

"We have had a good earnings development during the quarter and we're on the right path to establishing a stable foundation for profitable, sustainable growth"

Jonas Tunestål, Managing director and CEO



Improved earnings in a challenging environment

January – March 2023

- Net sales amounted to MSEK 3,284 (2,793) in the first quarter 2023, corresponding to an increase of 18 per cent. At constant exchange rates net sales increased by 14 per cent.
- Operating income (EBIT) increased by 149 per cent to MSEK 93 (37), corresponding to a margin of 2.8 (1.3) per cent.
- Income for the period amounted to MSEK 44 (10). Earnings per share amounted to SEK 0.83 (0.10).
- Operating cash flow was MSEK 58 (6).
- The Board proposes a dividend for the financial year 2022 of SEK 1.15 (0.00) per share which corresponds to MSEK 75 (0), to the Annual General Meeting 2023

Key metrics

MSEK	Q1 2023	Q1 2022	Δ	R12M	2022
Net sales	3,284	2,793	18%	12,611	12,119
EBITDA	196	136	43%	781	722
Operating income (EBIT)	93	37	149%	346	290
EBITDA margin %	6.0%	4.9%	1.1ppt	6.2%	6.0%
EBIT margin %	2.8%	1.3%	1.5ppt	2.7%	2.4%
Non-comparable items ¹⁾	-	-	-	-	-
Adjusted EBITDA ¹⁾	196	136	43%	781	722
Adjusted operating income (Adj. EBIT)¹⁾	93	37	149%	346	290
Adjusted EBITDA margin ^{1) %}	6.0%	4.9%	1.1ppt	6.2%	6.0%
Adjusted EBIT margin ^{1) %}	2.8%	1.3%	1.5ppt	2.7%	2.4%
Income after finance net	61	16	-	230	186
Income for the period	44	10	-	173	138
Earnings per share, SEK	0.83	0.10	-	2.75	2.02
Return on capital employed %	7.8%	4.0%	3.9ppt	7.8%	6.7%
Return on equity %	8.2%	2.8%	5.4ppt	8.2%	6.2%
Operating cash flow	58	6	-	249	197
Net interest-bearing debt (NIBD)	1,984	2,034	-2%	1,984	1,983
NIBD/Adj. EBITDA	2.5	3.7	-32%	2.5	2.7
Lost time injuries (LTI) per million hours worked	18.1	28.0	-35%	24.9	27.4
Feed efficiency (kg feed/live weight)	1.51	1.50	1%	1.50	1.50

¹⁾ Restated non-comparable items. see note 6.

CEO Comments

Scandi Standard delivered significant earnings improvement for the first quarter with an operating income of MSEK 93 (37), and we are taking additional steps in the right direction despite continued challenges in the market. Scandi Standard's net sales rose 14 per cent at constant exchange rates to MSEK 3,284 (2,793), which demonstrates the strong position Scandi Standard has in most markets.

Performance continues to improve in all segments

Ready-to-cook (RTC) reported sales growth of 16 per cent to MSEK 2,373 (2,046) and improved earnings of MSEK 31 (-2). To address the cost increases we have had for input goods, energy and fuel costs, we continued to adjust volumes and product range during the first quarter. We also implemented price increases and operational improvements. While work remains to return to profitability, I'm proud of the results of the work we've completed thus far. This has been possible thanks to our strong market positions in combination with our organisation's agile approach.

Entering 2023, we faced increased costs for feed and gas. By the end of the quarter, we noted a downward trend for some raw material prices, but this has yet to have any positive effect on our earnings due to lead times in the value chain. We are monitoring ongoing developments carefully and working continuously with cost adjustments in the supplier stage.

During the quarter, losses decreased somewhat for Ready-to-cook in Denmark to MSEK -46 (-51). Starting in the second quarter of 2023, we intend to introduce a comprehensive adaptation of our product range based on current consumer demand. Moreover, we are conducting several savings initiatives and we have a strong focus on culture, governance and leadership as well as on increased efficiency across the value chain and innovation in our product portfolio. As a result, we expect gradual improvement in the Danish operations in the coming quarters.

The trend of more consumers selecting white meat rather than red is distinct and is expected to continue for the long term, but as part of our short-term focus on profitability, we also adjusted volumes in the first quarter. My focus will remain on ensuring profitability in our segments before we focus on higher volumes. When demand increases again, we will be able to quickly transition and adjust volumes.

Ready-to-eat (RTE) continued to improve during the quarter with net sales that increased 19 per cent to MSEK 765 (643) and an operating income that improved to MSEK 45 (35). In 2022, RTE sales grew 40 per cent, mainly in breaded products. Since we are now seeing a change in demand between our various markets and product areas, we are choosing to reprioritise between our investments in favour of markets such as Norway, where we see more immediate effects on profitability, and delaying planned capacity investments in the facility in Farre, Denmark.

Other/Ingredients, our business and product development area aimed at utilising the whole bird and adding value to our products, continued to deliver strong profitability with an operating income of MSEK 24 (10), thanks to improved market prices in combination with our work to improve operational recovery.

From sustainability strategy to sustainability action

Scandi Standard has a clear ambition to be a sustainability leader in the global chicken industry and our size in local markets means that we can

make a real difference for people, chickens and our planet. I'm convinced that our systematic efforts to continuously improve are a competitive advantage, and we are continuing investments that encompass the entire value chain. During the first quarter, we integrated Group-wide goals in national operations and implemented local goals and action plans. One example from operations connected to our packaging and plastic goal is the Group-wide packaging strategy we have developed. It includes local initiatives such as testing new materials, reducing plastic in production and new kinds of packaging with less plastic.

Stable financial position

Operating cash flow improved during the quarter, primarily due to stronger earnings and low investment levels alongside increased working capital due to increased turnover and somewhat increased inventory mainly driven by compensation for lower production during Easter.

In a changing world, ensuring the right inventory levels is of the utmost importance and we work continuously on striking a balance between production and demand. Net interest-bearing debt amounted to MSEK 1984, in line with the end of 2022.

Our previous announcement about investments of approximately MSEK 400 in 2023 still applies, though there has been a shift in priorities. Investments will be focusing on RTE capacity, the company's Group-wide business system, and efficiency and maintenance. As mentioned previously, we have reprioritised our investment in Denmark in favour of expanding RTE in Norway and investing in RTC in Finland and Ireland, where we expect to see quicker returns.

Stable foundation creates the conditions for profitable growth

Chicken is a fantastic food and consumption has increased 40 per cent in our markets in the last ten years. In the short term, the current inflationary economy has negatively impacted volume trends, but from a historical perspective we can see that chicken is a reliable product in uncertain times and is fast to recover, at the cost of other protein choices like pork and beef.

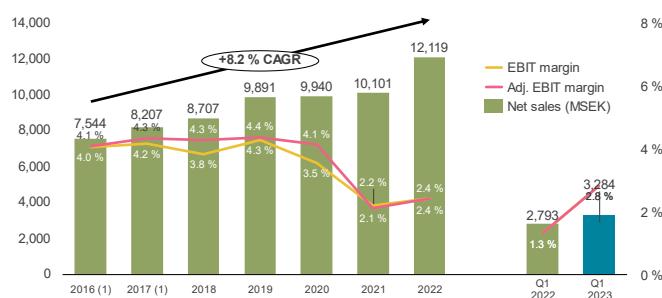
In conclusion, I'm pleased to say that we're on the right path to establishing a stable foundation for profitable, sustainable growth. Scandi Standard combines the inherent strength of a large Group with the advantages of having a clear local presence, which allows for us to act quickly, near our customers. I'm convinced that our collective experience leaves us well equipped to take on future challenges and opportunities. We have all the conditions to succeed and we expect gradual improvement over the coming quarters.

Stockholm, 3 May 2023

Jonas Tunestål, Managing director and CEO

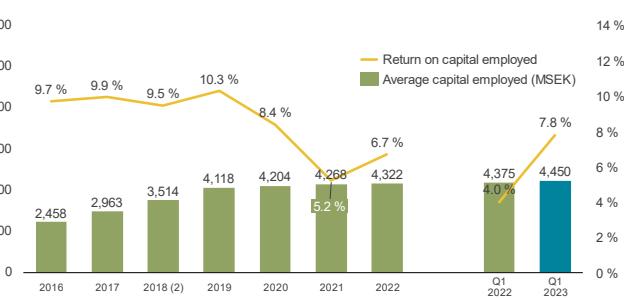


Net sales and EBIT margin



1) Pro forma including Manor Farm

Average capital employed and Return on capital employed



2) Recalculated for IFRS16

Group results, financial position and cash flow

January – March 2023

Net sales amounted to MSEK 3,284 (2,793). At constant exchange rates, net sales increased by 14 per cent. Net Sales to the Retail sales channel and to Foodservice sales channel increased by 15 per cent compared to the corresponding quarter previous year, while export sales increased by 28 per cent in line with rising prices in the international market.

Operating income (EBIT) for the Group amounted to MSEK 93 (37), corresponding to an operating margin (EBIT margin) of 2.8 (1.3) per cent. No non-comparable items were reported in the quarter.

The operating income improved in all segments, driven mainly by a better balance between price increases and cost increases. Ready-to-cook Denmark still burdened the result, where a challenging market situation and high energy prices have had a negative impact.

The Ready-to-eat business contributed positively to the results with growth and an improved result. Also, other operations improved compared to previous year as a result of improved prices within the operations for ingredients.

Finance net for the Group of MSEK -32 (-21) related to increased interest expenses for interest-bearing liabilities of MSEK -19 (-10) due to higher base rates, interest on leasing of MSEK -3 (-3), and currency effects/other items of MSEK -10 (-8).

Tax expenses for the Group amounted to MSEK -17 (-7) corresponding to an effective tax rate of approximately 28 (41) per cent. This is somewhat higher than expected and was mainly explained by the mix of tax rates between the different countries and that deferred taxes relating to losses in Denmark has not been activated.

Income for the period for the Group amounted to MSEK 44 (10). Earnings per share were SEK 0.83 (0.10).

Net interest-bearing debt (NIBD) for the Group was MSEK 1,984, which was in line with 31 December 2022. Operating cash flow in the quarter amounted to MSEK 58 (6) positively affected by strengthened EBITDA and low capital expenditure but negatively affected by an increase in working capital driven by higher inventory and higher trade receivables, as a result of higher sales at the end of the quarter. Paid interests increased as a result of increased base rates.

Total equity attributable to the owners of the parent company as of March 31, 2023, amounted to MSEK 2,357 (2,010). The equity to assets ratio amounted to 32.9 (30.0) per cent. Return on equity was 8.2 (2.8) per cent.

The financial target for the Group's adjusted EBITDA margin is to exceed 10 per cent in the medium term. During the last twelve-month period, the company's adjusted EBITDA margin amounted to 6.2 per cent, which is an improvement compared to the year 2022 level, but 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 March 31, 2023, was 2.5x (3.7x), which is in line with the target range for the Group.

Net Sales and Operating Income (EBIT)²⁾

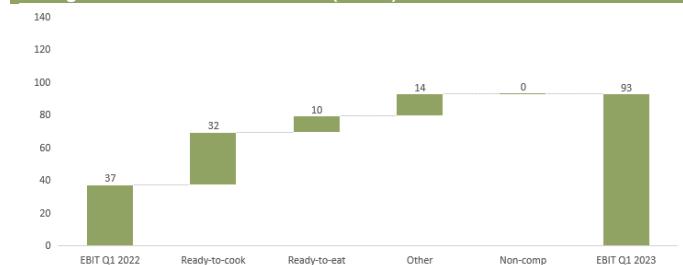
MSEK	Q1 2023	Q1 2022	R12M	2022
Net sales	3,284	2,793	12,611	12,119
EBITDA	196	136	781	722
Depreciation	-90	-86	-385	-382
EBITA	106	50	396	340
Amortisation	-13	-13	-52	-52
EBIT²⁾	93	37	346	290
EBITDA margin, %	6.0%	4.9%	6.2%	6.0%
EBITA margin, %	3.2%	1.8%	3.1%	2.8%
EBIT margin, %	2.8%	1.3%	2.7%	2.4%
Non-comparable items ¹⁾	-	-	-	-
Adj. EBITDA ¹⁾	196	136	781	722
Adj. EBIT¹⁾	93	37	346	290
Adj. EBITDA margin, % ¹⁾	6.0%	4.9%	6.2%	6.0%
Adj. EBIT margin, % ¹⁾	2.8%	1.3%	2.7%	2.4%
Chicken processed (tonne lw) ³⁾	90,420	92,357	353,135	355,072
EBIT/kg	1.0	0.4	1.0	0.8

1) Restated non-comparable items. see note 6

2) For specific explanatory items, see note 7.

3). Live Weight, tonnes

Change in EBIT Q1 2022 – Q1 2023 (MSEK)



Finance net and tax expenses

MSEK	Q1 2023	Q1 2022	R12M	2022
Financial income	1	0	2	1
Financial expenses	-33	-21	-118	-105
Finance net	-32	-21	-116	-105
Income after finance net	61	16	230	186
Tax expenses	-17	-7	-58	-47
Tax expenses %	-28%	-41%	-25%	-25%
Income for the period	44	10	173	138
Earnings per share, SEK	0.83	0.10	2.75	2.02

Net-interest-bearing debt (NIBD)

MSEK	Q1 2023	Q1 2022	R12M	2022
Opening balance NIBD	1,983	1,980	2,034	1,980
EBITDA	196	136	781	722
Change in working capital	-84	-74	-146	-136
Net capital expenditure	-34	-31	-313	-311
Other operating items	-19	-25	-73	-79
Operating cash flow	58	6	249	197
Paid finance items, net	-32	-19	-108	-95
Paid tax	-36	-28	-63	-55
Dividend	-	-	-4	-4
Other items ¹⁾	8	-13	-24	-45
Decrease (+) / increase (-) NIBD	-1	-54	50	-3
Closing balance NIBD	1,984	2,034	1,984	1,983

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

Financial targets ¹⁾	Q1 2023	Q1 2022	R12M	2022	Target
Adj. EBITDA margin, %	6.0%	4.9%	6.2%	6.0%	10%
NIBD/Adj. EBITDA	2.5x	3.7x	2.5x	2.7x	2.0-2.5x

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

Overview – segment consolidation and KPIs

MSEK unless stated otherwise	Ready-to-cook ¹⁾		Ready-to-eat ²⁾		Other ³⁾		Total	
	Q1 2023	Q1 2022	Q1 2023	Q1 2022	Q1 2023	Q1 2022	Q1 2023	Q1 2022
Net sales	2,373	2,046	765	643	146	104	3,284	2,793
EBITDA	115	80	58	48	22	8	196	136
Depreciation	-71	-69	-14	-13	-5	-5	-90	-86
EBITA	44	11	45	35	17	4	106	50
Amortisation	-13	-13	-	-	-	-	-13	-13
EBIT	31	-2	45	35	17	4	93	37
EBITDA margin, %	4.8%	3.9%	7.6%	7.4%	15.4%	8.2%	6.0%	4.9%
EBITA margin, %	1.9%	0.6%	5.9%	5.5%	11.8%	3.5%	3.2%	1.8%
EBIT margin, %	1.3%	-0.1%	5.9%	5.5%	11.8%	3.5%	2.8%	1.3%
Non-comparable items ⁴⁾	-	-	-	-	-	-	-	-
Adj. EBITDA ⁴⁾	115	80	58	48	22	8	196	136
Adj. EBIT⁴⁾	31	-2	45	35	17	4	93	37
Adj. EBITDA margin, % ⁴⁾	4.8%	3.9%	7.6%	7.4%	15.4%	8.2%	6.0%	4.9%
Adj. EBIT margin, % ⁴⁾	1.3%	-0.1%	5.9%	5.5%	11.8%	3.5%	2.8%	1.3%
Capital employed							4,515	4,386
Return on capital employed							7.8	4.0%
Chicken processed (LW) ⁵⁾							90,420	92,357
Net sales/kg							36.3	30.2
EBIT/kg							1.0	0.4
Net sales split								
Sweden	631	552	161	126	36	20	829	698
Denmark	458	437	489	418	60	53	1,007	908
Norway	440	399	103	90	7	5	550	494
Ireland	647	499	3	3	29	19	679	520
Finland	198	160	9	6	13	7	220	173
Total Net sales per country	2,373	2,046	765	643	145	104	3,284	2,793
Retail	1,818	1,581	149	135	6	5	1,973	1,721
Export	163	160	101	55	31	14	294	229
Foodservice	203	163	470	421	2	1	674	585
Industry / Other	190	141	46	32	106	83	342	257
Total Net sales, sales channel	2,373	2,046	765	643	145	104	3,284	2,793
Chilled	1,838	1,608						
Frozen	535	438						
Total Net sales, sub segment	2,373	2,046						
LTI per million hours worked ⁶⁾	20.8	29.6	11.0	24.0			18.1	28.0
Use of antibiotics (% of flocks treated)	9.3	11.1					9.3	11.1
Animal welfare indicator (foot score) ⁷⁾	14.9	13.4					14.9	13.4
CO2 emissions (g CO2e/kg product) ⁸⁾							80.0	75.4
Critical complaints ⁹⁾	0	0	0	1	0	0	0	1
Feed efficiency (kg feed/live weight) ¹⁰⁾	1.51	1.50					1.51	1.50

1) Net sales for the segment Ready-to-cook includes the external net sales. Includes feed in Ireland, hatching in Sweden, 100% consolidation of the 51% owned entity Rokkedahl in Denmark.

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. Group cost was MSEK -6 (-6) in the quarter.

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 2020–2022, AIB 2021 and Energiföretagen 2020. Includes approximately 80% of Scope 1 and Scope 2 emissions for Scandi Standard Group, with exception for technical gases, refrigerants and owned and leased vehicles that are reported yearly.

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 70% of the production). The figures are based on farmer's reported figures in all countries except in Sweden, where figures are country averages from Svensk Fågel

Ready-to-cook – Net sales and EBIT margin



Ready-to-eat – Net sales and EBIT margin



Sustainability at Scandi Standard

Focus areas and development

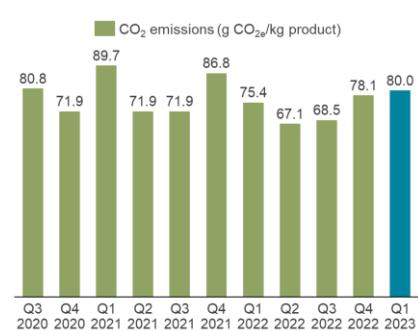
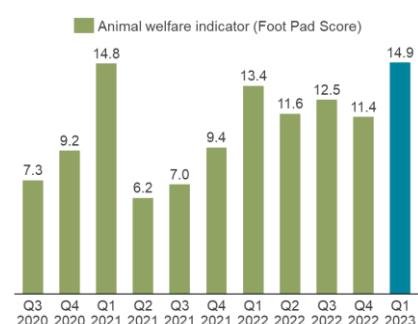
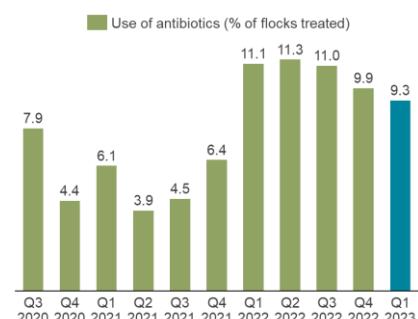
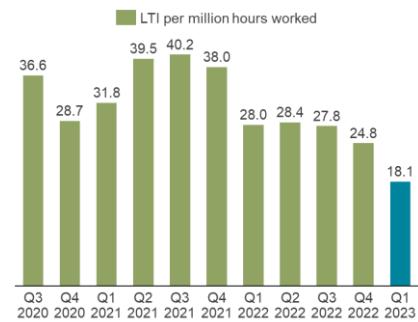
Scandi Standard's vision is Better Chicken for a Better Life. We contribute to sustainable food production by providing healthy and innovative chicken products produced in a responsible and resource-efficient way. Expectations and requirements on Scandi Standard's sustainability work from different stakeholders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

First quarter 2023

- The lost time injury frequency rate (LTIFR) during the first quarter 2023 was 18.1 LTIs per million hours worked. This was 35 per cent lower than the year-earlier quarter and shows that the structured, Group-wide work to improve LTIFR we began in the end of 2021 is continuing to yield positive results, not least in Ireland and Denmark. In the Danish production facility in Farre, there were no accidents resulting in sick leave in the past year. The work to further improve is ongoing, and the long-term target is to reach an average level of 15.0 LTIs per million hours worked no later than 2030.
- There is traditionally low use of antibiotics at Scandi Standard's Nordic operations and Scandi Standard has successfully exported this practice to its Irish operations. The outcome in the first quarter of 2023 was 9.3 per cent after gradual improvements posted in the last two quarters. For the full year of 2022, antibiotics usage in the Group was at 10.8 per cent of flocks treated, which is a positive result in an international comparison but worse than the previous year. This result was due to antibiotics usage in the Irish operations, as no antibiotics were used in the Nordic operations during the first quarter.
- 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 first quarter of 2023 was 14.9 points, representing a slight deterioration compared with the corresponding quarter of 2022, when the result was 13.4. This increase was attributable to challenges in the Irish operations related to increased heating costs, poor access to high-quality straw for rearing facilities and a higher share of corn in feed.
- Decreasing the climate impact in the form of CO₂ emissions from its own operations as well as across the value chain is a key priority at Scandi Standard. Work to measure and reduce our impact on the climate is continuously being developed. The result for the first quarter with regards to carbon intensity in own operations was 80.0 g CO₂e/kg product which was 6 per cent higher year-on-year. This was due to changes in the country-specific emissions factors for electricity that are used to calculate emissions as well as the increased use of oil in Ireland since one gas burner was inoperative for one week.
- Critical complaints remain at a very low level and no new complaints were reported during the first quarter of 2023.

Operationalising sustainability goals

As announced in the beginning of 2023, the Board adopted new sustainability goals for 2030. Work is ongoing throughout Scandi Standard to operationalise the goals by breaking them down by country and year, and by connecting local activities and initiatives to Group-wide plans. This work is coordinated locally by each country's sustainability manager and involves specialists in all relevant areas, from animal welfare to production, employee issues, health and safety, product development, quality and purchasing, to name a few.



Sustainability Overview	Q1 2023	Q1 2022	Δ	R12M	2022	2023 Target
LTI per million hours worked ¹⁾	18.1	28.0	-35%	24.9	27.4	24.8
Use of antibiotics (% of flocks treated)	9.3	11.1	-17%	10.4	10.8	8.7
Animal welfare indicator (foot score) ²⁾	14.9	13.4	11%	13.3	12.2	9.8
CO ₂ emissions (g CO ₂ e/kg product) ³⁾	80.0	75.4	6%	75.2	72.8	67.2
Critical complaints ⁴⁾	0	1	-100%	1	2	0
Feed efficiency (kg feed/live weight) ⁵⁾	1.51	1.50	1%	1.50	1.50	1.49

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 DEFRA 2020–2022, AIB 2021 and Energiföretagen 2020. Includes approximately 80% of Scope 1 and Scope 2 emissions for Scandi Standard Group, with exception for technical gases, refrigerants and owned and leased vehicles that are reported yearly.

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 70% of the production). The figures are based on farmer's reported figures in all countries except in Sweden, where figures are country averages from Svensk Fågel

Segment: Ready-to-cook

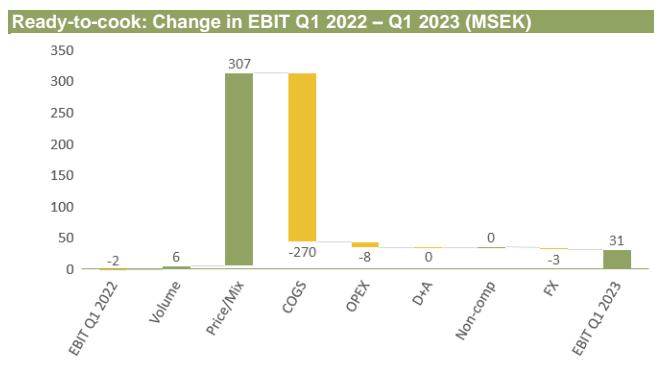
MSEK	Q1 2023	Q1 2022	Δ	R12M	2022
Net sales	2,373	2,046	16%	9,001	8,674
EBITDA	115	80	43%	441	406
Depreciation	-71	-69	3%	-312	-310
EBITA	44	11	289%	129	97
Amortisation	-13	-13	3%	-52	-52
EBIT	31	-2	-	79	47
EBITDA margin, %	4.8%	3.9%	0.9pppt	4.9%	4.7%
EBITA margin, %	1.9%	0.6%	1.3pppt	1.4%	1.1%
EBIT margin, %	1.3%	-0.1%	1.4pppt	0.9%	0.5%
Non-comparable items ¹⁾	-	-	-	-	-
Adj. EBITDA ¹⁾	115	80	43%	441	406
Adj. EBIT¹⁾	31	-2	-	79	47
Adj. EBITDA margin, % ¹⁾	4.8%	3.9%	0.9pppt	4.9%	4.7%
Adj. EBIT margin, % ¹⁾	1.3%	-0.1%	1.4pppt	0.9%	0.5%
LTI per million hours worked ²⁾	20.8	29.6	-30%	28.0	30.7
Animal welfare indicator ³⁾	14.9	13.4	11%	13.3	12.2
Critical complaints ⁴⁾	0	0	0%	0	0

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 16 per cent to MSEK 2,373 (2,046). In fixed currency, the increase in net sales was 13 per cent mainly driven by price increases. The sales volume decreased slightly driven by reduction in production and reduced demand. Denmark had the biggest reduction while Ireland increased in sales volume.

Ireland was the main contributor to sales growth, growing 30 per cent compared to first quarter of 2022. Finland had also strong growth and increased net sales with 24 per cent, while Denmark only grew with 5 per cent.

Net sales for frozen products increased by 22 per cent while chilled products increased by 14 per cent driven by an increased consumer preference for frozen products.

During the quarter we have seen continued strong sales in the Foodservice sales channel as well as in the Industry channel. Sales channel Export had a modest growth but a positive sales mix with less spot sales paired with recovery in sales to Asia after removal of export restrictions related to bird flu which has contributed positively to the result.

Operating income (EBIT) for RTC increased by MSEK 32 to MSEK 31 (-2) corresponding to an operating income margin (EBIT margin) of 1.3 (-0.1) per cent.

Cost of goods sold (COGS) was strongly negatively affected by cost increases on input goods, but also by increased production costs and increased energy and transport costs.

Cost increases on input goods were to a large extent compensated by price increases during the quarter with some variations between countries. Increased energy costs remain a challenge. Compared to the same quarter last year we also had a positive sales mix.

The result was also negatively impacted by lower cost coverage driven by the lower volume throughput.

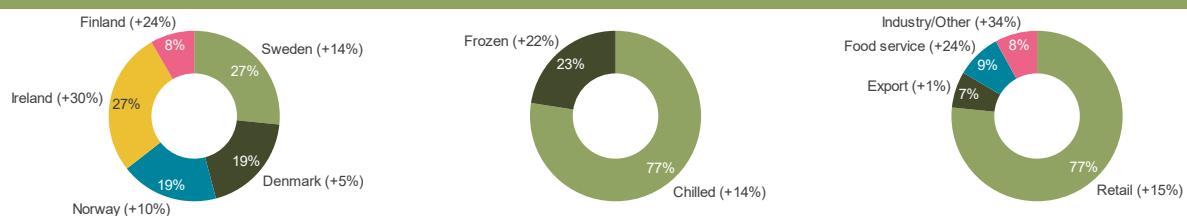
Ready-to-cook Denmark delivered a negative result of MSEK -46 (-51) for the first quarter which is some improvement compared the fourth quarter of 2022. Starting in the second quarter of 2023, we will to introduce a comprehensive adaptation of our product range based on current consumer demand, which is expected to give a gradual improvement.

No non-comparable items were reported in the first quarter of 2023.

Lost time injuries (LTI) for the RTC business amounted to 20.8 (29.6) per million hours worked during the first quarter, which is an improvement of 30 per cent compared to the corresponding quarter last year and is a result of the actions implemented during 2022. The result is driven by improvement mainly in the Irish and Danish businesses.

No critical complaint was reported for RTC during the first quarter, in line with same quarter previous year.

Net Sales per Country, product type and sales channel. Change compared to 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	Q1 2023	Q1 2022	Δ	R12M	2022
Net sales	765	643	19%	3,072	2,949
EBITDA	58	48	22%	271	260
Depreciation	-14	-13	7%	-52	-51
EBITA	45	35	28%	219	209
Amortisation	-	-	-	-	-
EBIT	45	35	28%	219	209
EBITDA margin, %	7.6%	7.4%	0.2ppt	8.8%	8.8%
EBITA margin, %	5.9%	5.5%	0.4ppt	7.1%	7.1%
EBIT margin, %	5.9%	5.5%	0.4ppt	7.1%	7.1%
Non-comparable items ¹⁾	-	-	-	-	-
Adj. EBITDA ¹⁾	58	48	22%	271	260
Adj. EBIT¹⁾	45	35	28%	219	209
Adj. EBITDA margin, % ¹⁾	7.6%	7.4%	0.2ppt	8.8%	8.8%
Adj. EBIT margin, % ¹⁾	5.9%	5.5%	0.4ppt	7.1%	7.1%
LTI per million hours worked ²⁾	11.0	24.0	-54%	8.6	11.8
Critical complaints ³⁾	0	1	-100%	1	2

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 19 per cent to MSEK 765 (35). In fixed currency, the increase was 15 per cent. The increase is mainly driven by price increases while the total volumes were slightly lower than the first quarter last year.

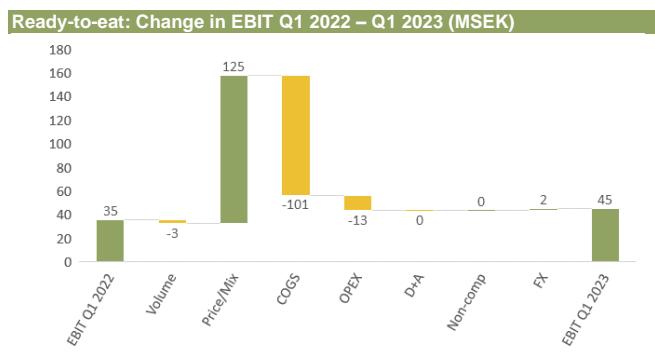
Net sales in Denmark increased with 17 per cent and constitutes 64 per cent of the total sales in the segment. Net sales in Sweden grew with 28 per cent while net sales in Norway increased with 14 per cent.

The Foodservice sales channel increased by 12 per cent and represents 61 per cent of net sales. The reduction of sales growth compared to recent quarters was mainly driven by changes in sales patterns for breaded products.

The Retail sales channel continued to grow and increased its net sales by 10 per cent and represent 20 per cent of the segment sales.

At the same time Net sales for the Export sales channel increased by 84 per cent, driven by targeted sales to new customers which has also had a positive impact on the result and balanced parts of the loss in volumes on the larger sales channels.

Since we are now seeing a change in demand between our various markets and product areas, we are choosing to reprioritise between our investments and delaying planned capacity investments in the facility in Farre, Denmark.



Operating income (EBIT) for RTE increased by MSEK 10 to MSEK 45 (35) corresponding to an operating margin (EBIT margin) of 5.9 (5.5) per cent.

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.

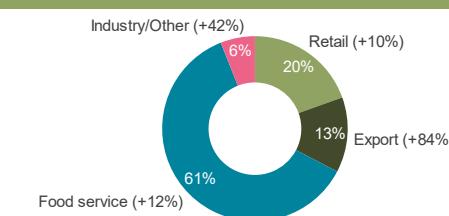
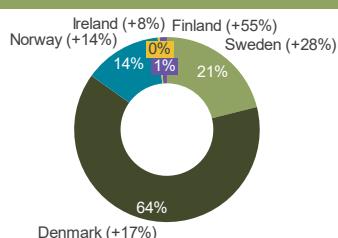
Other operating costs increased with MSEK 13, driven by higher sales cost to stimulate innovation and growth.

No non-comparable items were reported in the first quarter of 2023.

Lost time injuries (LTI) for the RTE business amounted to 11.0 (24.0) per million hours worked during the first quarter, which was lower than 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.

No critical complaint was reported for RTE in the first quarter.

Net Sales per Country and sales channel. Change compared to 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.

Other

Ingredients

Net sales within Ingredients amounted to MSEK 146 (104) with an operating income (EBIT) of MSEK 24 (10). The improvement in operating income (EBIT) was mainly driven by increased sales prices.

Group cost

Group costs of MSEK -6 (-6) were recognised in the Group operating income (EBIT).

Personnel

The average number of employees in the first quarter 2023 was 3,049 (3,066).

Government support

During the first quarter 2023 an amount of MSEK 0 (3) of governmental support has been recognized in profit. The received government support refers to compensation for sick leave.

Average exchange rates

	2023–03	2022–03
DKK/SEK	1.50	1.41
NOK/SEK	1.02	1.06
EUR/SEK	11.20	10.48

Other information

Risks and uncertainties

Scandi Standards' risks and uncertainties are described on pages 83 – 87 and pages 115 – 118 in the Annual Report 2022, which is available at www.scandistandard.com.

Events after the close of the period

No significant events after the close of the period.

Stockholm, 3 May 2023

Jonas Tunestål

Managing director and CEO

The interim report has not been subject to review by the Company's auditors.

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

Consolidated income statement

MSEK	Q1 2023	Q1 2022	R12M	2022
Net sales	3,284	2,793	12,611	12,119
Other operating revenues	3	3	25	25
Changes in inventories of finished goods and work in progress	44	-41	197	112
Raw materials and consumables	-2,162	-1,727	-8,245	-7,809
Cost of personnel	-574	-523	-2,187	-2,136
Depreciation, amortisation and impairment	-103	-99	-437	-434
Other operating expenses	-398	-368	-1,619	-1,589
Share of income of associates	-	-	2	2
Operating income	93	37	346	290
Financial income	1	0	2	1
Financial expenses	-33	-21	-118	-105
Income after finance net	61	16	230	186
Tax on income for the period	-17	-7	-58	-47
Income for the period	44	10	173	138
Whereof attributable to:				
Shareholders of the Parent Company	54	7	180	132
Non-controlling interests	-11	3	-7	6
Average number of shares	65,327,164	65,327,164	65,327,164	65,327,164
Earnings per share, SEK	0.83	0.10	2.75	2.02
Earnings per share after dilution, SEK	0.83	0.10	2.75	2.02
Number of shares at the end of the period	66,060,890	66,060,890	66,060,890	66,060,890

Consolidated statement of comprehensive income

MSEK	Q1 2023	Q1 2022	R12M	2022
Income for the period	44	10	173	138
Other comprehensive income				
<i>Items that will not be reclassified to the income statement</i>				
Actuarial gains and losses in defined benefit pension plans	1	15	13	28
Tax on actuarial gains and losses	0	-3	-3	-6
Total	1	12	11	22
<i>Items that will or may be reclassified to the income statement</i>				
Cash flow hedges	-48	8	40	96
Currency effects from conversion of foreign operations	3	45	139	182
Income from currency hedging of foreign operations	4	-8	-17	-29
Tax attributable to items that will be reclassified to the income statement	10	-2	-8	-20
Total	-31	43	154	229
Other comprehensive income for the period, net of tax	-31	55	165	251
Total comprehensive income for the period	13	65	337	389
Whereof attributable to:				
Shareholders of the Parent Company	24	62	344	383
Non-controlling interests	-11	3	-7	6

Consolidated statement of financial position

MSEK	Note	March 31, 2023	March 31, 2022	December 31, 2022
ASSETS				
Non-current assets				
Goodwill		956	943	971
Other intangible assets		916	878	915
Property plant and equipment		1,953	1,874	1,995
Right-of-use assets		384	424	393
Participations in associated companies		51	47	51
Surplus in funded pensions		66	50	64
Derivative instruments financial	3	17		18
Derivative instruments operational	3	2		18
Financial assets	3	4	3	4
Deferred tax assets		89	74	90
Total non-current assets		4,436	4,293	4,520
Current assets				
Biological assets		113	101	110
Inventory		973	754	930
Trade receivables	3	1,222	1,024	1,095
Other short-term receivables		108	95	109
Prepaid expenses and accrued income		151	103	150
Derivative instruments operational	3	19	-	49
Cash and cash equivalents	3	151	328	3
Total current assets		2,738	2,405	2,446
TOTAL ASSETS		7,174	6,698	6,965
EQUITY AND LIABILITIES				
Shareholder's equity				
Share capital		1	1	1
Other contributed equity		646	646	646
Reserves		323	169	354
Retained earnings		1,387	1 195	1,331
Capital and reserves attributable to owners		2,357	2,010	2,331
Non-controlling interests		-9	3	2
Total equity		2,348	2,013	2,334
Liabilities				
Non-current liabilities				
Non-current interest-bearing liabilities	3	1,743	1,916	1,582
Non-current leasing liabilities		338	371	346
Derivative instruments	3	-	-1	-
Provisions for pensions		3	3	3
Other provisions		12	9	11
Deferred tax liabilities		195	180	211
Other non-current liabilities	4	72	65	71
Total non-current liabilities		2,364	2,543	2,225
Current liabilities				
Current leasing liabilities		70	72	75
Derivative instruments	3	-	4	-
Trade payables	3	1,659	1,372	1,619
Tax payables		45	60	56
Other current liabilities	4	16	210	-
Accrued expenses and prepaid income		671	425	657
Total current liabilities		2,462	2,142	2,407
TOTAL EQUITY AND LIABILITIES		7,174	6,698	6,965

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, 2022	1	646	125	1,180	1,951	0	1,951	
Income for the year				132	132	6	138	
Other comprehensive income for the year, net of tax			229	22	251	-	251	
Total comprehensive income			229	154	383	6	389	
Dividend						-4	-4	
Long term incentive program (LTIP)				-3	-3	-	-3	
Repurchase of own shares								
Total transactions with the owners	-	-	-	-3	-3	-4	-7	
Closing balance December 31, 2022	1	646	354	1,331	2,331	2	2,334	
Opening balance January 1, 2023	1	646	354	1,331	2,331	2	2,334	
Income for the period				54	54	-11	44	
Other comprehensive income for the period, net of tax			-31	1	-31		-31	
Total comprehensive income			-31	55	24	-11	13	
Dividend								
Long term incentive program (LTIP)				1	1		1	
Repurchase of own shares								
Total transactions with the owners	-	-	-	1	1	-	1	
Closing balance March 31, 2023	1	646	323	1,387	2,357	-9	2,348	

Consolidated statement of cash flows

MSEK	Q1 2023	Q1 2022	R12M	2022
OPERATING ACTIVITIES				
Operating income	93	37	346	290
Adjustment for non-cash items	106	96	450	441
Paid finance items, net	-32	-19	-108	-95
Paid current income tax	-36	-28	-63	-55
Cash flow from operating activities before changes in operating capital	131	87	625	581
Changes in inventories and biological assets	-43	42	-192	-107
Changes in operating receivables	-122	-194	-229	-301
Changes in operating payables	81	78	275	272
Changes in working capital	-84	-74	-146	-136
Cash flow from operating activities	46	13	479	445
INVESTING ACTIVITIES				
Investments in rights of use assets	-0	-1	-3	-3
Investments in intangible assets	-16	-6	-41	-31
Investment in property, plant and equipment	-18	-25	-272	-280
Cash flows used in investing activities	-34	-32	-316	-314
FINANCING ACTIVITIES				
New loan	184	-	2,744	2,561
Repayment loan	-	-	-2,930	-2,930
Change in overdraft facility	-3	-	-	3
Payments for amortisation of leasing liabilities	-22	-21	-85	-85
Dividend	-	-	-4	-4
Other	-21	21	-54	-13
Cash flows in financing activities	138	0	-330	-468
Cash flows for the period	150	-20	-167	-337
Cash and cash equivalents at beginning of the period	3	350	328	350
Currency effect in cash and cash equivalents	-1	-2	-10	-10
Cash flow for the period	150	-20	-167	-337
Cash and cash equivalents at the end of the period	151	328	151	3

Parent Company income statement

MSEK	Q1 2023	Q1 2022	R12M	2022
Net sales	-	-	-	-
Operating expenses	0	0	0	0
Operating income	0	0	0	0
Finance net	1	-4	401	395 ¹⁾
Income after finance net	1	-4	401	395
Group contribution	-	-	13	13
Tax on income for the period	0	0	0	-
Income for the period	1	-4	414	408

¹⁾Mainly regarding dividend from subsidiaries

Parent Company statement of comprehensive income

MSEK	Q1 2023	Q1 2022	R12M	2022
Income for the period	1	-4	414	408
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period	1	-4	414	408

Parent Company statement of financial position

MSEK	Note	March 31, 2023	March 31, 2022	December 31, 2022
ASSETS				
Non-current assets				
Investments in subsidiaries		938	938	938
Receivables from Group entities		-	-	-
Total non-current assets		938	938	938
Current assets				
Receivables from Group entities		101	8	99
Cash and cash equivalents		-	0	0
Total current assets		101	8	99
TOTAL ASSETS		1,039	946	1,037
EQUITY AND LIABILITIES				
Equity				
Restricted equity				
Share capital		1	1	1
Non-restricted equity				
Share premium account		645	645	645
Retained earnings		392	-17	-17
Income for the period		1	-4	408
Total equity		1,039	625	1,037
Current liabilities				
Tax payables		-	0	-
Liabilities to Group companies	4	-	321	-
Total current liabilities		-	321	-
TOTAL EQUITY AND LIABILITIES		1,039	946	1,037

Parent Company statement of changes in equity

MSEK

Opening balance 1 January, 2022	629
Income for the year	408
Other comprehensive income for the year, net of tax	-
Total comprehensive income	408
Closing balance December 31, 2022	1,037
Opening balance 1 January, 2023	1,037
Income for the period	1
Other comprehensive income for the period, net of tax	-
Total comprehensive income	1
Closing balance March 31, 2023	1,039

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 2022.

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 board of Directors of the Company has resolved to propose to the Annual General Meeting 2023 a long-term incentive program (LTIP 2023) 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. The program is of the same kind as the long-term incentive program adopted in 2022 and retains components from the long-term incentive plans adopted in 2020–2021. The participants are required to invest in Scandi Standard shares in order to participate in LTIP 2023. 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 2022.

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 a Region 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.

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 31 March 2023 and for the comparison period, are shown in the tables below.

March 31 2023, MSEK	Valued at amortised cost	Valued at fair value through profit and loss ¹	Derivatives used in hedge accounting ¹
Assets			
Non-current financial assets	4	-	-
Trade receivables	1,222	-	-
Derivative instruments financial	-	-	17
Derivative instruments operational	-	-	21
Cash and cash equivalents	151	-	-
Total financial assets	1,377	-	38
Liabilities			
Non-current interest-bearing liabilities	1,743	-	-
Other non-current liabilities	-	-	-
Derivative instruments	-	-	-
Current interest-bearing liabilities	-	-	-
Other current liabilities	-	-	-
Trade payables	1,659	-	-
Total financial liabilities	3,403	-	-
March 31 2022, MSEK	Valued at amortised cost	Valued at fair value through profit and loss ¹	Derivatives used in hedge accounting ¹
Assets			
Non-current financial assets	3	-	-
Trade receivables	1,024	-	-
Derivative instruments	-	-	-
Cash and cash equivalents	328	-	-
Total financial assets	1,355	-	-
Liabilities			
Non-current interest-bearing liabilities	1,916	-	-
Other non-current liabilities	-	-	-
Derivative instruments	-	-	2
Current interest-bearing liabilities	-	-	-
Other current liabilities	-	-	-
Trade payables	1,372	-	-
Total financial liabilities	3,288	-	2

1) The valuation of the Groups financial assets and liabilities is performed in accordance with the following 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 31 March 2023, 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. The fair value of energy hedge contracts (operational derivatives) is estimated based on current forward rates at the reporting date. As of 31 March 2023, the financial derivatives amounted to MSEK 17 (-2) and the operational derivatives amounted to MSEK 21 (-).

For the Group's long-term borrowing, which as of 31 March 2023 amounted to MSEK 1,743 (1,916), 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.

Note 4. Other liabilities

The current liabilities to Group entities in the Parent Company as per 31 March 2023 amounted to MSEK - (321).

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 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		Q1 2023	Q1 2022	R12M	2022
Net sales	A	3,284	2,793	12,611	12,119
Income for the period	B	44	10	173	138
+ Reversal of tax on income for the year		17	7	58	47
Income after finance net	C	61	16	230	186
+ Reversal of financial expenses		33	21	118	105
+ Reversal of financial income		-1	0	-2	-1
Operating income (EBIT)	D	93	37	346	290
+ Reversal of depreciation, amortisation and impairment		103	99	437	434
+ Reversal of share of income of associates		0	0	-2	-2
EBITDA	E	196	136	781	722
Non-comparable items in income for the period (EBIT)	F	-	-	-	-
Adjusted income for the period (Adj. EBIT)	D+F	93	37	346	290
Adjusted operating margin (Adj. EBIT margin)	(D+F)/A	2.8%	1.3%	2.7%	2.4%
Non-comparable items in EBITDA	G	-	-	-	-
Adjusted EBITDA	E+G	196	136	781	722
<i>Adjusted EBITDA margin %</i>	<i>(E+G)/A</i>	<i>6.0%</i>	<i>4.9%</i>	<i>6.2%</i>	<i>6.0%</i>

From Statement of Cash Flow, MSEK		Q1 2023	Q1 2022	R12M	2022
Operating activities					
Operating income (EBIT)		93	37	346	290
Adjustment for non-cash items:					
+ Reversal of depreciation, amortisation, and impairment		103	99	437	434
- Reversal of share of income of associates		-	-	-2	-2
EBITDA		196	136	781	722
Non-comparable items in EBITDA	G	-	-	-	-
Adjusted EBITDA		196	136	781	722

From Balance Sheet, MSEK	March 31, 2023	March 31, 2022	December 31, 2022	
Total assets	7,174	6,698	6,965	
Non-current non-interest-bearing liabilities				
Deferred tax liabilities	-195	-180	-211	
Other non-current liabilities	-72	-65	-71	
Total non-current non-interest-bearing liabilities	-267	-246	-283	
Current non-interest-bearing liabilities				
Trade payables	-1 659	-1,372	-1,619	
Tax payables	-45	-60	-56	
Other current liabilities	-16	-210	-167	
Accrued expenses and prepaid income	-671	-425	-490	
Total current non-interest-bearing liabilities	-2,392	-2,066	-2,332	
Capital employed	4,515	4,386	4,351	
Less: Cash and cash equivalents	-151	-328	-3	
Operating capital	4,363	4,058	4,348	
Average capital employed	H	4,450	4,375	4,322
Average operating capital	I	4,211	3,982	4,146
Operating income (EBIT), R12M		346	172	290
Adjusted operating income (Adj. EBIT), R12M	J	346	162	290
Financial income, R12M	K	2	2	1
Return on capital employed	(J+K)/H	7.8%	4.0%	6.7%
Return on operating capital	J/I	8.2%	4.3%	7.0%
Interest bearing liabilities				
Non-current interest-bearing liabilities		1,743	1,916	1,582
Non-current leasing liabilities		338	371	346
Derivatives		-17	2	-18
Current leasing liabilities		70	72	75
Total interest-bearing liabilities		2,135	2,362	1,985
Less: Cash and cash equivalents		-151	-328	-3
Net interest-bearing debt		1,984	2,034	1,983

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. When non-comparable items occur, they are presented in tables below to facilitate the understanding of the underlying current trading of the ordinary business operations. Also, these items are adjusted for in the Group's and the segment's alternative performance measures, adjusted EBITDA, adjusted EBITA and adjusted operating income (adjusted EBIT). For a definition of alternative performance measures, see page 21.

No non-comparable items were reported in the first quarter 2023 or during the full year 2022.

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	Q1 2023	Q1 2022	R12M	2022
Bird flu ¹⁾	-	-12	-7	-20
Fire incident in RTE facility in Farre, Denmark ²⁾	-	-	-26	-26
Write down assets ³⁾	-	-	-26	-26
Provision contract dispute ⁴⁾	-	-	-20	-20
Total	-	-12	-80	-92

1) Cost related to bird flu – mainly price reductions.

2) Fire incident in RTE facility in Farre, Denmark in April 2022

3) Write-down of hatchery machinery and write-down of leasing contracts regarding hatchery on farm equipment in Ireland

4) Provision for compensation linked to an old contract dispute in Finland.

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

MSEK	Q1 2023	Q1 2022	R12M	2022
Ready-to-cook	-	-12	-54	-66
Ready-to-eat	-	-	-26	-26
Other	-	-	-	-
Group cost	-	-	-	-
Total	-	-12	-80	-92

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 per centage 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 per centage of net sales.

Adjusted EBITDA margin

Adjusted EBITDA as a per centage 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 per centage of net sales.

Adjusted operating margin (Adj. EBIT margin)

Adjusted operating income (Adj. EBIT) as a per centage 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 R12M, divided by average capital employed.

Return on equity

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 R12M, 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 3 May 2023 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

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Financial calendar

Annual General Meeting	May 4, 2023
Interim report for Q2 2023	August 23, 2023
Interim report for Q3 2023	October 26, 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 3 May 2023.

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 3,200 employees with annual sales of more than SEK 12 billion.

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