

*“It has been another challenging quarter but the implementation of the improvement program including continuous focus on consumer value and the trends we see strengthen our assessment of a gradual improvement in earnings during 2022”*

Otto Drakenberg, Interim managing director and CEO



## Focus on price increases and improvement program

### October – December 2021

- Net sales amounted to MSEK 2,435 (2,393) in the fourth quarter 2021. At constant exchange rates net sales increased by 1 percent.
- Operating income (EBIT) decreased by 47 percent to MSEK 30 (56), corresponding to a margin of 1.2 (2.3) percent. Adjusted operating income (adj. EBIT)<sup>1)</sup> decreased by 96 percent to MSEK 3 (83), corresponding to a margin of 0.1 (3.5) percent.
- Income for the period amounted to MSEK 4 (21). Earnings per share amounted to SEK 0.08 (0.32).
- Operating cash flow was MSEK 69 (-23).

### January – December 2021

- Net sales amounted to MSEK 10,101 (9,940) in the year of 2021. At constant exchange rates net sales increased by 3 percent.
- Operating income (EBIT) decreased by 37 percent to MSEK 222 (351), corresponding to a margin of 2.2 (3.5) percent. Adjusted operating income (adj. EBIT)<sup>1)</sup> decreased by 48 percent to MSEK 213 (410), corresponding to a margin of 2.1 (4.1) percent.
- Income for the period amounted to MSEK 103 (208). Earnings per share amounted to SEK 1.60 (3.16).
- Operating cash flow was MSEK 347 (476).

### Significant events after the close of the quarter

- Jonas Tunestål will join the company as managing director and CEO on 1 April 2022.

### Key metrics

MSEK	Q4 2021	Q4 2020	Δ	2021	2020	Δ
Net sales	2,435	2,393	2%	10,101	9,940	2%
EBITDA	125	147	-15%	598	699	-14%
<b>Operating income (EBIT)</b>	<b>30</b>	<b>56</b>	<b>-47%</b>	<b>222</b>	<b>351</b>	<b>-37%</b>
EBITDA margin %	5.1%	6.1%	-1.0ppt	5.9%	7.0%	-1.1ppt
EBIT margin %	1.2%	2.3%	-1.1ppt	2.2%	3.5%	-1.3ppt
Non-comparable items <sup>1)</sup>	26	-28	-	9	-59	-
Adjusted EBITDA <sup>1)</sup>	98	173	-43%	589	756	-22%
<b>Adjusted operating income (Adj. EBIT)<sup>1)</sup></b>	<b>3</b>	<b>83</b>	<b>-96%</b>	<b>213</b>	<b>410</b>	<b>-48%</b>
Adjusted EBITDA margin <sup>1)</sup> %	4.0%	7.2%	-3.2ppt	5.8%	7.6%	-1.8ppt
Adjusted EBIT margin <sup>1)</sup> %	0.1%	3.5%	-3.3ppt	2.1%	4.1%	-2.0ppt
Income after finance net	8	33	-76%	140	260	-46%
Income for the period	4	21	-80%	103	208	-50%
Earnings per share, SEK	0.08	0.32	-74%	1.60	3.16	-49%
Return on capital employed %	5.2%	8.4%	-3.1ppt	5.2%	8.4%	-3.1ppt
Return on equity %	5.5%	11.5%	-6.0ppt	5.5%	11.5%	-6.0ppt
Operating cash flow	69	-23	-	347	476	-27%
Net interest-bearing debt	1,980	1,933	2%	1,980	1,933	2%
NIBD/Adj. EBITDA	3.4	2.6	31%	3.4	2.6	31%
Lost time injuries (LTI) per million hours worked	38.0	28.7	32%	39.2	31.0	26%
Feed efficiency (kg feed/live weight)	1.52	1.51	0%	1.52	1.52	0%

1) Restated non-comparable items. see note 6 and 8.

## CEO Comments

Scandi Standards net sales during the fourth quarter 2021 were MSEK 2,435 (2,393), in line with the previous year. Operating income was MSEK 30 (56). The operating income was positively affected by items affecting comparability of MSEK 26 (-28).

The ready-to-cook segment has during the quarter been affected by a number of external and internal challenges. Net sales amounted to MSEK 1,789 and the operating income for the segment declined substantially to MSEK -32 (56). The operating income was, also in this quarter, negatively affected by significant price increases on several input factors, a continued challenging price situation in export markets as well as consequences from the measures taken to address the production challenges in Sweden and Ireland, in particular significant production reductions. The ready-to-cook segment in Denmark continue to make major losses and reported a negative operating income of MSEK -59 for the quarter.

The ready-to-eat segment reported a continued improvement with net sales for the quarter increasing 14 percent to MSEK 543 (476) with a slightly improved operating income. The development was driven by increased sales in the Foodservice sales channel and we note an increasing demand within this profitable segment. Scandi Standard has good capacity to meet the increasing demand during 2022, and in order to take advantage of growth opportunities, investments are planned to increase capacity further in Farre – the largest production plant for ready-to-eat products.

### Improvement program

The work within the group-wide improvement program that was initiated in the third quarter 2021 continued in the fourth quarter. The aim initially is to swiftly return Scandi Standard to profitability in line with the years 2016 to 2020 as well as to lay the foundation for long-term sustainable and profitable growth and returns. Scandi Standard is following a detailed action plan to significantly improve both commercial and operational efficiency on all markets. The focus in the fourth quarter was mainly on continued price adjustments in all countries, measures to improve profitability within the Ready-to-cook in Denmark, address the production challenges in Sweden and Ireland as well as cost reductions in the entire group.

### Price adjustments

Scandi Standard's operating income for the fourth quarter is significantly affected by considerable cost increases on feed and other input goods. Successfully negotiated price increases to customer which will gradually become effective in the first quarter 2022 will to a large extent compensate for the effects on operating income due to cost increases. Additional cost increases have emerged during the beginning of 2022 and renewed negotiations are currently ongoing with customers to compensate also for these. Scandi Standard's business model allows for fluctuations in input prices to be transferred to the customer and provides good possibilities to manage price and cost increases over time.

### Improve profitability within Ready-to-cook Denmark

Ready-to-cook Denmark reported an operating income of MSEK -59 during the quarter. The negative outcome is mainly related to the implementation of the strategy for slow growing birds, low export prices and cost increases. We are now implementing, in close cooperation with our customers, comprehensive changes in the strategy for slow growing birds to meet a demand that is expected to grow. Significant staff reductions are also being made and the company is increasing the flexibility in its supplier contracts. The positive effects of these measures are expected primarily during second half of 2022.

### Addressing production challenges in Sweden and Ireland

As a part of the improvement program, Scandi Standard reduced the intake of birds for production in Sweden and Ireland with approximately 8 percent during the fourth quarter. This was to address the production challenges and ensure a good operational capability. The company has also initiated a structured process for early discovery of potential future deviations in the production plants. The reduced volume has had a negative impact on the operational income, but improved control. The production reduction has moreover created conditions for long-term operational improvement through more efficient working methods. The company's assessment is that the attention in the Swedish market regarding the production challenges has had a negative effect on the demand in the chicken category, but that the structural improvements that are now being implemented will strengthen the competitiveness of the Group's consumer brands over time.

### Organisational changes and investments

As part of the work with the improvement program, Scandi Standard has carried out a number of personnel changes at management level in the company. New country managers have been appointed in Denmark, Ireland and Finland and the manager for the successful Norwegian market is also acting country manager for Sweden in order to strengthen the Swedish Business. Furthermore, the organisation for Sales and Operations Planning (S&OP) has been further developed and a restructuring of the organisation for Group Supply Chain and Group Operations is ongoing.

The current investment plan for 2022 is about MSEK 330 and will be continuously evaluated during the year. Under this framework, we have decided to prioritise facilitation of profitable growth within the Ready-to-eat and commencement of a three year roll out of a new ERP system, which has a framework of MSEK 100 in 2022. The new ERP system will in the longer term drive efficiencies throughout the value chain by, among other things, harmonized business processes and an increased degree of automation throughout the group. New accounting principles regarding investments in cloud-based solutions may lead to a portion of the ERP investments being expensed. The Board has resolved not to propose a dividend for the financial year 2021.

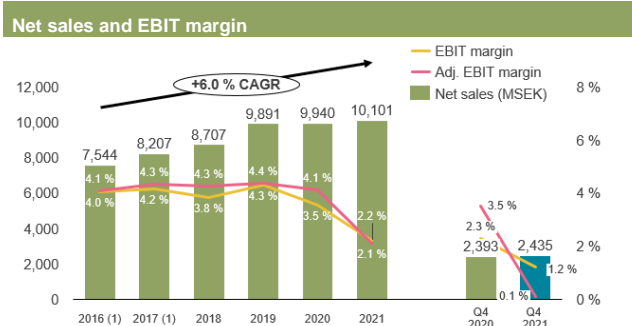
### Outlook

The effect of the improvement program this far and the trends we see strengthen our assessment on a gradual improvement in earnings during 2022. When the price increases on input factors now also are having an effect in categories with a longer production cycle such as beef and pork, we can also expect increased tailwinds from the market due to more favourable competitive conditions. The effect of the challenges that Scandi Standard faced in 2021 is expected to gradually diminish from the second quarter of 2022.

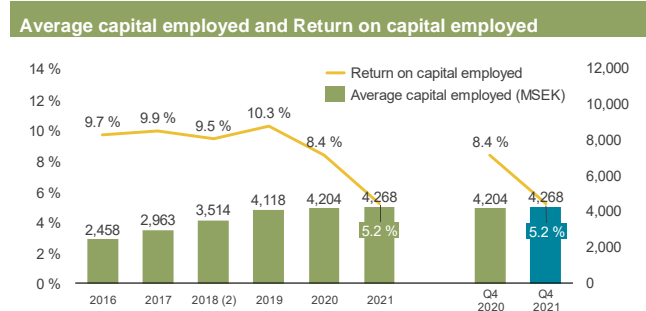
I am convinced that the new management that is now being formed has the right competence and prerequisites to continue Scandi Standard's development journey and that the powerful measures we are implementing will result in the expected outcome. I am looking forward to on the first of April, welcoming our new CEO Jonas Tunestål to a company that is significantly better equipped than before to take advantage of the full potential in the market.

Stockholm, 11 February 2022

Otto Drakenberg, *Interim managing director and CEO*



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



# Group results, financial position and cash flow

## October – December 2021

**Net sales** amounted to MSEK 2,435 (2,393). At constant exchange rates net sales increased by 1 percent. Net Sales to Retail sales channel decrease with 5 percent, net sales to Food service sales channel increased with 17 percent as previous year was negatively affected by the Covid-19 pandemic.

**Operating income (EBIT)** for the Group amounted to MSEK 30 (56), corresponding to an operating margin (EBIT margin) of 1.2 (2.3) percent. The operating income included MSEK 26 (-28) of non-comparable items consisting of MSEK 26 (-28) in a decrease of earn-out debt resulting from the final purchase price payment relating to the acquisition of Manor Farm of MSEK 26 (-21). Adjusted operating income (adj. EBIT) amounted hereby to MSEK 3 (83), corresponding to an adjusted operating margin (adj. EBIT margin) of 0.1 (3.5) percent.

The decrease in results was mainly driven by lower results in Ready-to-cook, among other due to price increases on feed as well as other input factors, a continued challenging Ready-to-cook business in Denmark, production reductions in Sweden and Ireland, and a continued challenging price situation in export markets due to bird flu.

**Finance net** for the Group of MSEK -22 (-23) related to interest expenses for interest-bearing liabilities of MSEK -9 (-8), interest on leasing of MSEK -3 (-2) and currency effects/other items of MSEK -10 (-12).

**Tax expenses** for the Group amounted to MSEK -3 (-12) corresponding to an effective tax rate of approximately 44 (35) percent. The increased tax rate 2021 was mainly explained by the mix of tax rates between the different countries.

**Income for the period** for the Group decreased by 80 percent to MSEK 4 (21). Earnings per share was SEK 0.08 (0.32).

**Net interest-bearing debt (NIBD)** for the Group was MSEK 1,980, an increase by MSEK 89 from the 30th of September 2021. Operating cash flow increased in the quarter to MSEK 69 (-23) negatively affected by lower EBITDA and positively affected by a higher positive change of working capital compared with the same quarter last year and a lower capital expenditure compared with the same quarter last year as the investment rate in the fourth quarter has been reduced in order to create financial flexibility. The total increase in net interest-bearing debt during the quarter of MSEK 89 (5) was, in addition to the higher operating cash flow, negatively affected by higher purchase price payments compared with corresponding quarter last year.

**Total equity** attributable to the owners of the parent company as of December 31, 2021, amounted to MSEK 1,951 (1,876). The equity to assets ratio amounted to 30.0 (29.4) percent. Return on equity was 5.5 (11.5) percent.

**The financial target** for the Group's adjusted EBITDA margin is to exceed 10 percent in the medium term. The outcome for the full year 2021 was 5.8 (7.6) percent, which was below the target for the Group.

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 December 31, 2021, was 3.4 (2.6), which was above the target range for the Group.

The financial target for the Group's net sales is an annual average organic growth in line with or above market growth. The outcome for the average organic growth (5 y CAGR) for the full year 2021 was 6 (6) percent, but the growth in 2021 was only 2 percent.

The financial target for the Group's dividend ratio is approximately 60 percent of profit for the year adjusted for non-comparable items on average over time. The outcome for the full year 2021 is that the Board proposes that no dividend be paid for the financial year 2021 in order to ensure continued financial flexibility.

### Net Sales and Operating Income (EBIT)<sup>2)</sup>

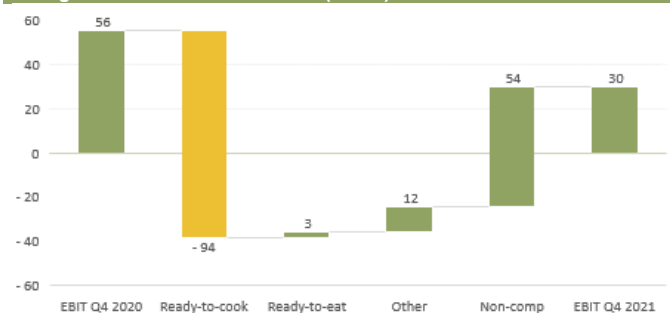
MSEK	Q4 2021	Q4 2020	2021	2020
Net sales	2,435	2,393	10,101	9,940
EBITDA	125	147	598	699
Depreciation	-84	-82	-328	-300
EBITA	40	65	270	398
Amortisation	-12	-12	-50	-50
<b>EBIT<sup>2)</sup></b>	<b>30</b>	<b>56</b>	<b>222</b>	<b>351</b>
EBITDA margin, %	5.1%	6.1%	5.9%	7.0%
EBITA margin, %	1.7%	2.7%	2.7%	4.0%
EBIT margin, %	1.2%	2.3%	2.2%	3.5%
Non-comparable items <sup>1)</sup>	26	-28	9	-59
Adj. EBITDA <sup>1)</sup>	98	173	589	756
<b>Adj. EBIT<sup>1)</sup></b>	<b>3</b>	<b>83</b>	<b>213</b>	<b>410</b>
Adj. EBITDA margin, % <sup>1)</sup>	4.0%	7.2%	5.8%	7.6%
Adj. EBIT margin, % <sup>1)</sup>	0.1%	3.5%	2.1%	4.1%
Chicken processed (tonne lw) <sup>3)</sup>	94,288	96,788	393,369	382,257
EBIT/kg	0.3	0.6	0.6	0.9

1) Restated non-comparable items, see note 6 and 8

2) For specific explanatory items, see note 7.

3). Live Weight, tonnes

### Change in EBIT Q4 2020 – Q4 2021 (MSEK)



Note, non-comparable items of MSEK -28 MSEK in the fourth quarter 2020 and MSEK 26 MSEK in the fourth quarter 2021, see note 6t

### Finance net and tax expenses

MSEK	Q4 2021	Q4 2020	2021	2020
Finance income	1	0	2	0
Finance expenses	-23	-23	-83	-91
Finance net	-22	-23	-82	-90
Income after finance net	8	33	140	260
Income tax expenses	-3	-12	-37	-52
Income tax expenses %	-44%	-35%	-26%	-20%
Income for the period	4	21	103	208
Earnings per share, SEK	0.08	0.32	1.60	3.16

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

MSEK	Q4 2021	Q4 2020	2021	2020
<b>Opening balance NIBD</b>	<b>1,891</b>	<b>1,929</b>	<b>1,933</b>	<b>2,200</b>
EBITDA	125	147	598	699
Change in working capital	59	-85	162	143
Net capital expenditure	-68	-94	-306	-355
Other operating items	-46	9	-108	-10
<b>Operating cash flow</b>	<b>69</b>	<b>-23</b>	<b>347</b>	<b>476</b>
Paid finance items, net	-17	-16	-69	-76
Paid tax	4	-1	-56	-41
Dividend	-	-	-81	-
Business combinations	-136	-	-171	-104
Other items <sup>1)</sup>	-9	35	-17	12
<b>Decrease (+) / increase (-) NIBD</b>	<b>-89</b>	<b>-5</b>	<b>-47</b>	<b>267</b>
<b>Closing balance NIBD</b>	<b>1,980</b>	<b>1,933</b>	<b>1,980</b>	<b>1,933</b>

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

Financial targets	Q4 2021	Q4 2020	2021	2020	Target
Adj. EBITDA margin, %	4.0%	7.2%	5.8%	7.6%	10%
NIBD/Adj. EBITDA	3.4x	2.6x	3.4x	2.6x	2.0-2.5x

# Overview – segment consolidation and KPIs

MSEK unless stated otherwise	Ready-to-cook <sup>1)</sup>		Ready-to-eat <sup>2)</sup>		Other <sup>3)</sup>		Total	
	Q4 2021	Q4 2020	Q4 2021	Q4 2020	Q4 2021	Q4 2020	Q4 2021	Q4 2020
Net sales	1,789	1,825	543	476	103	91	2,435	2,393
EBITDA	47	132	44	39	33	-24	125	147
Depreciation	-68	-65	-12	-11	-4	-5	-84	-82
EBITA	-21	67	31	28	30	-29	40	65
Amortisation	-12	-12	-	-	-	-	-12	-12
<b>EBIT</b>	<b>-32</b>	<b>56</b>	<b>32</b>	<b>29</b>	<b>30</b>	<b>-29</b>	<b>30</b>	<b>56</b>
EBITDA margin, %	2.6%	7.2%	8.1%	8.2%	32.4%	-26.1%	5.1%	6.1%
EBITA margin, %	-1.1%	3.7%	5.8%	5.8%	28.8%	-32.0%	1.7%	2.7%
EBIT margin, %	-1.8%	3.0%	5.8%	6.1%	28.9%	-31.6%	1.2%	2.3%
Non-comparable items <sup>4)</sup>	-	-7	-	-	26	-21	26	-28
Adj. EBITDA <sup>4)</sup>	47	139	44	39	7	-5	98	173
<b>Adj. EBIT<sup>4)</sup></b>	<b>-32</b>	<b>63</b>	<b>32</b>	<b>29</b>	<b>3</b>	<b>-8</b>	<b>3</b>	<b>83</b>
Adj. EBITDA margin, % <sup>4)</sup>	2.6%	7.6%	8.1%	8.2%	6.7%	-5.5%	4.0%	7.2%
Adj. EBIT margin, % <sup>4)</sup>	-1.8%	3.4%	5.8%	6.1%	3.2%	-9.1%	0.1%	3.5%
Capital employed							4,253	4,204
Return on capital employed							5.2%	8.4%
Chicken processed (LW) <sup>5)</sup>							94,288	96,788
Net sales/kg							25.8	24.7
EBIT/kg							0.3	0.6
<b>Net sales split</b>								
Sweden	489	498	115	101	19	18	624	617
Denmark	368	364	338	306	60	45	765	716
Norway	366	337	83	66	5	3	454	406
Ireland	428	506	2	0	11	19	441	525
Finland	138	120	5	3	7	6	151	129
<b>Total Net sales per country</b>	<b>1,789</b>	<b>1,825</b>	<b>543</b>	<b>476</b>	<b>103</b>	<b>91</b>	<b>2,435</b>	<b>2,393</b>
Retail	1,394	1,479	123	109	4	5	1,521	1,594
Export	131	123	44	47	12	17	187	188
Foodservice	139	117	348	300	1	2	488	418
Industry / Other	125	106	28	20	86	67	239	193
<b>Total Net sales sales channel</b>	<b>1,789</b>	<b>1,825</b>	<b>543</b>	<b>476</b>	<b>103</b>	<b>91</b>	<b>2,435</b>	<b>2,393</b>
Chilled	1,427	1,443						
Frozen	362	383						
<b>Total Net sales sub segment</b>	<b>1,789</b>	<b>1,825</b>						
LTI per million hours worked <sup>6)</sup>	42.1	31.4	15.4	11.1			38.0	28.7
Use of antibiotics (% of flocks treated)	6.4	4.4					6.4	4.4
Animal welfare indicator (foot score) <sup>7)</sup>	9.4	9.2					9.4	9.2
CO2 emissions (g CO2e/kg product) <sup>8)</sup>							86.8	71.9
Critical complaints <sup>9)</sup>	0	2	3	1	0	0	3	3
Feed efficiency (kg feed/live weight) <sup>10)</sup>	1.52	1.51					1.52	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. Group cost was MSEK 19 (-28) in the quarter. The cost for the quarter was affected by non-comparable items of MSEK 26 (-21).

4) Restated non-comparable items. see note 6 and 8

5) Live Weight, tonnes

6) Injuries lead to absence at least the next day, per million hours worked

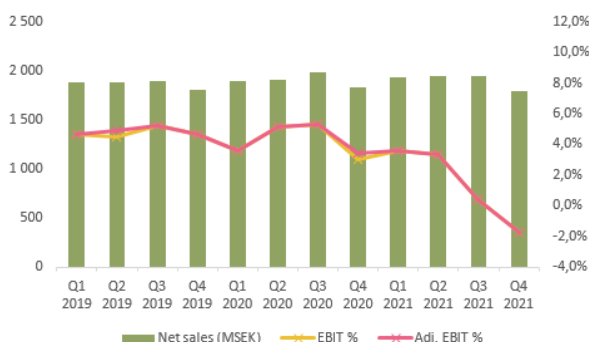
7) Foot score; leading industry indicator for animal welfare. The score is measured according to industry standard, meaning assessing 100 feet per flock independent of flock size

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 farmer'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 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 operational and financial success for the Group – the ambition is to be a sustainability leader in the global poultry space.

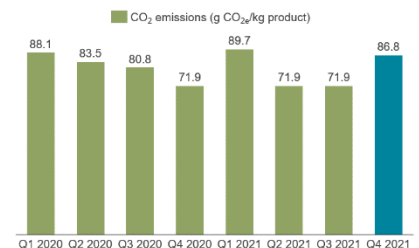
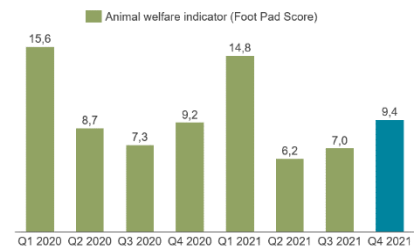
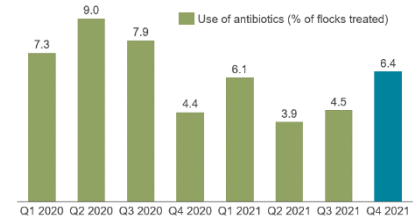
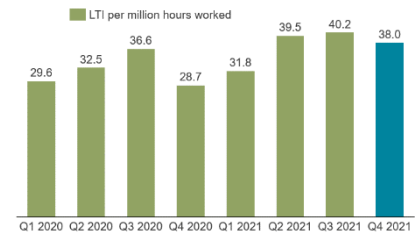
## Fourth quarter 2021

- Lost time injuries (LTI) per million hours worked remain at a high level during the fourth quarter 2021 (38,0) which is 30 percent higher than the corresponding quarter 2020, even if the result is slightly better than the second and third quarters 2021. The high numbers are mainly, as previously, driven by a high injury rate at the Swedish, Finnish, and Irish sites. A group-wide project is ongoing to improve governance and processes as well as in a structured way evaluate the root-cause of 2021 accidents and identify relevant measures of improvement.
- The use of antibiotics in Scandi Standard's Nordic business is traditionally low, and the practices has been successfully exported to the Irish operations. During the fourth quarter 2021, use of antibiotics in the Group was 6.4 percent of treated flocks, which is a good result in an international comparison, but an increase compared to the corresponding quarter in 2020 when the result was 4.4 percent. The full year result 5.2 percent for 2021 is however almost 30 percent better than the full year result for 2020, and the Group's target 5.7 percent was reached. The improved performance is driven by continued improvements in the Irish operations.
- Foot pad condition or foot score is a leading industry indicator for animal welfare, a low score equates good foot health, values below 15–20 are good in an international comparison. The result for the fourth quarter 2021 showed a continued good result; 9.4 points which is in line with 9.2 points in the corresponding quarter of 2020. This means a result of 9.3 points in 2021, a decrease of almost 10 percent compared to 2020 even if Scandi Standard did not reach the ambitious target of 8.0 points.
- Decreasing the climate impact of its own operations as well as across the value chain is a key priority for Scandi Standard. The work to measure and manage impact from the business is continuously being developed. With a result of 86.8 g CO<sub>2</sub>e / kg product in the fourth quarter 2021, is the carbon intensity higher than last year which mainly is driven by a colder fourth quarter. For the full year 2021 has Scandi Standard decreased its carbon intensity with 1 percent, even if the ambitious target of 72.9 g CO<sub>2</sub>e / kg product is not reached.
- Critical complaints remain on a low level, three new complaints have been reported within the Danish RTE business during the fourth quarter 2021. For the full year 2021, the number of critical complaints has decreased with 73 percent compared to 2020.

## The foundation for an ambitious and structured climate strategy

During the fourth quarter 2021, Scandi Standard has continued to lay the foundation for managing its climate impact in an ambitious and structured way. Since the Science Based Target initiative was committed to in April 2021, there has been intensive efforts to map Scandi Standards climate impact across the value chain., from farm to fork. Since the key climate impact from chicken production does not occur during the slaughtering and processing stages, but upstream in the value chain, is this crucial to be able to develop a targeted and ambitious plan for decreased climate impact.

Many of our growers are already working actively with increased circular flows and towards decreased climate impact. In addition is the RISE climate database open list v. 1.7 showing that chicken has a climate impact ten times lower than beef and lower than farmed salmon. Scandi Standard's objective for 2022 is to conclude the work with the carbon footprint across all countries as well as getting our mid- and long-term climate targets approved by the Science Based Targets initiative.



Sustainability Overview	Q4 2021	Q4 2020	Δ	2021	2020	Δ	2021 Target
LTI per million hours worked <sup>1)</sup>	38.0	28.7	32%	39.2	31.0	26%	27.6
Use of antibiotics (% of flocks treated)	6.4	4.4	46%	5.2	7.2	-28%	5.7
Animal welfare indicator (foot score) <sup>2)</sup>	9.4	9.2	2%	9.3	10.2	-9%	8.0
CO <sub>2</sub> emissions (g CO <sub>2</sub> e/kg product) <sup>3)</sup>	86.8	71.9	21%	79.9	81.0	-1%	72.9
Critical complaints <sup>4)</sup>	3	3	0%	7	26	-73%	0
Feed efficiency (kg feed/live weight) <sup>5)</sup>	1.52	1.51	0%	1.52	1.52	0%	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 CO<sub>2</sub>e/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

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 farmer's reported figures in all countries except in Sweden, where figures are country averages from Svensk Fågel

## Segment: Ready-to-cook

MSEK	Q4 2021	Q4 2020	Δ	2021	2020
Net sales	1,789	1,825	-2%	7,611	7,622
EBITDA	47	132	-64%	424	615
Depreciation	-68	-65	5%	-266	-239
EBITA	-21	67	-131%	158	376
Amortisation	-12	-12	5%	-50	-50
<b>EBIT</b>	<b>-32</b>	<b>56</b>	<b>-157%</b>	<b>110</b>	<b>326</b>
EBITDA margin, %	2.6%	7.2%	-4.6ppt	5.6%	8.1%
EBITA margin, %	-1.1%	3.7%	-4.8ppt	2.1%	4.9%
EBIT margin, %	-1.8%	3.0%	-4.8ppt	1.4%	4.3%
Non-comparable items <sup>1)</sup>	-	-7	-	-	-7
Adj. EBITDA <sup>1)</sup>	47	139	-66%	424	622
<b>Adj. EBIT<sup>1)</sup></b>	<b>-32</b>	<b>63</b>	<b>-151%</b>	<b>110</b>	<b>333</b>
Adj. EBITDA margin, % <sup>1)</sup>	2.6%	7.6%	-4.9ppt	5.6%	8.2%
Adj. EBIT margin, % <sup>1)</sup>	-1.8%	3.4%	-5.2ppt	1.4%	4.4%
LTI per million hours worked <sup>2)</sup>	42.1	31.4	34%	43.2	34.9
Animal welfare indicator <sup>3)</sup>	9.4	9.2	2%	9.3	10.2
Critical complaints <sup>4)</sup>	0	2	-100%	1	9

1) Restated non-comparable items. see note 6 and 8

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)** decreased by 2 percent from MSEK 1,825 to MSEK 1,789. In fixed currency the decrease in net sales was 2.5 percent. In Finland, Norway and Denmark net sales increased with 17, 2 and 2 percent in local currency. Net sales in Sweden decreased by 2 percent and Ireland with 14 in local currency, significantly impacted by reduction in production.

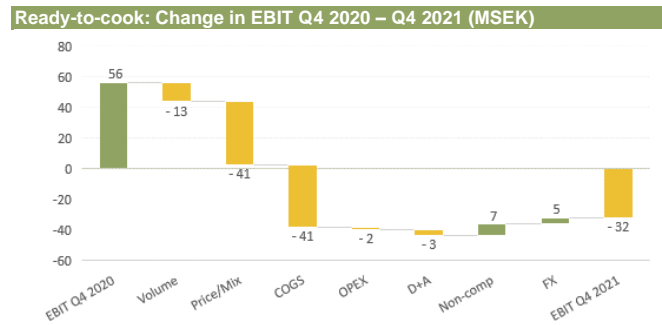
Net sales for chilled products decreased with 1 percent and constituted 80 percent of net sales for RTC. Net sales for frozen products decreased with 5 percent driven by product mix and large export volumes at low export prices. Frozen products constituted 20 percent of net sales for RTC.

Sales to Retail decreased with 6 percent and represents 78 percent of total net sales for RTC. The development deviates from the consumer trend that has been seen over the past years.

Contrary to Retail, the Foodservice sales channel is showing growth by 19 percent and constituted 8 percent of net sales for RTC. compared to the fourth quarter 2020 which was affected negatively by Covid-19 in all markets.

Net sales for the Export sales channel increased with 7 percent and represents 7 percent of total RTC net sales.

Prices in the global export markets have continued to be negatively affected by both the Covid-19 pandemic and bird flu. The bird flu that was detected in Denmark, Sweden and Ireland last winter has led to some of the most important export markets in Asia and Africa being closed to exports, which has also led to lower prices in Europe. New case was detected in Denmark in January 2022, which means that the export market is still affected.



**Operating income (EBIT) for RTC** decreased by MSEK 87 to MSEK -32 (56) corresponding to an operating income margin (EBIT margin) of -1.8 (3.0) percent.

The reduced volume is mainly driven by production reductions, ie reduced slaughter, which has been taken to address the production challenges in Sweden and Ireland.

The segment result was negatively affected by price effects predominantly driven by product mix and increased Export sales.

The negative price effect was amplified by the negative effect on the business due to bird flu. The negative effect is estimated at MSEK 28, driven by lower export prices and increased volume on export.

At the same time cost of goods sold (COGS) had a strong negative effect. This was driven by increased prices for direct materials which have not yet been fully transferred to customer. Increased production costs and increased insurance costs together with inventory write downs in Sweden and Denmark due to lower than expected sales also had a negative impact. This was countered by a one-time repayment of MSEK 12 from AFA insurance.

Denmark has continued to have high cost of production and costs for the purchase of birds that has not been optimized, increased prices for direct materials and other costs as well as sales at low export prices, which impacts cost of goods sold (COGS) negatively. In total, RTC Denmark reported a negative operating income of MSEK -59.

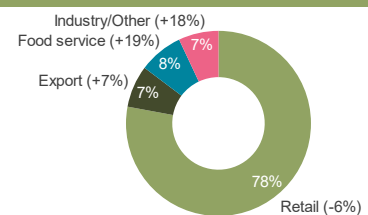
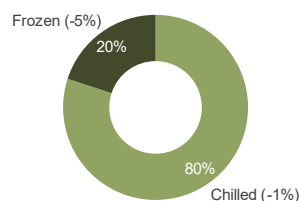
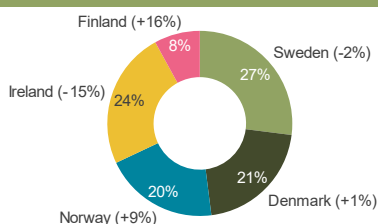
Depreciation increased by MSEK 3 due to higher investment level in previous year.

Adjusted operating income (adjusted EBIT) was in line with operating income (EBIT) as no non-comparable items were reported in the fourth quarter MSEK - (-7).

Lost time injuries (LTI) for the RTC business amounted to 42.1 per million hours worked during the fourth quarter, which was slightly higher than the corresponding quarter previous year, when the result was 31.4. This is an unacceptable development and measures are being implemented to address the issues.

No critical complaint was reported for RTC during the fourth 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	Q4 2021	Q4 2020	Δ	2021	2020
Net sales	543	476	14%	2,112	1,911
EBITDA	44	39	12%	187	141
Depreciation	-12	-11	10%	-49	-47
EBITA	31	28	13%	138	94
Amortisation	-	-	-	-	-
<b>EBIT</b>	<b>32</b>	<b>29</b>	<b>9%</b>	<b>138</b>	<b>95</b>
EBITDA margin, %	8.1%	8.2%	-0.1ppt	8.8%	7.4%
EBITA margin, %	5.8%	5.8%	0.0ppt	6.5%	4.9%
EBIT margin, %	5.8%	6.1%	-0.3ppt	6.6%	5.0%
Non-comparable items <sup>1)</sup>	-	-	-	-	-
Adj. EBITDA <sup>1)</sup>	44	39	12%	187	141
<b>Adj. EBIT<sup>1)</sup></b>	<b>32</b>	<b>29</b>	<b>9%</b>	<b>138</b>	<b>95</b>
Adj. EBITDA margin, % <sup>1)</sup>	8.1%	8.2%	-0.1ppt	8.8%	7.4%
Adj. EBIT margin, % <sup>1)</sup>	5.8%	6.1%	-0.3ppt	6.6%	5.0%
LTI per million hours worked <sup>2)</sup>	15.4	11.1	39%	13.6	11.5
Critical complaints <sup>3)</sup>	3	1	200%	6	17

1) Restated non-comparable items. see note 6 and 8

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

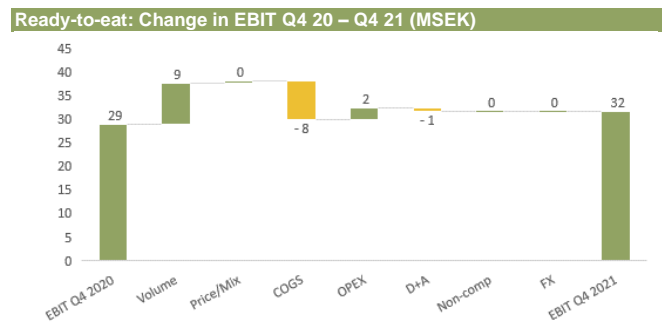
**Net sales within the segment Ready-to-eat (RTE)** increased by 14 percent from MSEK 476 to MSEK 543. In fixed currency the increase was 13 percent.

All the three major markets, Denmark, Sweden and Norway, showed strong growth. Denmark remains the largest market and represents 62 percent of the total net sales for RTE. A large part of the sales is to QSR (quick service restaurants) in Nordic and Europe.

The Foodservice sales channel increased with 16 percent and represents 64 percent of net sales for RTE. The increase is explained by the fourth quarter last year being negatively affected by Covid-19 pandemic.

Retail sales channel continued to grow and increased its net sales by 13 percent. The Retail sales channel represents 23 percent of total net sales for RTE.

Net sales for the Export sales channel decreased with 7 percent, and now represent 8 percent of net sales for RTE. The export business within RTE does not deal with surplus sales in the same way as RTC and has not been negatively impacted by the declining export prices as RTC has been.



**Operating income (EBIT) for RTE** increased by MSEK 3 to MSEK 32 (29) corresponding to an operating margin (EBIT margin) of 5.8 (6.1) percent.

The quarter showed a positive volume effect mainly driven by the volume growth in Foodservice.

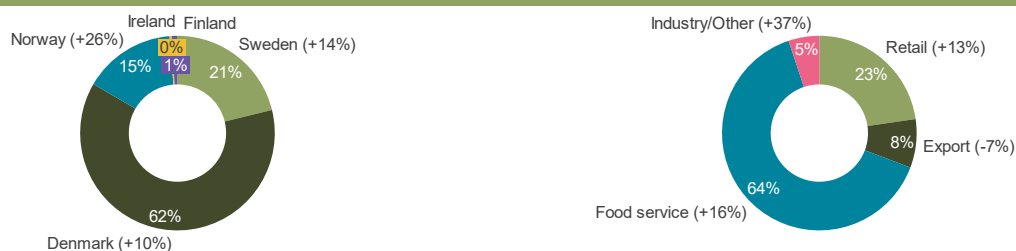
The positive volume effect was offset by increasing production costs (COGS) for direct materials like frying oil and packaging material that are at historically high levels.

Adjusted operating income (adjusted EBIT) was in line with operating income (EBIT) as no non-comparable items were reported in the fourth quarter - (-).

Lost time injuries (LTI) for the RTE business amounted to 15.4 per million hours worked during the fourth quarter, which was higher than the corresponding quarter previous year when the result was 11.1. Generally, the injury frequency is lower for RTE than for RTC, but measures are continuously being implemented to further improve performance.

3 critical complains was reported for RTE in the fourth quarter compared to 1 in the corresponding quarter previous year.

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 consists 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 103 (91) with an operating income (EBIT) of MSEK 12 (0). The increase in operating income (EBIT) was driven by increased prices in fur animal feed.

### Group cost

Group costs of MSEK 19 (-28) were recognised in the Group operating income (EBIT). The group cost included non-comparable items of MSEK 26 (-21) related to an adjustment resulting from the final purchase price payment of the earn-out debt attributable to the acquisition of Manor Farm of MSEK 26 (-21).

## Other

### Personnel

The average number of fulltime employees in the fourth quarter 2021 was 3,108 (3,250) and 3,215 (3,220) for the year.

### Government support

During the fourth quarter 2021 an amount of MSEK 1 of governmental support has been recognized in profit. The received government support refers to compensation for increased sick leave.

### Average exchange rates

	2021-12	2020-12
DKK/SEK	1.36	1.41
NOK/SEK	1.00	0.98
EUR/SEK	10.14	10.49



# Group results, financial position and cash flow

## January – December 2021

**Net sales** amounted to MSEK 10,101 (9,940). At constant exchange rates net sales increased by 3 percent. During the beginning of the year net sales to Retail sales channel increased while net sales to Foodservice decreased. From the middle of the year net sales to Retail remained flat versus the same period previous year while net sales to Foodservice began to grow again.

**Operating income (EBIT)** for the Group amounted to MSEK 222 (351), corresponding to an operating margin (EBIT margin) of 2.2 (3.5) percent. The operating income included MSEK 9 (-59) of non-comparable items partly related to an adjustment resulting from the final purchase price payment of the earn-out debt attributable to the acquisition of Manor Farm of MSEK 22 (-52) and to final purchase price payment relating to the acquisition of the Finnish business of MSEK -13 (0). Adjusted operating income (adj. EBIT) for the Group amounted hereby to MSEK 213 (410), corresponding to an adjusted operating margin (adj. EBIT margin) of 2.1 (4.1) percent.

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

**Finance net** for the Group amounted to MSEK -82 (-90), which is an improvement compared with previous year. The improvement refers to lower interest expenses for interest-bearing liabilities of MSEK -37 (-41), lower interest on leasing of MSEK -11 (-14) and currency/other items of MSEK -33 (-36).

**Tax expenses** for the Group amounted to MSEK -37 (-52) corresponding to an effective tax rate of approximately 26 (20) percent. The increased effective tax rate in 2021 was mainly explained by that fact that no deferred tax asset was booked for costs attributable to the final purchase price payment relating to the acquisition of the Finnish business of approximately MSEK 13 and of the mix of tax rates between the different countries.

**Income for the period** for the Group decreased by 50 percent to MSEK 103 (208). Earnings per share was SEK 1.60 (3.16).

**Net interest-bearing debt (NIBD)** for the Group was MSEK 1,980, an increase by MSEK 47 from the 31 of December 2020. The operating cash flow for the year decreased to MSEK 347 (476) negatively affected by lower EBITDA but positively affected by higher positive change of working capital compared with last year and by slightly lower capital expenditure compared with last year. The total increase in net interest-bearing debt of MSEK 47 (-267) from the 31 of December 2020 was in addition to the lower operating cash flow, negatively affected by dividends paid compared with no dividends paid last year, higher additional purchase price payments and higher tax payments compared to last year when local authorities in some countries last year approved a deferral of certain tax payments due to the Covid-19 pandemic.

**Total equity** attributable to the owners of the parent company as of December 31, 2021, amounted to MSEK 1,951 (1,876). The equity to assets ratio amounted to 30.0 (29.4) percent. Return on equity was 5.5 (11.5) percent.

**The financial target** for the Group's adjusted EBITDA margin is to exceed 10 percent in the medium term. The outcome for the full year 2021 was 5.8 (7.6) percent, which was below the target for the Group.

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 December 31, 2021, was 3.4 (2.6), which was above the target range for the Group.

The financial target for the Group's net sales is an annual average organic growth in line with or above market growth. The outcome for the average organic growth (5 y CAGR) for the full year 2021 was 6 (6) percent, but the growth in 2021 was only 2 percent.

The financial target for the Group's dividend ratio is approximately 60 percent of profit for the year adjusted for non-comparable items on average over time. The outcome for the full year 2021 is that the Board proposes that no dividend be paid for the financial year 2021 in order to ensure continued financial flexibility.

### Net Sales and Operating Income (EBIT)<sup>2)</sup>

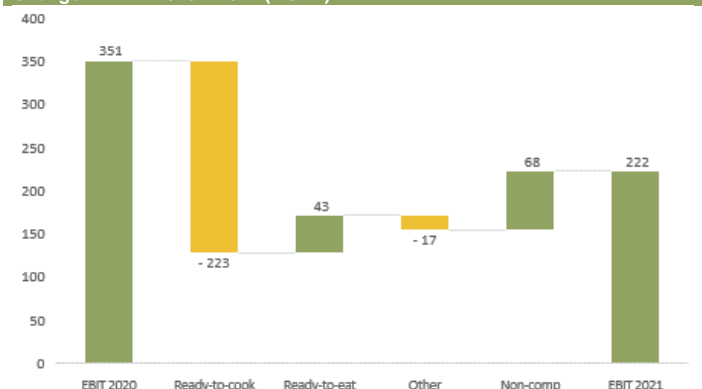
MSEK	2021	2020
Net sales	10,101	9,940
EBITDA	598	699
Depreciation	-328	-300
EBITA	270	398
Amortisation	-50	-50
<b>EBIT</b>	<b>222</b>	<b>351</b>
EBITDA margin, %	5.9%	7.0%
EBITA margin, %	2.7%	4.0%
EBIT margin, %	2.2%	3.5%
Non-comparable items <sup>1)</sup>	9	-59
Adj. EBITDA <sup>1)</sup>	589	756
<b>Adj. EBIT<sup>1)</sup></b>	<b>213</b>	<b>410</b>
Adj. EBITDA margin, % <sup>1)</sup>	5.8%	7.6%
Adj. EBIT margin, % <sup>1)</sup>	2.1%	4.1%
Chicken processed (tonne lw) <sup>3)</sup>	393,369	382,257
EBIT/kg	0.6	0.9

1) Restated non-comparable items, see note 6 and 8

2) For specific explanatory items, see note 7.

3) Live Weight, tons

### Change in EBIT 2020 – 2021 (MSEK)



Non-comparable items of MSEK -59 MSEK in 2020 and MSEK 9 MSEK 2021, see note 6t

### Finance net and tax expenses

MSEK	2021	2020
Finance income	2	0
Finance expenses	-83	-91
Finance net	-82	-90
Income after finance net	140	260
Income tax expenses	-37	-52
Income tax expenses %	-26%	-20%
<b>Income for the period</b>	<b>103</b>	<b>208</b>
Earnings per share, SEK	1.60	3.16

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

MSEK	2021	2020
<b>Opening balance NIBD</b>	<b>1,933</b>	<b>2,200</b>
EBITDA	598	699
Change in working capital	162	143
Net capital expenditure	-306	-355
Other operating items	-108	-10
<b>Operating cash flow</b>	<b>347</b>	<b>476</b>
Paid finance items, net	-69	-76
Paid tax	-56	-41
Dividend	-81	-
Business combinations	-171	-104
Other items <sup>1)</sup>	-17	12
<b>Decrease (+) / increase (-) NIBD</b>	<b>-47</b>	<b>267</b>
<b>Closing balance NIBD</b>	<b>1,980</b>	<b>1,933</b>

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

Financial targets	2021	2020	Target
Adj. EBITDA margin, %	5.8%	7.6%	10%
NIBD/Adj. EBITDA	3.4x	2.6x	2.0-2.5x

## Other information

### Risks and uncertainties

Scandi Standards' risks and uncertainties are described on pages 55 – 59 and pages 87 – 90 in the Annual Report 2020, which is available at [www.scandistandard.com](http://www.scandistandard.com). This description includes a section on Covid-19 pandemic under the heading "Virus pandemic". which is also stated here in updated form. The outbreak of the Corona virus affects our operations in several ways. The Groups sales to Foodservice is negatively affected since the hospitality industry is suffering consequences of the virus outbreak. The ability to produce may also be affected by high levels of sick leave if employees for other reasons cannot be at work or by government directives that may affect the ability to maintain the production. If the outbreak has major impact on the Groups result, it may affect the liquidity and financial position of the Group. How long the Covid-19 pandemic will last and how the pandemic will develop is unknown. The work to minimize disruption in the longer term continues and the Group works continuously to manage the effects of the Covid-19 pandemic. The Group crisis plans are updated regularly, and the Group's production capacity is adapted to demand. A detailed analysis of the expected liquidity and financial position is made and updated continuously. Crisis package from governments may be applicable in some cases.

The description in the Annual Report 2020 also includes a section on "Changed purchasing costs" which focuses on changed feed prices This description has been updated with the addition of the following text: The Group is also exposed to general cost changes including energy, transportation and packaging materials. 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

Jonas Tunestål will join the company as managing director and CEO on 1 April 2022.

During January 2022, an increase in Covid-19 cases was registered in most of the company's production facilities with a limited impact on delivery to the customer but with increased costs.

### Other significant events

#### Changes in Group management

As part of the work with the group wide improvement program, Scandi Standard has during the second half of 2021 carried out a number of personnel changes and recruitments at management level. Jonas Tunestål that joins the company as managing director and CEO on 1 April 2022 has twenty years of experience from KLS Ugglarps and Danish Crown group, most recently as a part of the group management team.

Furthermore, Frank McMyler is appointed new country manager for Ireland. McMyler, most recently in the management team for Hilton Group Plc where he the last eleven years has been responsible for the Irish part of the business.

The Norwegian country manager Fredrik Strømmen has in addition to his current responsibilities also taken on Sweden after delivering strong results in the Norwegian business during several years.

In Finland Jean Gallen is recruited as country manager with starting date in April 2022. Gallen comes with vast experience from protein industry, most recently from the fish industry.

Magnus Lagergren, previously country manager for Sweden where he successfully built up Kronfågel to market leader is currently acting country manager Denmark.

Lastly, an organisational overhaul has been carried out with resulting strengthening of the organisation for Sales and Operations Planning (S&OP) and a restructuring of Group Supply Chain and Group Operations is ongoing.

#### Dividend

To ensure continued financial flexibility the Board does not propose a dividend for the financial year 2021. For the financial year 2020 a dividend of SEK 1,25 per share was paid, corresponding to a total of MSEK 81.

Stockholm, 11 February 2022

Otto Drakenberg  
Interim managing director and CEO

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*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](http://www.scandistandard.com)*

## Consolidated income statement

MSEK	Q4 2021	Q4 2020	2021	2020
Net sales	2,435	2,393	10,101	9,940
Other operating revenues	5	2	18	21
Changes in inventories of finished goods and work in progress	81	70	54	30
Raw materials and consumables	-1,581	-1,484	-6,200	-5,898
Cost of personnel	-480	-522	-2,041	-2,067
Depreciation, amortisation and impairment	-97	-93	-378	-350
Other operating expenses	-335	-314	-1,332	-1,327
Share of income of associates	2	2	2	2
<b>Operating income</b>	<b>30</b>	<b>56</b>	<b>222</b>	<b>351</b>
Finance income	1	0	2	0
Finance expenses	-23	-23	-83	-91
<b>Income after finance net</b>	<b>8</b>	<b>33</b>	<b>140</b>	<b>260</b>
Tax on income for the period	-3	-12	-37	-52
<b>Income for the period</b>	<b>4</b>	<b>21</b>	<b>103</b>	<b>208</b>
Whereof attributable to:				
Shareholders of the Parent Company	5	21	104	207
Non-controlling interests	-1	0	-1	1
Average number of shares	65,325,178	65,602,978	65,287,762	65,501,968
Earnings per share, SEK	0.08	0.32	1.60	3.16
Earnings per share after dilution, SEK	0.08	0.32	1.60	3.16
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	Q4 2021	Q4 2020	2021	2020
<b>Income for the period</b>	<b>4</b>	<b>21</b>	<b>103</b>	<b>208</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified to the income statement</i>				
Actuarial gains and losses in defined benefit pension plans	18	21	42	12
Tax on actuarial gains and losses	-4	-4	-9	-3
<b>Total</b>	<b>14</b>	<b>16</b>	<b>33</b>	<b>10</b>
<i>Items that will or may be reclassified to the income statement</i>				
Cash flow hedges	0	6	-1	6
Currency effects from conversion of foreign operations	15	-97	70	-115
Income from currency hedging of foreign operations	-4	3	-14	16
Tax attributable to items that will be reclassified to the income statement	-1	-1	0	-1
<b>Total</b>	<b>11</b>	<b>-90</b>	<b>55</b>	<b>-95</b>
Other comprehensive income for the period, net of tax	25	-74	88	-85
<b>Total comprehensive income for the period</b>	<b>30</b>	<b>-52</b>	<b>192</b>	<b>123</b>
Whereof attributable to:				
Shareholders of the Parent Company	31	-53	193	122
Non-controlling interests	-1	0	-1	1

## Consolidated statement of financial position

MSEK	Note	December 31, 2021	December 31, 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill		921	888
Other intangible assets		876	878
Property plant and equipment		1,889	1,817
Right-of-use assets		415	455
Non-current leasing receivables		-	0
Participations in associated companies		46	43
Surplus in funded pensions		34	-
Financial assets	3	3	1
Deferred tax assets		65	41
<b>Total non-current assets</b>		<b>4,249</b>	<b>4,123</b>
<b>Current assets</b>			
Biological assets		103	103
Inventory		785	713
Trade receivables	3	811	818
Other short-term receivables		92	78
Prepaid expenses and accrued income		104	131
Current leasing receivables		-	0
Derivative instruments	3	-	5
Cash and cash equivalents	3	350	413
<b>Total current assets</b>		<b>2,245</b>	<b>2,262</b>
<b>TOTAL ASSETS</b>		<b>6,494</b>	<b>6,385</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's equity</b>			
Share capital		1	1
Other contributed equity		646	727
Reserves		125	70
Retained earnings		1,180	1,077
<b>Capital and reserves attributable to owners</b>		<b>1,951</b>	<b>1,875</b>
Non-controlling interests		0	1
<b>Total equity</b>		<b>1,951</b>	<b>1,876</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Non-current interest-bearing liabilities	3	1,884	1,863
Non-current leasing liabilities		367	401
Derivative instruments	3	5	15
Provisions for pensions		3	8
Other provisions		9	7
Deferred tax liabilities		178	166
Other non-current liabilities	4	65	64
<b>Total non-current liabilities</b>		<b>2,511</b>	<b>2,524</b>
<b>Current liabilities</b>			
Current leasing liabilities		68	73
Derivative instruments	3	5	-
Trade payables	3	1,291	1,163
Tax payables		55	29
Other current liabilities	4	179	342
Accrued expenses and prepaid income		433	378
<b>Total current liabilities</b>		<b>2,031</b>	<b>1,985</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>6,494</b>	<b>6,385</b>

## 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
<b>Opening balance January 1, 2020</b>		<b>1</b>	<b>727</b>	<b>166</b>	<b>845</b>	<b>1,738</b>	<b>3</b>	<b>1,741</b>
Income for the year					207	207	1	208
Other comprehensive income for the year, net after tax				-96	10	-86	-	-86
<b>Total comprehensive income</b>				<b>-96</b>	<b>217</b>	<b>121</b>	<b>1</b>	<b>122</b>
Dividend							-2	-2
Long term incentive program (LTIP)					15	15	-	15
<b>Total transactions with the owners</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>15</b>	<b>15</b>	<b>-2</b>	<b>13</b>
<b>Closing balance December 31, 2020</b>		<b>1</b>	<b>727</b>	<b>70</b>	<b>1,077</b>	<b>1,875</b>	<b>1</b>	<b>1,876</b>
<b>Opening balance January 1, 2021</b>		<b>1</b>	<b>727</b>	<b>70</b>	<b>1,077</b>	<b>1,875</b>	<b>1</b>	<b>1,876</b>
Income for the period					104	104	-1	103
Other comprehensive income, net after tax				55	33	88	-	88
<b>Total comprehensive income</b>				<b>55</b>	<b>138</b>	<b>193</b>	<b>-1</b>	<b>192</b>
Dividend			-81			-81	-	-81
Long term incentive program (LTIP)					-3	-3	-	-3
Repurchase of own shares					-32	-32	-	-32
<b>Total transactions with the owners</b>		<b>-</b>	<b>-81</b>	<b>-</b>	<b>-35</b>	<b>-117</b>	<b>0</b>	<b>-117</b>
<b>Closing balance September 30, 2021</b>		<b>1</b>	<b>646</b>	<b>125</b>	<b>1 180</b>	<b>1 951</b>	<b>0</b>	<b>1 951</b>

## Consolidated statement of cash flows

MSEK	Q4 2021	Q4 2020	2021	2020
<b>OPERATING ACTIVITIES</b>				
Operating income	30	56	222	351
Adjustment for non-cash items	69	123	354	424
Paid finance items, net	-17	-16	-69	-76
Paid current income tax	4	-1	-56	-41
<b>Cash flow from operating activities before changes in operating capital</b>	<b>87</b>	<b>162</b>	<b>451</b>	<b>658</b>
Changes in inventories and biological assets	-81	-62	-60	-16
Changes in operating receivables	162	145	64	13
Changes in operating payables	-23	-168	158	146
<b>Changes in working capital</b>	<b>59</b>	<b>-85</b>	<b>162</b>	<b>143</b>
<b>Cash flow from operating activities</b>	<b>145</b>	<b>77</b>	<b>613</b>	<b>801</b>
<b>INVESTING ACTIVITIES</b>				
Business combinations	-136	-	-171	-104
Investments in rights of use assets	-1	0	-1	-2
Investment in property, plant and equipment	-68	-94	-306	-355
<b>Cash flows used in investing activities</b>	<b>-205</b>	<b>-94</b>	<b>-478</b>	<b>-461</b>
<b>FINANCING ACTIVITIES</b>				
New loan	-	-	-	60
Repayment loan	-	-1	-31	-55
Payments for amortisation of leasing liabilities	-20	-20	-84	-82
Dividend	-	-	-81	-
Repurchase of own shares	-	-	-32	-
Other	10	-5	29	-25
<b>Cash flows in financing activities</b>	<b>-9</b>	<b>-26</b>	<b>-199</b>	<b>-102</b>
<b>Cash flows for the period</b>	<b>-69</b>	<b>-43</b>	<b>-63</b>	<b>238</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>425</b>	<b>472</b>	<b>413</b>	<b>194</b>
Currency effect in cash and cash equivalents	-6	-17	1	-19
Cash flow for the period	-69	-43	-63	238
<b>Cash and cash equivalents at the end of the period</b>	<b>350</b>	<b>413</b>	<b>350</b>	<b>413</b>

## Parent Company income statement

MSEK	Q4 2021	Q4 2020	2021	2020
Net sales	-	-	-	-
Operating expenses	0	0	0	0
<b>Operating income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Finance net	5	7	9	29
<b>Income after finance net</b>	<b>5</b>	<b>7</b>	<b>9</b>	<b>29</b>
Group contribution	2	-4	2	-4
Tax on income for the period	2	2	0	-0
<b>Income for the period</b>	<b>8</b>	<b>5</b>	<b>10</b>	<b>25</b>

## Parent Company statement of comprehensive income

MSEK	Q4 2021	Q4 2020	2021	2020
Income for the period	8	5	10	25
Other comprehensive income for the period, net of tax	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>8</b>	<b>5</b>	<b>10</b>	<b>25</b>

## Parent Company statement of financial position

MSEK	Note	December 31, 2021	December 31, 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investments in subsidiaries		938	533
Receivables from Group entities		-	405
<b>Total non-current assets</b>		<b>938</b>	<b>938</b>
<b>Current assets</b>			
Receivables from Group entities		12	27
Cash and cash equivalents		0	0
<b>Total current assets</b>		<b>12</b>	<b>27</b>
<b>TOTAL ASSETS</b>		<b>950</b>	<b>965</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<b>Restricted equity</b>			
Share capital		1	1
<b>Non-restricted equity</b>			
Share premium account		645	727
Retained earnings		-27	-20
Income for the period		10	25
<b>Total equity</b>		<b>629</b>	<b>732</b>
<b>Current liabilities</b>			
Tax payables		0	0
Liabilities to Group companies	4	320	233
Accrued expenses and prepaid income		-	0
<b>Total current liabilities</b>		<b>320</b>	<b>233</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>950</b>	<b>965</b>

## Parent Company statement of changes in equity

MSEK

<b>Opening balance 1 January, 2020</b>	<b>707</b>
Income for the year	25
Other comprehensive income for the year, net after tax	-
<b>Total comprehensive income</b>	<b>25</b>
<b>Closing balance December 31, 2020</b>	<b>732</b>
<b>Opening balance 1 January, 2021</b>	<b>732</b>
Income for the period	10
Other comprehensive income for the period, net after tax	-
<b>Total comprehensive income</b>	<b>10</b>
Dividend	-81
Repurchase of own shares	-32
<b>Total transactions with the owners</b>	<b>-113</b>
<b>Closing balance December 31, 2021</b>	<b>629</b>



# 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. The same accounting policies and methods of computation have been applied for the Group and the Parent Company as in the latest annual report, with the exception of the following amended accounting policies.

### *New and amended accounting policies*

The IFRS Interpretations Committee (IFRS IC) published an agenda decision in April 2021 on configuration or customisation costs in cloud computing arrangements. According to this agenda decision, it is clarified that certain configuration and customisation costs in a cloud computing arrangement do not meet the requirements to be reported as intangible assets. During the quarter, Scandi Standard has completed the review of the effects on the consolidated financial statements based on IFRS IC's agenda decision and concluded that a retroactive application of this agenda decision does not have a significant effect on the group's financial statements related to the current year or earlier periods. However, it has been concluded that the accounting in future periods for investments in cloud computing arrangements will be affected by IFRS IC's agenda decision. As a consequence, certain configuration and customisation costs in cloud computing arrangements that arises in 2022 and later will not meet the requirements to be reported as intangible assets. Such costs will accordingly be recognised as an expense by the Group when it receives the configuration or customisation services.

### **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 2021 decided on a long-term incentive program (LTIP 2021) 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 type as LTIP 2020. 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 2020.

To secure the Scandi Standards obligation to provide conditional performance shares under LTIP, the company has during the first quarter of 2021 repurchased 540,000 shares at a price of SEK 60.90 per share, for a total of MSEK 32. The company has during the second quarter of 2021 delivered a total of 245,227 existing ordinary shares in the company to participants in the company's long-term incentive program that was established by the annual general meeting 2018 (LTIP 2018). Scandi Standard's holding of treasury shares thereby amounts to 733,726 shares, which secure delivery of shares for all of the Company's incentive programs.

## Note 2. Segment information

From the first quarter 2021 Scandi Standard manages and monitors its business based on the segments Ready-to-cook, Ready-to-eat and Other.

The Group has updated its operational structure to a more 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.

The successful expansion of the Ready-to-eat business, which has grown from sales of MSEK 500 to BNSEK 2 since 2015, has accentuated the rationale to follow up Ready-to-cook and Ready-to-eat separately, as they largely represent different skill sets and production processes. In 2020, Scandi Standard conducted a comprehensive strategic review, which further strengthened the view that an increased focus on these two reportable segments will be a better way to identify, nurture and spread best practice to support continued growth and value creation. Based on the strategic review, Scandi Standard's internal organization has been aligned, including internal reporting and decision-making processes. Consequently, with effect from 1 January 2021, the segment reporting is updated to comprise the reportable segments Ready-to-cook and Ready-to-eat, as it best reflects how Scandi Standard primarily manages and monitors its operations.

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. All capital expenditure on property, plant and equipment and intangible assets, apart from expendable equipment, is included in the segments' investments.

**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 is surplus 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.

MSEK	Ready-to-cook <sup>1)</sup>		Ready-to-eat <sup>2)</sup>		Other <sup>3)</sup>		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
<b>Net Sales</b>	7,611	7,622	2,112	1,911	377	408	10,101	9,940
<b>Operating income (EBIT)</b>	110	326	138	95	-26	-71	222	351
Non-comparable items <sup>4)</sup>	0	-7	0	0	9	-52	9	-59
Adjusted EBIT <sup>4)</sup>	110	333	138	95	-36	-19	213	410
Share of income of associates	2	2					2	2
Finance income							2	0
Finance expenses							-83	-91
Tax on income for the period							-37	-52
<b>Income for the period</b>							103	208

1) Includes feed in Ireland, hatching in Sweden, 100% consolidation of the 51% owned entity Rokkedal 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 -39 (-78). The cost for was affected by non-comparable items of MSEK 9 (-52)

4) Restated non-comparable items. see note 6 and 8

## Restated historical information for the new segments

Ready-to-cook, MSEK	Q1 2019	Q2 2019	Q3 2019	Q4 2019	2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	2020
Net sales	1,879	1,883	1,900	1,806	7,467	1,899	1,912	1,983	1,824	7,619
Adj. EBITDA	151	155	165	150	621	138	170	175	139	622
Adj. EBITA	99	103	112	97	411	81	111	117	74	382
Adj. EBIT	87	92	99	84	362	68	98	105	63	333
Non-comparable items	0	-7	0	0	-7	0	0	0	-7	-7
EBIT	87	83	99	84	352	68	98	105	56	326
Adjusted EBITDA margin	8.0%	8.2%	8.7%	8.3%	8.3%	7.3%	8.9%	8.8%	7.6%	8.2%
Adjusted EBITA margin	5.3%	5.5%	5.9%	5.4%	5.5%	4.2%	5.8%	5.9%	4.0%	5.0%
Adjusted EBIT margin	4.6%	4.9%	5.2%	4.7%	4.8%	3.6%	5.1%	5.3%	3.4%	4.4%
EBIT margin	4.6%	4.4%	5.2%	4.7%	4.7%	3.6%	5.1%	5.3%	3.0%	4.3%

Ready-to-eat, MSEK	Q1 2019	Q2 2019	Q3 2019	Q4 2019	2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	2020
Net sales	489	498	542	514	2,042	476	426	532	476	1,911
Adj. EBITDA	37	34	42	25	139	26	21	55	39	141
Adj. EBITA	25	22	28	11	87	13	9	44	28	94
Adj. EBIT	25	21	28	11	85	13	9	44	29	95
Non-comparable items	0	0	0	0	0	0	0	0	0	0
EBIT	25	21	28	11	85	13	9	44	29	95
Adjusted EBITDA margin	7.7%	6.8%	7.8%	4.9%	6.8%	5.4%	5.0%	10.4%	8.2%	7.4%
Adjusted EBITA margin	5.2%	4.3%	5.2%	2.2%	4.2%	2.8%	2.2%	8.2%	5.8%	4.9%
Adjusted EBIT margin	5.1%	4.2%	5.2%	2.1%	4.2%	2.8%	2.2%	8.2%	6.1%	5.0%
EBIT margin	5.1%	4.2%	5.2%	2.1%	4.2%	2.8%	2.2%	8.2%	6.1%	5.0%

Other, MSEK	Q1 2019	Q2 2019	Q3 2019	Q4 2019	2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	2020
Net sales	91	91	99	100	381	103	110	106	92	411
Adj. EBITDA	6	7	4	1	18	2	5	5	0	11
Adj. EBITA	4	4	3	0	11	1	4	4	-1	7
Adj. EBIT	4	4	3	0	11	1	4	4	-1	7
Non-comparable items	0	0	0	0	0	0	0	0	0	0
EBIT	4	6	3	0	13	1	4	4	-1	7
Adjusted EBITDA margin	6.5%	7.3%	4.3%	0.8%	4.6%	1.8%	4.3%	4.4%	-0.5%	2.6%
Adjusted EBITA margin	4.3%	4.5%	2.9%	0.1%	2.9%	0.7%	3.3%	3.6%	-1.2%	1.7%
Adjusted EBIT margin	4.3%	4.5%	2.9%	0.1%	2.9%	0.7%	3.3%	3.6%	-1.2%	1.7%
EBIT margin	4.3%	6.7%	2.9%	0.1%	3.4%	0.6%	3.3%	3.6%	-1.2%	1.7%

Group Cost, MSEK	Q1 2019	Q2 2019	Q3 2019	Q4 2019	2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	2020
Net sales	-	-	-	-	-	-	-	-	-	-
Adj. EBITDA	-5	-8	-5	-7	-24	-6	-4	-3	-5	-18
Adj. EBITA	-5	-9	-5	-8	-26	-7	-6	-6	-7	-26
Adj. EBIT	-5	-9	-5	-8	-26	-7	-6	-6	-7	-26
Non-comparable items	0	0	0	0	0	0	0	-31	-21	-52
EBIT	-5	-9	-5	-8	-26	-7	-6	-37	-28	-78
Adjusted EBITDA margin	-	-	-	-	-	-	-	-	-	-
Adjusted EBITA margin	-	-	-	-	-	-	-	-	-	-
Adjusted EBIT margin	-	-	-	-	-	-	-	-	-	-
EBIT margin	-	-	-	-	-	-	-	-	-	-

TOTAL, MSEK	Q1 2019	Q2 2019	Q3 2019	Q4 2019	2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	2020
Net sales	2,458	2,472	2,541	2,420	9,891	2,479	2,448	2,621	2,393	9,940
Adj. EBITDA	190	187	207	169	753	159	192	232	173	756
Adj. EBITA	123	120	138	101	482	87	117	159	93	457
Adj. EBIT	110	108	125	87	431	75	105	147	83	410
Non-comparable items	0	-7	0	0	-7	0	0	-31	-28	-59
EBIT	110	101	125	87	424	75	105	116	56	351
Adjusted EBITDA margin	7.7%	7.6%	8.2%	7.0%	7.6%	6.4%	7.8%	8.8%	7.2%	7.6%
Adjusted EBITA margin	5.0%	4.9%	5.4%	4.2%	4.9%	3.5%	4.8%	6.1%	3.9%	4.6%
Adjusted EBIT margin	4.5%	4.4%	4.9%	3.6%	4.4%	3.0%	4.3%	5.6%	3.5%	4.1%
EBIT margin	4.5%	4.1%	4.9%	3.6%	4.3%	3.0%	4.3%	4.4%	2.3%	3.5%

### 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 December 2021 and for the comparison period, are shown in the tables below.

December 31 2021, MSEK	Valued at amortised cost	Valued at fair value through profit and loss <sup>1</sup>	Derivatives used in hedge accounting <sup>1</sup>
<b>Assets</b>			
Other non-current financial assets	3	-	-
Trade receivables	811	-	-
Derivatives instruments	-	-	-
Cash and cash equivalents	350	-	-
<b>Total financial assets</b>	<b>1,164</b>	<b>-</b>	<b>-</b>
<b>Liabilities</b>			
Non-current interest-bearing liabilities	1,884	-	-
Other non-current liabilities	-	-	-
Derivatives instruments	-	-	11
Current interest-bearing liabilities	-	-	-
Other current liabilities	-	-	-
Trade and other payables	1,291	-	-
<b>Total financial liabilities</b>	<b>3,175</b>	<b>-</b>	<b>11</b>

December 31 2020, MSEK	Valued at amortised cost	Valued at fair value through profit and loss <sup>1</sup>	Derivatives used in hedge accounting <sup>1</sup>
<b>Assets</b>			
Other non-current financial assets	1	-	-
Trade receivables	818	-	-
Derivative instruments	-	-	5
Cash and cash equivalents	413	-	-
<b>Total financial assets</b>	<b>1,232</b>	<b>-</b>	<b>5</b>
<b>Liabilities</b>			
Non-current interest-bearing liabilities	1,863	-	-
Other non-current liabilities	-	-	-
Derivative instruments	-	-	15
Current interest-bearing liabilities	-	-	-
Other current liabilities	-	180	-
Trade and other payables	1,163	-	-
<b>Total financial liabilities</b>	<b>3,027</b>	<b>180</b>	<b>15</b>

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 31 December 2021, 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 31 December 2021, the derivatives amounted to MSEK -11 (-10).

For the Group's long-term borrowing, which as of 31 December 2021 amounted to MSEK 1,884 (1,863), 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) refers to the additional purchase price related to the acquisition of Manor Farm. The liability is 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 31 December 2021 amounting to MSEK - (180) respectively, refers to the additional purchase price related to performed acquisitions.

The current liabilities to Group entities in the Parent Company as per 31 December 2021 amounted to MSEK 320 (233).

## 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		Q4 2021	Q4 2020	2021	2020
Net sales	A	2,435	2,393	10,101	9,940
Income for the period	B	4	21	103	208
+ Reversal of tax on income for the year		3	12	37	52
<b>Income after finance net</b>	<b>C</b>	<b>8</b>	<b>33</b>	<b>140</b>	<b>260</b>
+ Reversal of financial expenses		23	23	83	91
+ Reversal of financial income		-1	-0	-2	0
<b>Operating income (EBIT)</b>	<b>D</b>	<b>30</b>	<b>56</b>	<b>222</b>	<b>351</b>
+ Reversal of depreciation, amortisation and impairment		97	93	378	350
+ Reversal of share of income of associates		0	-2	-2	-2
<b>EBITDA</b>	<b>E</b>	<b>125</b>	<b>147</b>	<b>598</b>	<b>699</b>
Non-comparable items in income for the period (EBIT)	F	-26	28	-9	59
<b>Adjusted income for the period (Adj. EBIT)</b>	<b>D+F</b>	<b>3</b>	<b>83</b>	<b>213</b>	<b>410</b>
Adjusted operating margin (Adj. EBIT margin)	(D+F)/A	0.1%	3.5%	2.1%	4.1%
Non-comparable items in EBITDA	G	-26	26	-9	57
<b>Adjusted EBITDA</b>	<b>E+G</b>	<b>98</b>	<b>173</b>	<b>589</b>	<b>756</b>
<i>Adjusted EBITDA margin %</i>	<i>(E+G)/A</i>	<i>4.0%</i>	<i>7.2%</i>	<i>5.8%</i>	<i>7.6%</i>

From Statement of Cash Flow, MSEK		Q4 2021	Q4 2020	2021	2020
<b>Operating activities</b>					
Operating income (EBIT)		30	56	222	351
Adjustment for non-cash items					
+ Depreciation, amortisation and impairment		97	93	378	350
- Share of income of associates		-2	-2	-2	-2
<b>EBITDA</b>		<b>125</b>	<b>147</b>	<b>598</b>	<b>699</b>
Non-comparable items in EBITDA	G	-26	26	-9	57
<b>Adjusted EBITDA</b>		<b>98</b>	<b>173</b>	<b>589</b>	<b>756</b>

From Balance Sheet, MSEK		December 31, 2021	December 31, 2020
<b>Total assets</b>		<b>6,494</b>	<b>6,385</b>
<b>Non-current non-interest-bearing liabilities</b>			
Deferred tax liabilities		-178	-166
Other non-current liabilities		-65	-64
<b>Total non-current non-interest-bearing liabilities</b>		<b>-243</b>	<b>-230</b>
<b>Current non-interest-bearing liabilities</b>			
Trade payables		-1,291	-1,163
Tax payables		-55	-29
Other current liabilities		-179	-342
Accrued expenses and prepaid income		-433	-378
<b>Total current non-interest-bearing liabilities</b>		<b>-1,958</b>	<b>-1,912</b>
<b>Capital employed</b>		<b>4,293</b>	<b>4,243</b>
Less: Cash and cash equivalents		-350	-413
<b>Operating capital</b>		<b>3,943</b>	<b>3,830</b>
<b>Average capital employed</b>	<b>H</b>	<b>4,268</b>	<b>4,204</b>
<b>Average operating capital</b>	<b>I</b>	<b>3,887</b>	<b>3,901</b>
Operating income (EBIT), R12M		222	351
Adjusted operating income (Adj. EBIT), R12M	<b>J</b>	213	410
Financial income	<b>K</b>	2	0
<b>Return on capital employed</b>	<b>(J+K)/H</b>	<b>5.2%</b>	<b>8.4%</b>
<b>Return on operating capital</b>	<b>J/I</b>	<b>5.7%</b>	<b>9.0%</b>
<b>Interest bearing liabilities</b>			
Non-current interest-bearing liabilities		1,884	1,863
Non-current leasing liabilities		367	401
Derivates		11	10
Current leasing liabilities		68	73
<b>Total interest-bearing liabilities</b>		<b>2,300</b>	<b>2,346</b>
Less: Cash and cash equivalents		-350	-413
<b>Net interest-bearing debt</b>		<b>1,980</b>	<b>1,933</b>

## 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 25.

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

MSEK	Q4 2021	Q4 2020	2021	2020
Earn-out Debt adjustment <sup>1)</sup>	26	-21	9	-52
Restructuring of production <sup>2)</sup>	-	-7	-	-7
<b>Total</b>	<b>26</b>	<b>-28</b>	<b>9</b>	<b>-59</b>

<sup>1)</sup> 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 in last year an adjustment of the earn-out debt attributable to the acquisition of Manor Farm of MSEK 52. In addition, for the year, cost of MSEK -13 resulting from the final purchase price payment relating to the acquisition of the Finnish business.

<sup>2)</sup> Costs due to restructuring of a Swedish subsidiary during 2020, with terminating a long-term contract and write-downs of assets of MSEK 7.

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

MSEK	Q4 2021	Q4 2020	2021	2020
Ready-to-cook	-	-7	-	-7
Group cost	26	-21	9	-52
<b>Total</b>	<b>26</b>	<b>-28</b>	<b>9</b>	<b>-59</b>

## 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	Q4 2021	Q4 2020	2021	2020
Bird flu <sup>1)</sup>	-28	-15	-80	-15
Covid-19 pandemic <sup>2)</sup>	-	-16	-8	-60
Settlement supplier contract <sup>3)</sup>	-	-	-17	-
Strategy project <sup>4)</sup>	-	-	-	-16
Severance package <sup>5)</sup>	-	-	-19	-
One-time payment Afa Insurance <sup>6)</sup>	12	-	12	-
<b>Total</b>	<b>-16</b>	<b>-31</b>	<b>-112</b>	<b>-91</b>

<sup>1)</sup> Cost related to bird flu – mainly price reductions.

<sup>2)</sup> 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.

<sup>3)</sup> Settlement related to supplier contract in Denmark.

<sup>4)</sup> Comprehensive strategy project in the Group aimed to review the business has resulted in a common Group strategy on medium-and long-term path.

<sup>5)</sup> Costs related to severance package for restructuring (Q3 2021), for Scandi Standard general manager and Group CEO and senior management in Ireland

<sup>6)</sup> In October 2021, Swedish entities in the Scandi Standard Group received a one-time payment of MSEK 12 from Afa insurance.

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

MSEK	Q4 2021	Q4 2020	2021	2020
Ready-to-cook	-16	-28	-90	-63
Ready-to-eat	-	-3	-9	-27
Other	-	-	-	-1
Group cost	-	-	-13	-
<b>Total</b>	<b>-16</b>	<b>-31</b>	<b>-112</b>	<b>-91</b>

## Note 8 Restatement non-comparable items

Scandi Standard has during the first quarter 2021 decided to implement a new definition for treatment of items affecting comparability, implying a stricter classification of such items. See table below for details on restated historical financial information related to items affecting comparability for the alternative performance measures adjusted EBITDA and adjusted operating income (adjusted EBIT).

### Non-comparable items in the operating income (EBIT) 2019-2020

MSEK	Q1 2019	Q2 2019	Q3 2019	Q4 2019	2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	2020
Bird flu <sup>1)</sup>									-15	-15
Earn-out Debt adjustment <sup>2)</sup>								-31	-21	-52
Covid-19 pandemic <sup>3)</sup>						-27	-17		-16	-60
Strategy project <sup>4)</sup>						-16				-16
Restructuring <sup>5)</sup>		-6		-5	-12					
Restructuring of production <sup>6)</sup>		-7			-7				-7	-7
Transaction costs <sup>7)</sup>				-1	-1					
Costs for incorrect inserts goods <sup>8)</sup>				-6	-6					
Other				-4	-4					
<b>Total</b>	<b>-</b>	<b>-13</b>	<b>-</b>	<b>-16</b>	<b>-30</b>	<b>-42</b>	<b>-17</b>	<b>-31</b>	<b>-59</b>	<b>-150</b>

### Non-comparable items in the operating income (EBIT) 2019-2020 Restated

MSEK	Q1 2019	Q2 2019	Q3 2019	Q4 2019	2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	2020
Bird flu <sup>1)</sup>										
Earn-out Debt adjustment <sup>2)</sup>								-31	-21	-52
Covid-19 pandemic <sup>3)</sup>										
Strategy project <sup>4)</sup>										
Restructuring <sup>5)</sup>										
Restructuring of production <sup>6)</sup>		-7			-7				-7	-7
Transaction costs <sup>7)</sup>										
Costs for incorrect inserts goods <sup>8)</sup>										
Other										
<b>Total</b>	<b>-</b>	<b>-7</b>	<b>-</b>	<b>-</b>	<b>-7</b>	<b>-</b>	<b>-</b>	<b>-31</b>	<b>-28</b>	<b>-59</b>

MSEK	Q1 2019	Q2 2019	Q3 2019	Q4 2019	2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	2020
Ready-to-cook		-7			-7				-7	-7
Ready-to-eat										
Other										
Group cost								-31	-21	-52
<b>Total</b>	<b>-</b>	<b>-7</b>	<b>-</b>	<b>-</b>	<b>-7</b>	<b>-</b>	<b>-</b>	<b>-31</b>	<b>-28</b>	<b>-59</b>

1) Cost related to bird flu - mainly inventory write-down.

2) Cost related to increased earn-out debt attributable to the acquisition of Manor Farm, mainly driven by the strong result development in Manor Farm in 2020 compared with the assessment made at the acquisition time.

3) Cost related to Covid-19 pandemic - Temporarily closing of production lines on products within Foodservice in Denmark (for the quarter and full year), provision for bad debt (for the quarter) and inventory write-down (for the quarter and full year).

4) Comprehensive strategy project in the Group aimed to review the business has resulted in a common Group strategy on medium-and long-term path.

5) For 2019 restructuring costs in Denmark.

6) Closing of hatchery in Finland in the second quarter 2019. For 2020, costs due to restructuring of a Swedish subsidiary during the fourth quarter 2020, with terminating a long-term contract and write-downs of assets.

7) Deal fees mainly related to the acquisitions of Rokkedahl Food ApS in Denmark in 2018.

8) Costs incurred due to quality issues in purchased raw material that have not been covered by insurance.



# Definitions

<b>EBIT</b>	Operating income.	<b>Adjusted earnings per share (EPS)</b>	Adjusted income for the period, attributable to the shareholders, divided by the average number of shares.
<b>Adjusted operating income (Adj. EBIT)</b>	Operating income (EBIT) adjusted for non-comparable items.	<b>Net interest-bearing debt (NIBID)</b>	Interest-bearing debt excluding arrangement fees less cash and cash equivalents.
<b>Operating margin (EBIT margin)</b>	Operating income (EBIT) as a percentage of net sales.	<b>Working capital</b>	Total inventory and operating receivables less non-interest-bearing current liabilities.
<b>Adjusted operating margin (Adj. EBIT margin)</b>	Adjusted operating income (Adj. EBIT) as a percentage of net sales.	<b>Operating capital</b>	Total assets less cash and cash equivalents and non-interest-bearing liabilities, including deferred tax liabilities.
<b>EBITDA</b>	Operating income before depreciation, amortisation and impairment and share of income of associates.	<b>Capital employed</b>	Total assets less non-interest-bearing liabilities, including deferred tax liabilities.
<b>EBITA</b>	Operating income before amortisation and impairment and share of income of associates.	<b>Net sales</b>	Net sales is gross sales less sales discounts and joint marketing allowances.
<b>Adjusted EBITDA</b>	Operating income before depreciation, amortisation and impairment and share of income of associates, adjusted for non-comparable items.	<b>Other operating revenues</b>	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.
<b>EBITDA margin</b>	EBITDA as a percentage of net sales.	<b>COGS</b>	Cost of goods sold.
<b>Adjusted EBITDA margin</b>	Adjusted EBITDA as a percentage of net sales.	<b>Raw materials and consumables</b>	Costs of raw materials and other consumables include the purchase costs of live chicken and other raw materials such as packaging etc.
<b>Adjusted EBITA</b>	Operating income before amortisation and impairment and share of income of associates, adjusted for non-comparable items.	<b>Production costs</b>	Production costs include direct and indirect personnel costs related to production and other production related costs.
<b>Adjusted EBITA margin</b>	Adjusted EBITA as a percentage of net sales.	<b>Other operating expenses</b>	Other operating expenses include marketing, Group personnel and other administrative costs.
<b>Adjusted return on operating capital (ROC)</b>	Adjusted operating income last twelve months (R12M) divided by average operating capital.	<b>Items affecting comparability (non-comparable items)</b>	Transactions or events that rarely occur or are unusual in the ordinary business operations, and hence are unlikely to occur again.
<b>Return on operating capital (ROC)</b>	Operating income last twelve months (R12M) divided by average operating capital.	<b>Specific Explanatory items (exceptional items)</b>	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.
<b>Adjusted return on capital employed (ROCE)</b>	Adjusted operating income last twelve months (R12M) plus interest income divided by average capital employed.	<b>RTC</b>	Ready-to-cook. Products that require cooking.
<b>Return on capital employed (ROCE)</b>	Operating income last twelve months (R12M) plus interest income divided by average capital employed.	<b>RTE</b>	Ready-to-eat. Products that are cooked and may be consumed directly or after heating-up.
<b>Return on equity</b>	Income for the period last twelve months (R12M) divided by average total equity.	<b>R12M</b>	Rolling twelve months.
<b>Operating cash flow</b>	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.		
<b>Adjusted operating cash flow</b>	Cash flow adjusted for non-comparable items.		
<b>Adjusted income for the period</b>	Income for the period adjusted for non-comparable items.		
<b>Earnings per share (EPS)</b>	Income for the period, attributable to the shareholders, divided by the average number of shares.		

## Conference Call

A conference call for investors, analysts and media will be held on 11 February 2022 at 8.30 AM CET.

### Dial-in numbers:

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Slides used in the conference call can be downloaded at [www.scandistandard.com](http://www.scandistandard.com) under Investor Relations. A recording of the conference call will be available on [www.scandistandard.com](http://www.scandistandard.com) afterwards.

## Further information

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## Financial calendar

Annual General Meeting	May 4, 2022
Interim report for Q1 2022	May 4, 2022
Interim report for Q2 2022	August 25, 2022
Interim report for Q3 2022	October 28, 2022

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 11 February 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 developments, the impact of competing products and their pricing, product development, commercialization and technological difficulties, availability of production facilities, products quality and safety, interruptions in supply, increased raw material costs, disease outbreaks, loss of major customer contracts and major customer credit losses, impact of the Covid-19 pandemic 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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