwards.

## Further information

For further information, please contact:

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## Financial calendar

| | |
|---|---|
| Interim report for Q4 2022 | February 9, 2023 |
| Interim report for Q1 2023 | May 3, 2023 |
| Interim report for Q2 2023 | August 23, 2023 |

This interim report comprises information which Scandi Standard is required to disclose pursuant to EU market abuse regulation and the Securities Markets Act. It was released for publication at 07:30 AM CET on 28 October 2022.

## Forward looking statement

This report contains forward-looking statements, and the actual outcome could be materially different. Factors that could have a material effect on the actual outcome include, but are not limited to, general business conditions, product demand, available credits, available insurance, fluctuations in exchange rates and interest rates, political and geopolitical developments, the impact of competing products and their pricing, product development, commercialization and technological difficulties, availability of production facilities, compliance in production, product quality and safety, interruptions in supply, increased raw material cost, disease outbreaks, loss of major customer contracts, major customer credit losses, effects of pandemic, bird flu and government decisions.

The forward-looking statements reflect the Board of Directors' and management's current views with respect to certain future events and potential financial performance. Although the Board of Directors and the management believe that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. This report does not imply that the Company has undertaken to revise these forward-looking statements, beyond what is required under the company's registration contract with Nasdaq Stockholm, if and when circumstances arise that will lead to changes compared to the date when these statements were provided.

## About Scandi Standard

Scandi Standard is the leading producer of chicken-based food products in the Nordic region and Ireland. The company produces, markets and sells ready to eat, chilled and frozen products under the well-known brands Kronfågel, Danpo, Den Stolte Hane, Manor Farm and Naapurin Maalaiskana. Eggs are also produced and sold in Norway. We are approximately 3,000 employees with annual sales of more than SEK 10 billion.

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