

*“Scandi Standard has managed to offset the adverse trends through continued internal development work and price increases. There is great potential in increasing the value per bird processed and my first months as CEO have strengthened my belief in that we have a positive journey ahead of us”.*

Jonas Tunestål, managing director and CEO



## Operational improvements and price increases

### April – June 2022

- Net sales amounted to MSEK 3,056 (2,564) in the second quarter of 2022. At constant exchange rates net sales increased by 19 percent.
- Operating income (EBIT) decreased by 44 percent to MSEK 42 (75), corresponding to a margin of 1.4 (2.9) percent.
- Income for the period amounted to MSEK 7 (41). Earnings per share amounted to SEK 0.07 (0.61).
- Operating cash flow was MSEK 135 (57).

### January – June 2022

- Net sales amounted to MSEK 5,848 (5,033) in the first half of 2022. At constant exchange rates net sales increased by 16 percent.
- Operating income (EBIT) decreased by 52 percent to MSEK 79 (163), corresponding to a margin of 1.3 (3.2) percent.
- Income for the period amounted to MSEK 17 (95). Earnings per share amounted to SEK 0.18 (1.44)
- Operating cash flow was MSEK 141 (166).

### Significant events in the quarter

- The result is negatively affected by write-downs of fixed assets in Ireland of MSEK 26, costs related to the fire incident in Farre of MSEK 10 and a provision for compensation linked to an old contract dispute in Finland of MSEK 19.
- The war in Ukraine has continued to contribute to uncertainty regarding food supply in Europe, where Scandi Standard is primarily affected by increased prices for input goods as well as energy and transport. During the quarter, further price increases have been implemented and have now largely compensated for the cost inflation the company faced. In combination with previously initiated measures, this has resulted in a clear improvement in the operational result.
- In May 2022, a binding loan agreement was signed regarding sustainability-linked credit facilities totaling MSEK 2,090 with a term of five years.

### Significant events after the close of the quarter

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

### Key metrics

MSEK	Q2 2022	Q2 2021	Δ	H1 2022	H1 2021	Δ	R12M	2021
Net sales	3,056	2,564	19%	5,848	5,033	16%	10,915	10,101
EBITDA	172	167	3%	308	348	-11%	559	598
<b>Operating income (EBIT)</b>	<b>42</b>	<b>75</b>	<b>-44%</b>	<b>79</b>	<b>163</b>	<b>-52%</b>	<b>138</b>	<b>222</b>
EBITDA margin %	5.6%	6.5%	-0.9ppt	5.3%	6.9%	-1.6ppt	5.1%	5.9%
EBIT margin %	1.4%	2.9%	-1.6ppt	1.3%	3.2%	-1.9ppt	1.3%	2.2%
Non-comparable items <sup>1)</sup>	0	-4	-100%	-	-4	-100%	13	9
Adjusted EBITDA <sup>1)</sup>	172	171	0%	308	352	-12%	545	589
<b>Adjusted operating income (Adj. EBIT)<sup>1)</sup></b>	<b>42</b>	<b>79</b>	<b>-47%</b>	<b>79</b>	<b>167</b>	<b>-53%</b>	<b>125</b>	<b>213</b>
Adjusted EBITDA margin <sup>1)</sup> %	5.6%	6.7%	-1.1ppt	5.3%	7.0%	-1.7ppt	5.0%	5.8%
Adjusted EBIT margin <sup>1)</sup> %	1.4%	3.1%	-1.7ppt	1.3%	3.3%	-2.0ppt	1.1%	2.1%
Income after finance net	18	51	-65%	34	123	-72%	52	140
Income for the period	7	41	-82%	17	95	-82%	25	103
Earnings per share, SEK	0.07	0.61	-88%	0.18	1.44	-88%	0.34	1.60
Return on capital employed %	3.2%	7.9%	-4.6ppt	3.2%	7.9%	-2.0ppt	3.2%	5.2%
Return on equity %	1.1%	10.1%	-9.0ppt	1.1%	10.1%	-4.4ppt	1.1%	5.5%
Operating cash flow	135	57	136%	141	166	-15%	322	347
Net interest-bearing debt	1,949	1,967	-1%	1,949	1,967	-1%	1,963	1,980
NIBD/Adj. EBITDA	3.6	2.6	37%	3.6	2.6	37%	3.6	3.4
Lost time injuries (LTI) per million hours worked	28.4	39.5	-28%	28.2	36.3	-22%	35.1	39.2
Feed efficiency (kg feed/live weight)	1.50	1.52	-1%	1.50	1.52	-1%	1.52	1.52

<sup>1)</sup> Restated non-comparable items. see note 6.

## CEO Comments

The second quarter of the year was also influenced by the instability in Europe and volatile prices on input goods, however, we can conclude that Scandi Standard has managed to handle the development well. During the recent quarters, price adjustments have been implemented in order to meet the strong cost inflation. Our earnings have previously been significantly affected by the lead times for these adjustments, however, during the end of the second quarter, the price increases have largely compensated for the cost inflation the company faced. In combination with previously initiated measures, this has resulted in a clear improvement in the operational result.

The war in Ukraine will continue to be the single largest uncertainty factor when it comes to cost inflation. Considering the volatility in the market, we have adjusted the periodicity of our negotiations, and discussions that previously took place once or twice a year now occur more frequently. This is positive for a well-functioning price development, which reduces the risk for us, our growers, customers as well as the end consumer. Monitoring the development and ensuring the right price levels on our products will continue to be of the highest priority going forward.

As expected, we see a positive trend during the quarter where several of the measures that were previously initiated are starting to yield results. Scandi Standard's net sales during the quarter were MSEK 3,056 (2,564). The 19 percent growth was primarily driven by the above-mentioned price adjustments and by improved export prices. Slaughter volumes have been temporarily reduced as planned, and at the same time, inventory was reduced during the quarter. The operating income was MSEK 42 (75).

Net sales in the Ready-to-cook segment amounted to MSEK 2,199 (1,943) during the quarter, corresponding to a growth of 13 percent. Despite implemented price increases, operating income decreased by MSEK 81 to MSEK -16 (65), negatively affected by write-downs of fixed assets and a reservation for compensation linked to an old contract dispute, in total MSEK 45.

The improvement in the Ready-to-eat segment continued and net sales increased by 40 percent to MSEK 748 (536) and operating income increased by 46 percent to MSEK 51 (35) during the quarter, despite the fire incident in April in the segment's largest production facility. As previously, the development was driven by increased sales in the Foodservice sales channel following the removal of pandemic related restrictions as well as by successful product launches and a continued high demand in the Retail sales channel. Investments to further increase the production capacity at the company's largest production plant for Ready-to-eat products in Farre, Denmark is ongoing.

During the second quarter 2022, export prices continued to improve, driven by reduced chicken production in Europe and increased demand within the restaurant industry worldwide.

Ready-to-cook Denmark reported an operating income of MSEK -30 during the quarter, an improvement compared to previous quarters. Increased export prices are one driving factor. In parallel, the work on implementing a new strategy for slow growing birds with the goal of meeting existing demand with improved profitability is ongoing and includes among other things a revised mix of slow growing and conventional birds and an adjusted cost base. Given the current challenging market conditions, we might not see further material financial benefits until 2023. It is pleasing to see that the total operation in Denmark, including Ready-to-eat, is now delivering positive results for the first time in seven quarters.

Despite the low result, operating cash flow during the quarter was MSEK 135 (57), including capital expenditure of MSEK 44. Net interest-bearing debt (NIBD) was MSEK 1,949 by the end of the quarter, a reduction of MSEK 84 from the first quarter.

Scandi Standard follows the lower investment plan for 2022 of approximately MSEK 330, as previously communicated. We prioritise investments for profitable growth within the Ready-to-eat segment as well as the first phase of a three-year rollout of a new ERP system. The new five-year credit facilities agreement entered into during the second quarter secures a stable financial foundation for the future.

The sustainability indicators antibiotics usage and foot pad score point in the wrong direction during the quarter, mainly linked to an external supplier in Ireland. A number of measures have been initiated to regain the previous improvement curve.

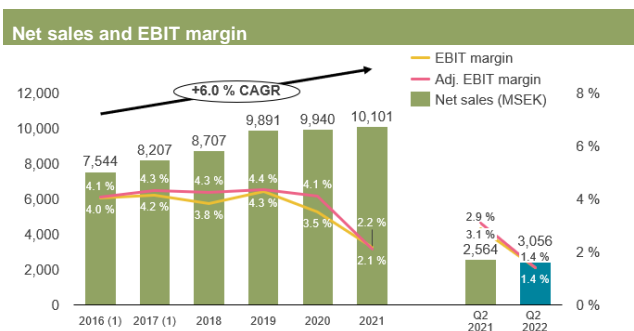
For Scandi Standard, sustainability is not a separate strategy, but part of our DNA. Therefore, it was particularly pleasing to receive the new research results from the research institute RISE and the Swedish industry organisation Svensk Fågel, which shows that the climate footprint from Swedish chicken has decreased by almost 20 percent over the past ten years. As part of Scandi Standard's systematic climate work, we also collaborate with the climate specialist the Carbon Trust in order to map the climate impact of our own products on all our markets in detail. As a market leader, it is important to lead the way for a development towards increased transparency that makes it easier for end consumers to make informed decisions. The mapping is now completed and certified and constitutes a solid knowledge base for our continued efforts within the climate area.

Over the past few months, I have had the privilege of getting to know our business in depth. I am convinced that, despite the prevailing macro situation, the company has good opportunities to deliver on a return to normalised profitability during the second half of 2022. There are several factors in the market working in favour of Scandi Standard and our healthy and climate-smart protein. Chicken has a shorter production cycle and cost increases have hence been realized at a faster pace than for example beef and pork. As the cost increases also affect other protein sources, we expect a market tailwind due to more favourable competitive conditions. At the same time, price awareness among end consumers is expected to increase as the effects of the ongoing price inflation impacts households even stronger.

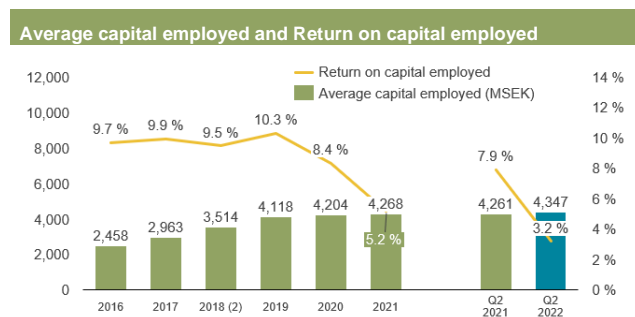
In the longer term, there is a great potential in increasing the value per bird processed. It will be essential to establish a new stable level of earnings beyond the margins reported during 2015–2020. The transition requires additional focus on the right culture, governance and leadership, on efficiency throughout the entire value chain, on developing the product portfolio in order to improve the yield from our input materials as well as on our positioning, where sustainability is an important common denominator. The work within these four strategic focus areas has already been initiated, but change takes time. I chose Scandi Standard because I saw the company's inherent possibilities. These first months as CEO have strengthened my belief that we have a positive journey ahead of us.

Stockholm, 25 August 2022

*Jonas Tunestål, Managing director and CEO*



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



# Group results, financial position and cash flow

## April – June 2022

**Net sales** amounted to MSEK 3,056 (2,564). At constant exchange rates, net sales increased by 19 percent. Net Sales to the Retail sales channel increased by 8 percent compared to the corresponding quarter previous year, while net sales to Foodservice sales channel increased by 48 percent affected by removed restrictions following the Covid-19 pandemic. Export sales also increased sharply in the quarter in line with rising prices in the international market.

**Operating income (EBIT)** for the Group amounted to MSEK 42 (75), corresponding to an operating margin (EBIT margin) of 1.4 (2.9) percent. Adjusted operating income (adj. EBIT) was in line with operating income (EBIT) as there were no non-comparable items reported in the quarter.

The decrease in results was mainly driven by lower results in Ready-to-cook, partly driven by costs related to the write-downs of fixed assets in Ireland, costs related to the fire incident in Farre and a provision for compensation linked to an old contract dispute in Finland. Ready-to-cook business in Denmark continues to burden the result, even though the group-wide improvement program starts to gain effect with financials in a positive direction.

The Ready-to-eat business contributed positively to the results with a 40 percent net sales growth compared to same quarter previous year. Other segments also improved compared to the previous year, where ingredients have been positively affected by an improved price picture.

**Finance net** for the Group of MSEK -24 (-24) related to interest expenses for interest-bearing liabilities of MSEK -13 (-9), interest on leasing of MSEK -3 (-3), and currency effects/other items of MSEK -8 (-12).

**Tax expenses** for the Group amounted to MSEK -11 (-10) corresponding to an effective tax rate of approximately 59 (20) percent. The increased tax rate in 2022 was mainly explained by the mix of tax rates between the different countries and that no deferred tax asset was booked for Finland in the quarter.

**Income for the period** for the Group decreased by 82 percent to MSEK 7 (41). Earnings per share were SEK 0.07 (0.61).

**Net interest-bearing debt (NIBD)** for the Group was MSEK 1,949, a decrease by MSEK 84 from 31 March 2022. Operating cash flow in the quarter amounted to MSEK 135 (57) positively affected by higher EBITDA and by a low capital expenditure as the investment rate remains at a very low level in order to create financial flexibility. Working capital also developed positively in the quarter driven by lower inventory.

**Total equity** attributable to the owners of the parent company as of June 30, 2022, amounted to MSEK 2,069 (1,895). The equity to assets ratio amounted to 29.8 (29.2) percent. Return on equity was 1.1 (10.1) percent.

**The financial target** for the Group's adjusted EBITDA margin is to exceed 10 percent in the medium term. During the last twelve-month period, the company's adjusted EBITDA margin amounted to 5.6 percent, which is below the year 2021 level, and below the company's target.

The financial target for the Group's net interest-bearing debt in relation to adjusted EBITDA is 2.0-2.5x. The outcome as of June 30, 2022, was 3.6x (2.6x), which was above the target range for the Group.

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

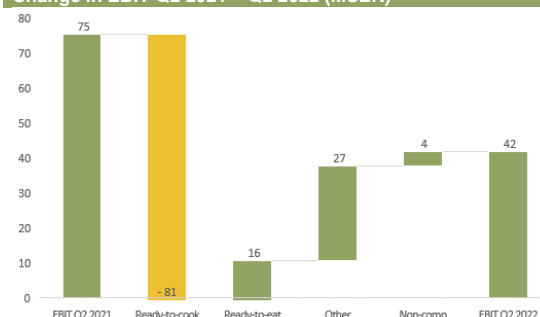
MSEK	Q2 2022	Q2 2021	R12M	2021
Net sales	3,056	2,564	10,915	10,101
EBITDA	172	167	559	598
Depreciation	-117	-80	-176	-328
EBITA	55	88	383	270
Amortisation	-13	-12	-26	-50
<b>EBIT<sup>2)</sup></b>	<b>42</b>	<b>75</b>	<b>138</b>	<b>222</b>
EBITDA margin, %	5.6%	6.5%	5.1%	5.9%
EBITA margin, %	1.8%	3.4%	3.5%	2.7%
EBIT margin, %	1.4%	2.9%	1.3%	2.2%
Non-comparable items <sup>1)</sup>	0	-4	13	9
Adj. EBITDA <sup>1)</sup>	172	171	545	589
<b>Adj. EBIT<sup>1)</sup></b>	<b>42</b>	<b>79</b>	<b>125</b>	<b>213</b>
Adj. EBITDA margin, % <sup>1)</sup>	5.6%	6.7%	5.0%	5.8%
Adj. EBIT margin, % <sup>1)</sup>	1.4%	3.1%	1.1%	2.1%
Chicken processed (tonne lw) <sup>3)</sup>	88,639	100,586	380,020	393,369
EBIT/kg	0.5,	0.7	0.3	0.6

1) Restated non-comparable items. see note 6

2) For specific explanatory items, see note 7.

3). Live Weight, tonnes

### Change in EBIT Q2 2021 – Q2 2022 (MSEK)



### Finance net and tax expenses

MSEK	Q2 2022	Q2 2021	R12M	2021
Finance income	0	0	1	2
Finance expenses	-24	-24	-87	-83
Finance net	-24	-24	-87	-82
Income after finance net	18	51	52	140
Income tax expenses	-11	-10	-27	-37
Income tax expenses %	-59%	-20%	-52%	-26%
<b>Income for the period</b>	<b>7</b>	<b>41</b>	<b>25</b>	<b>103</b>
Earnings per share, SEK	0.07	0.61	0,34	1.60

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

MSEK	Q2 2022	Q2 2021	R12M	2021
<b>Opening balance NIBD</b>	<b>2,034</b>	<b>1,941</b>	<b>1,967</b>	<b>1,933</b>
EBITDA	172	167	558	598
Change in working capital	27	0	42	162
Net capital expenditure	-44	-89	-174	-306
Other operating items	-19	-22	-104	-108
<b>Operating cash flow</b>	<b>135</b>	<b>57</b>	<b>322</b>	<b>347</b>
Paid finance items, net	-19	-17	-70	-69
Paid tax	-23	-27	-52	-56
Dividend	0	-81	-0	-81
Business combinations	-	-	-159	-171
Other items <sup>1)</sup>	-9	43	-24	-17
<b>Decrease (+) / increase (-) NIBD</b>	<b>84</b>	<b>-25</b>	<b>17</b>	<b>-47</b>
<b>Closing balance NIBD</b>	<b>1,949</b>	<b>1,967</b>	<b>1,949</b>	<b>1,980</b>

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

Financial targets	Q2 2022	Q2 2021	R12M	2021	Target
Adj. EBITDA margin, %	5.6%	6.7%	5.2%	5.8%	10%
NIBD/Adj. EBITDA	3.6x	2.6x	3.6x	3.4x	2.0-2.5x

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

# Overview – segment consolidation and KPIs

MSEK unless stated otherwise	Ready-to-cook <sup>1)</sup>		Ready-to-eat <sup>2)</sup>		Other <sup>3)</sup>		Total	
	Q2 2022	Q2 2021	Q2 2022	Q2 2021	Q2 2022	Q2 2021	Q2 2022	Q2 2021
Net sales	2,199	1,943	748	536	109	85	3,056	2,564
EBITDA	96	141	64	47	12	-21	172	167
Depreciation	-99	-64	-13	-12	-5	-4	-117	-80
EBITA	-3	77	51	35	7	-24	55	88
Amortisation	-13	-12	-	-	-	0	-13	-12
<b>EBIT</b>	<b>-16</b>	<b>65</b>	<b>51</b>	<b>35</b>	<b>7</b>	<b>-24</b>	<b>42</b>	<b>75</b>
EBITDA margin, %	4.3%	7.3%	8.5%	8.7%	11.6%	-24.3%	5.6%	6.5%
EBITA margin, %	-0.1%	4.0%	6.8%	6.5%	6.2%	-28.4%	1.8%	3.4%
EBIT margin, %	-0.7%	3.3%	6.8%	6.5%	6.3%	-28.4%	1.4%	2.9%
Non-comparable items <sup>4)</sup>	-	-	-	-	-	-4	-	-4
Adj. EBITDA <sup>4)</sup>	96	141	64	47	12	-17	172	171
<b>Adj. EBIT<sup>4)</sup></b>	<b>-16</b>	<b>65</b>	<b>51</b>	<b>35</b>	<b>7</b>	<b>-20</b>	<b>42</b>	<b>79</b>
Adj. EBITDA margin, % <sup>4)</sup>	4.3%	7.3%	8.5%	8.7%	11.6%	-19.6%	5.6%	6.7%
Adj. EBIT margin, % <sup>4)</sup>	-0.7%	3.3%	6.8%	6.5%	6.3%	-23.7%	1.4%	3.1%
Capital employed							4,463	4,230
Return on capital employed							3,2%	7,9%
Chicken processed (LW) <sup>5)</sup>							88,639	100,586
Net sales/kg							34,5	25,5
EBIT/kg							0,5	0,7
<b>Net sales split</b>								
Sweden	666	535	180	114	21	14	868	663
Denmark	423	382	462	344	54	42	938	767
Norway	398	371	94	73	5	3	497	448
Ireland	525	507	3	1	21	20	549	527
Finland	187	148	9	4	7	6	204	158
<b>Total Net sales per country</b>	<b>2 199</b>	<b>1 943</b>	<b>748</b>	<b>536</b>	<b>108</b>	<b>85</b>	<b>3,056</b>	<b>2,564</b>
Retail	1,668	1,560	146	123	6	4	1,820	1,687
Export	184	121	57	47	14	10	256	178
Foodservice	208	139	502	340	1	2	711	481
Industry / Other	140	123	42	26	87	69	268	218
<b>Total Net sales sales channel</b>	<b>2,199</b>	<b>1,943</b>	<b>748</b>	<b>536</b>	<b>108</b>	<b>85</b>	<b>3,056</b>	<b>2,564</b>
Chilled	1 735	1 606						
Frozen	464	337						
<b>Total Net sales sub segment</b>	<b>2 199</b>	<b>1 943</b>						
LTI per million hours worked <sup>6)</sup>	31.0	44.1	15.1	5.8			28.4	39.5
Use of antibiotics (% of flocks treated)	11.3	3.9					11.3	3.9
Animal welfare indicator (foot score) <sup>7)</sup>	12.9	6.2					12.9	6.2
CO2 emissions (g CO2e/kg product) <sup>8)</sup>							63.3	71.9
Critical complaints <sup>9)</sup>	0	1	0	2	0	0	0	3
Feed efficiency (kg feed/live weight) <sup>10)</sup>	1.50	1.52					1.50	1.52

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

2) Net sales for the segment Ready-to-eat includes the external net sales. Operative result for the segment includes the integrated result for the group without internal margins

3) Other consist of Ingredients, business and group cost, see note 2 for definition of Other.

4) Adjusted for non-comparable items. see note 6

5) Live Weight, tonnes

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

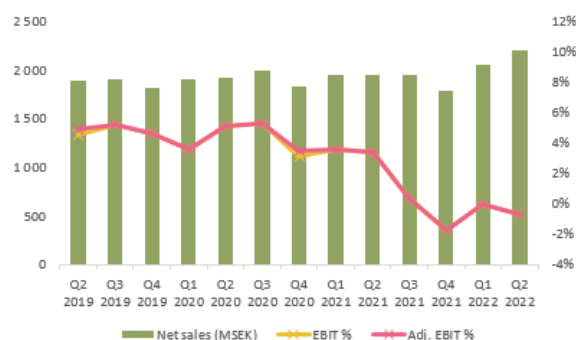
7) Foot score; leading industry indicator for animal welfare. The score is measured according to industry standard, meaning assessing 100 feet per flock independent of flock size

8) g CO2e/kg product. Location-based method used for calculations. Emission factors from DEFRA 2020 and IEA 2018–2020. Includes 90% of Scope 1 and Scope 2 emissions for Scandi Standard Group, with exception for owned and leased vehicles and energy and electricity consumed at our sites Harlösa, SweHatch, Rokkedahl och Ski

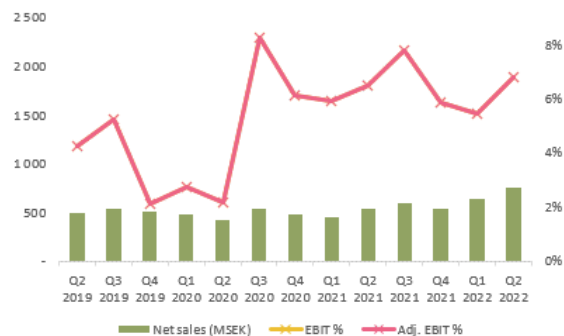
9) Includes recall from customers or consumers, presence of foreign objects in the product, allergens or incorrect content or sell by dates

10) Feed conversion rate (kg feed/kg live weight). Includes only conventional chickens (approximately 85% of the Group's chicken). The figures are based on grower's reported figures in all countries except in Sweden, where figures are country averages from Svensk Fågel

## Ready-to-cook



## Ready-to-eat



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

# Sustainability performance

## Focus areas and development

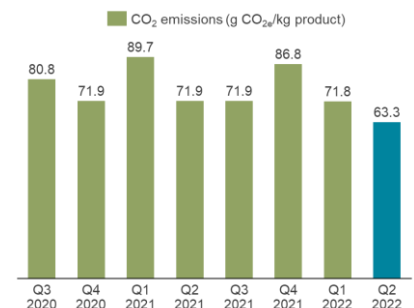
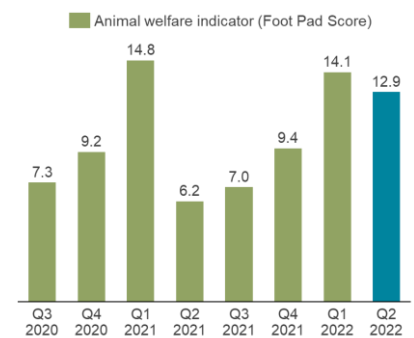
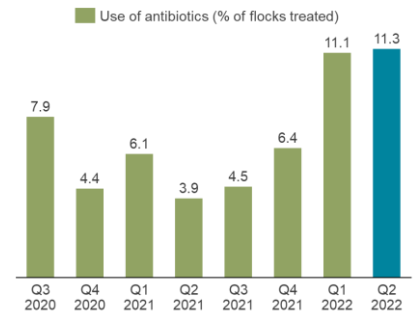
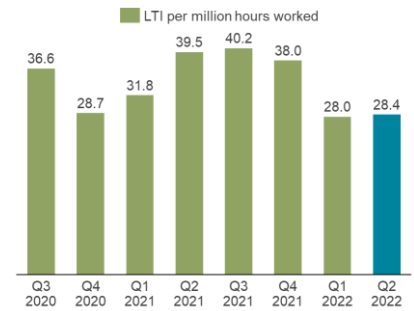
Scandi Standard's vision is *Better Chicken for a Better Life*. We contribute to sustainable food production by providing healthy and innovative chicken products produced in a responsible and resource-efficient way. Expectations and requirements on Scandi Standard's sustainability work from different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

### Second quarter 2022

- The lost time injury frequency rate (LTIFR) during the first quarter 2022 was 28.4 LTIs per million hours worked. This is 28 percent lower than the second quarter 2021 and considerably lower than the full year result for 2021. The work to further improve is ongoing, and the target is to reach an average level of 25.0 LTIs per million hours worked by the end of the fourth quarter 2022 at the latest.
- During the first half of 2022, use of antibiotics in the Group has been higher than previous years, however still low in an international comparison. In the second quarter, 11.3 percent of flocks were treated, compared to 3.9 percent in the corresponding quarter in 2021. The increase was driven by the Irish antibiotics use, while still remaining to be close to zero in the other countries. The increase is caused by a decline in quality of day-old chicks and, due to strict Covid-restrictions in Ireland, the possibility for advisory visits has been very limited. Since the restrictions has been lifted, Scandi Standard has had its expert on site at the external hatchery, identifying root causes and working actively with corrective actions. The expectation is to see a gradual improvement during the second half of the year, towards the previous improvement trend.
- Foot pad condition (foot score) is a leading industry indicator for animal welfare, a low score equates good foot health, where values below 15–20 are good in an international comparison. The result for the second quarter 2022 was 12.9 points which is a decline compared to the corresponding quarter 2021, when the result was 6.2. Also this is partly due to a decline in Ireland due to limitations in advisory visits during Covid-restrictions, as well as an increased share of soy in the feed due to impact of local supply and prices on primarily wheat and corn. We expect this situation to also improve during the second half of the year since the local supply of wheat looks promising.
- Decreasing the climate impact of its own operations as well as across the value chain is a key priority at Scandi Standard. The result for the second quarter with regards to carbon intensity in own operations was 63,3 g CO<sub>2</sub>e / kg product which was 12 percent lower than in the corresponding quarter in 2021. The decrease is caused by lower consumption of natural gas as well as an update to emission factors where for example district heating has been updated to use the specific production prerequisites in Sweden and Denmark.
- Critical complaints remain at a very low level, no new complaint was reported during the second quarter 2022.

### Scandi Standard has calculated the carbon footprint of its products

During the last 18 months, as part of our long-term climate strategy, we have worked together with climate specialist Carbon Trust to map our climate impact on product level in all our markets. The result, together with the work to develop climate targets in line with the Science Based Targets initiative, will form the basis to lower our climate impact and meet our climate targets. In total across the Group, the carbon footprint has been calculated for 282 individual products, from farm to fork. There are several methods to set boundaries in carbon footprint calculations. We have actively chosen a comprehensive approach, so called cradle-to-grave, to capture the effects across the value chain and to develop a better and more holistic basis for decision-making related to where our efforts will be focused going forward. As a market leader, we also consider it our responsibility to lead the way towards increased transparency, making it easier for the end consumer to make informed decisions.



Sustainability Overview	Q2 2022	Q2 2021	Δ	H1 2022	H1 2021	Δ	2021	2022 Target
LTI per million hours worked <sup>1)</sup>	28.4	39.5	-28%	28.2	36.3	-22%	39.2	25.0 <sup>6)</sup>
Use of antibiotics (% of flocks treated)	11.3	3.9	188%	11.2	5.0	124%	5.2	4.7
Animal welfare indicator (foot score) <sup>2)</sup>	12.9	6.2	109%	13.5	10.4	30%	9.3	8.4
CO <sub>2</sub> emissions (g CO <sub>2</sub> e/kg product) <sup>3)</sup>	63.3	71.9	-12%	67.7	76.8	-12%	79.9	75.9
Critical complaints <sup>4)</sup>	0	3	-100%	1	4	-75%	7	0
Feed efficiency (kg feed/live weight) <sup>5)</sup>	1.50	1.52	-1%	1.50	1.52	-1%	1.52	1.50

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

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

3) g CO<sub>2</sub>e/kg product. Location-based method used for calculations. Emission factors from Energiföretagen 2020, Energistyrelsen 2020 and AIB 2020. Includes 80% of Scope 1 and Scope 2 emissions for Scandi Standard Group, with exception for owned and leased vehicles, technical gases, and energy and electricity consumed at our sites Harlösa, SweHatch, Rokkedahl och Ski

4) Includes recall from customers or consumers, presence of foreign objects in the product, allergens or incorrect content or sell by dates

5) Feed conversion rate (kg feed/kg live weight). Includes only conventional chickens (approximately 85% of the Group's chicken). The figures are based on grower's reported figures in all countries except in Sweden, where figures are country averages from Svensk Fågel

6) The target for LTIFR is set to be achieved in Q4 2022, and corresponds to 38% decrease in the LTIFR

## Segment: Ready-to-cook

MSEK	Q2 2022	Q2 2021	Δ	R12M	2021
Net sales	2,199	1,943	13%	7 976	7,611
EBITDA	96	141	-32%	311	424
Depreciation	-99	-64	54%	-304	-266
EBITA	-3	77	-104%	7	158
Amortisation	-13	-12	4%	-50	-50
<b>EBIT</b>	<b>-16</b>	<b>65</b>	<b>-125%</b>	<b>-42</b>	<b>110</b>
EBITDA margin, %	4.3%	7.3%	-2.9ppt	3.9%	5.6%
EBITA margin, %	-0.1%	4.0%	-4.1ppt	0.1%	2.1%
EBIT margin, %	-0.7%	3.3%	-4.1ppt	-0.5%	1.4%
Non-comparable items <sup>1)</sup>	-	-	-	-	-
Adj. EBITDA <sup>1)</sup>	96	141	-32%	311	424
<b>Adj. EBIT<sup>1)</sup></b>	<b>-16</b>	<b>65</b>	<b>-125%</b>	<b>-42</b>	<b>110</b>
Adj. EBITDA margin, % <sup>1)</sup>	4.3%	7.3%	-2.9ppt	3.9%	5.6%
Adj. EBIT margin, % <sup>1)</sup>	-0.7%	3.3%	-4.1ppt	-0.5%	1.4%
LTI per million hours worked <sup>2)</sup>	31.0	44.1	-30%	38.4	43.2
Animal welfare indicator <sup>3)</sup>	12.9	6.2	109%	11.0	9.3
Critical complaints <sup>4)</sup>	0	1	-100%	0	1

1) Restated non-comparable items, see note 6

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

3) Foot score; leading industry indicator for animal welfare

4) Includes recall from customers or consumers, presence of foreign objects in the product, allergen or incorrect content or sell-by dates

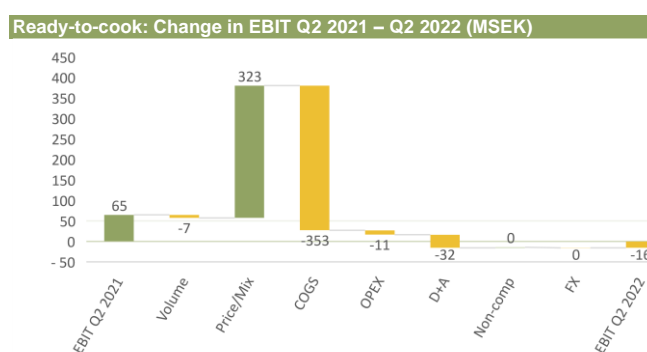
**Net sales within the segment Ready-to-cook (RTC)** increased by 13 percent from MSEK 1,943 to MSEK 2,199 MSEK. In fixed currency, the increase in net sales was 11 percent, driven by price increases and better Export market conditions. For Retail, growth amounted to 7 percent.

Sweden is the main contributor with an increased net sales of 25 percent versus the same period last year.

As planned slaughtered volumes were reduced by 9 percent versus 2021, mainly driven by Denmark and Ireland, while Sweden returns a volume growth.

Sales of frozen products are increasing by 38 percent, while the corresponding figure for chilled landed at 8 percent. This is partly explained by the strongest growth within the quarter in Foodservice and Export, where net sales are more based on frozen goods.

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



**Operating income (EBIT) for RTC** decreased by MSEK 81 to MSEK -16 (65) corresponding to an operating income margin (EBIT margin) of -0.7 (3.3) percent.

Cost increases in supplies and energy are better compensated for by the price increases implemented during the second quarter of 2022 in comparison with the first quarter and it is costs related to write-downs of fixed assets in Ireland of MSEK 26 and a provision for compensation linked to an old contract dispute in Finland of MSEK 19 that are the biggest drivers to the weak quarterly result.

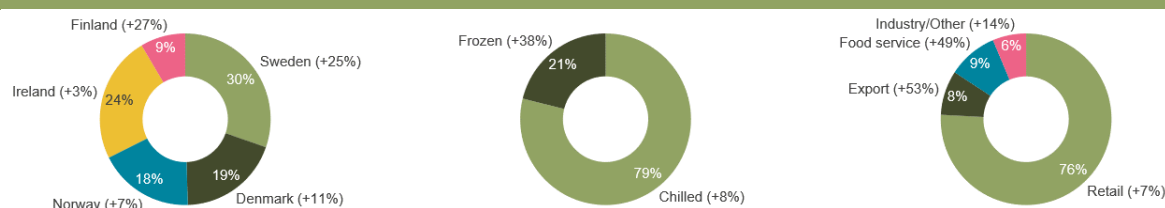
RTC Denmark delivered a negative result of -30 MSEK for the second quarter, which is an improvement of 21 MSEK versus the first quarter of 2022, as a result of the revised strategy and improved export prices.

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

Lost time injuries (LTI) for the RTC business amounted to 31.0 per million hours worked during the second quarter, which is an improvement of 30 percent compared to the corresponding quarter last year, this shows that implemented measures still deliver expected results.

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

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



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

## Segment: Ready-to-eat

MSEK	Q2 2022	Q2 2021	Δ	R12M	2021
Net sales	748	536	39%	2 523	2 112
EBITDA	64	47	36%	214	187
Depreciation	(13)	(12)	5%	(50)	(49)
EBITA	51	35	47%	163	138
Amortisation	-	-	-	-	-
<b>EBIT</b>	<b>51</b>	<b>35</b>	<b>47%</b>	<b>164</b>	<b>138</b>
EBITDA margin, %	8.5%	8.7%	-0.2	8.5%	8.8%
EBITA margin, %	6.8%	6.5%	0.4	6.5%	6.5%
EBIT margin, %	6.8%	6.5%	0.4	6.5%	6.6%
Non-comparable items <sup>1)</sup>	-	-	-	-	-
Adj. EBITDA <sup>1)</sup>	64	47	36%	214	187
<b>Adj. EBIT<sup>1)</sup></b>	<b>51</b>	<b>35</b>	<b>47%</b>	<b>164</b>	<b>138</b>
Adj. EBITDA margin, % <sup>1)</sup>	8.5%	8.7%	-0.2	8.5%	8.8%
Adj. EBIT margin, % <sup>1)</sup>	6.8%	6.5%	0.4	6.5%	6.6%
LTI per million hours worked <sup>2)</sup>	15.1	5.8	160%	18.8	13.6
Critical complaints <sup>3)</sup>	0	2	-100%	4	6

1) Restated non-comparable items. see note 6

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

3) includes recall from customers or consumers, presence of foreign objects in the product, allergens or incorrect content or sell by dates

**Net sales within the segment Ready-to-eat (RTE)** increased by 39 percent from MSEK 536 to MSEK 748. In fixed currency, the increase was 36 percent.

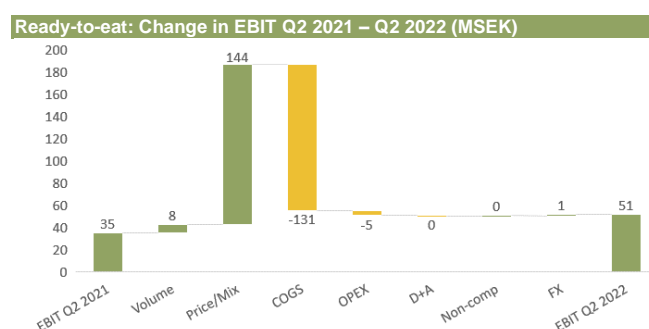
Sweden showed strong growth during the second quarter with a net sales increase of 57 percent and is now representing 24 percent of the RTE business. On top of the price/mix improvements, Sweden is also growing 25 percent on volume, much driven by sales success within quick service restaurants (QSR).

Also, Denmark and Norway delivered significant growth in price and volume. Volumes in Norway are up 16 percent and Denmark 2 percent in comparison with the corresponding period last year.

The total RTE volumes demonstrate a bold recovery post-covid-19 and are now 18 percent higher than volumes for the second quarter of 2019.

Net sales within Foodservice grew by 49 percent and does now represent 67 percent of the RTE net sales. The growth derives from changes in consumer behaviour within quick service restaurants (QSR) in the Nordics and Northern Europe where consumers tend to opt more for chicken products versus other sources of protein.

Retail sales increased by 19 percent and represent 20 percent of total RTE sales, while Export grew by 21 percent and now stand for 8 percent of the RTE business.



**Operating income (EBIT) for RTE** increased by MSEK 16 to MSEK 51 (35) corresponding to an operating margin (EBIT margin) of 6.8 (6.5) percent. The growth in the quarter contributed positively to the operating income.

The quarterly result is burdened by MSEK -10 related to the fire in our main RTE production facility in Farre, Denmark at the beginning of April, mainly related to lost sales. Further improvements of Farre will be done.

The price increases during the second quarter of 2022 cover a bigger share of the cost increases of supplies and energy that have burdened the business over the last quarters. Also, a product mix transition to higher value products contributes to the positive result.

Other operating costs increased with MSEK 5, driven by higher sales and marketing spending to stimulate innovation and growth.

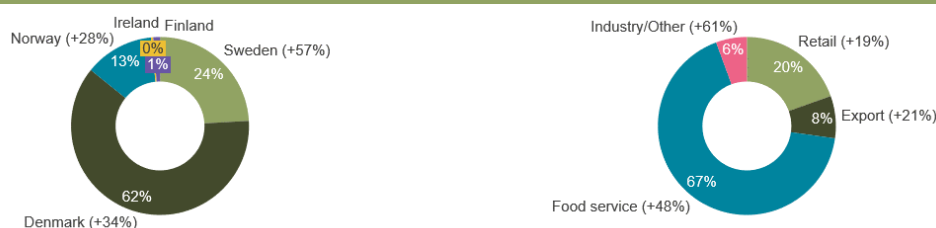
Also, the operating margin for the segment is clearly exceeding the corresponding period in 2019 (5.5 percent) and 1 percent higher than the first quarter of 2022.

Adjusted operating income (adjusted EBIT) was in line with operating income (EBIT) as no non-comparable items were reported in the second quarter 2022.

Lost time injuries (LTI) for the RTE business amounted to 15.1 per million hours worked during the second quarter, which was higher than the corresponding quarter the previous year, but an improvement compared to the first quarter of 2022. The number of hours worked within the RTE business is relatively low in comparison to RTC, hence also a smaller number of accidents influences the LTIFR. Looking at the whole Group, the LTIFR has improved by 22 percent in the second quarter compared to the corresponding quarter last year.

No critical complaints were reported during the second quarter.

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



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

## Segment: Other/ Ingredients and group cost

### Ingredients

Net sales within Ingredients amounted to MSEK 108 (85) with an operating income (EBIT) of MSEK 19 (-1). The improvement in operating income (EBIT) was mainly driven by increased sales prices.

### Group cost

Group costs of MSEK -12 (-24) were recognised in the Group operating income (EBIT).

## Other

### Personnel

The average number of fulltime employees in the second quarter 2022 was 3,173 (3,275) and 3,119 (3,223) in the first half of the year.

### Government support

During the second quarter 2022 an amount of MSEK 1 (2) of governmental support has been recognized in profit. The received government support refers to compensation for increased sick leave.

### Average exchange rates

	2022-06	2021-06
DKK/SEK	1.41	1.36
NOK/SEK	1.05	1.00
EUR/SEK	10.48	10.13



# Group results, financial position and cash flow

## January – June 2022

**Net sales** amounted to MSEK 5,848 (5,033). At constant exchange rates net sales increased by 16 percent. The largest driver is price increases. Net sales to Retail sales channel decreased while net sales to Food service showed strong increase after restrictions related to Covid-19 pandemic were lifted. Sales to the Export channel also increased.

**Operating income (EBIT)** for the Group amounted to MSEK 79 (163), corresponding to an operating margin (EBIT margin) of 1.3 (3.2) percent. Adjusted operating income (adj. EBIT) was in line with operating income (EBIT) as there were no non-comparable items reported in the quarter.

The decrease in operating income is mainly driven by lower results in Ready-to-cook, while Ready-to-eat has improved its results. The operating income within Ready-to-cook was affected by costs related to the write-down of fixed assets in Ireland, costs related to the fire incident in Farre and a provision for compensation linked to an old contract dispute in Finland.

**Finance net** for the Group amounted to MSEK -45 (-40) related to interest expenses for interest-bearing liabilities of MSEK -22 (-19), interest on leasing of MSEK -6 (-6) and currency/other items of MSEK -16 (-16).

**Tax expenses** for the Group amounted to MSEK 17 (27) corresponding to an effective tax rate of approximately 51 (22) percent. The increased tax rate in 2022 was mainly explained by the mix of tax rates between the different countries and that no deferred tax asset was booked for Finland in the first half year.

**Income for the period** for the Group decreased by 82 percent to MSEK 17 (95). Earnings per share was SEK 0.18 (1.44).

**Net interest-bearing debt (NIBD)** for the Group was MSEK 1,949, a decrease by MSEK 31 from the 31st of December 2021. The operating cash flow for the first half year decreased to MSEK 141 (166) negatively affected by lower EBITDA and increased working capital driven by higher trade receivables and positively affected by a low capital expenditure as the investment rate remains at a very low level in order to create financial flexibility.

**Total equity** attributable to the owners of the parent company as of June 30, 2022, amounted to MSEK 2,069 (1,895). The equity to assets ratio amounted to 29.8 (29.2) percent. Return on equity was 1.1 (10.1) percent.

**The financial target** for the Group's adjusted EBITDA margin is to exceed 10 percent in the medium term. During the last twelve-month period, the company's adjusted EBITDA margin amounted to 5.3 percent, which is below the year 2021 level, and below the company's target.

The financial target for the Group's net interest-bearing debt in relation to adjusted EBITDA is 2.0-2.5x. The outcome as of June 30, 2022, was 3.6x (2.6x), which was above the target range for the Group.

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

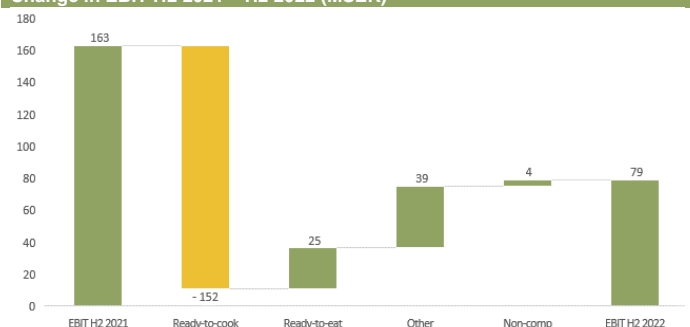
MSEK	H1 2022	H1 2021	R12M	2021
Net sales	5,848	5,033	10,915	10,101
EBITDA	308	348	559	598
Depreciation	-204	-328	-176	-328
EBITA	105	20	383	270
Amortisation	-26	-50	-26	-50
<b>EBIT</b>	<b>79</b>	<b>163</b>	<b>138</b>	<b>222</b>
EBITDA margin, %	5.3%	6.9%	5.1%	5.9%
EBITA margin, %	1.8%	0.4%	3.5%	3.0%
EBIT margin, %	1.3%	3.2%	1.3%	2.2%
Non-comparable items <sup>1)</sup>	0	-4	13	9
Adj. EBITDA <sup>1)</sup>	308	352	545	589
<b>Adj. EBIT<sup>1)</sup></b>	<b>79</b>	<b>167</b>	<b>125</b>	<b>213</b>
Adj. EBITDA margin, % <sup>1)</sup>	5.3%	7.0%	5.0%	5.8%
Adj. EBIT margin, % <sup>1)</sup>	1.3%	3.3%	1.1%	2.1%
Chicken processed (tonne lw) <sup>3)</sup>	180,996	194,345	380,020	393,369
Adj. EBIT/kg	0.4	0.8	0.3	0.6

1) Restated non-comparable items. see note 6

2) For specific explanatory items, see note 7.

3) Live Weight, tons

### Change in EBIT H2 2021 – H2 2022 (MSEK)



### Finance net and tax expenses

MSEK	H1 2022	H1 2021	R12M	2021
Finance income	0	0	1	2
Finance expenses	-44	-41	-87	-83
Finance net	-45	-40	-87	-82
Income after finance net	34	123	52	140
Income tax expenses	-17	-27	-27	-37
Income tax expenses %	-51%	-22%	-52%	-26%
<b>Income for the period</b>	<b>17</b>	<b>95</b>	<b>25</b>	<b>103</b>
Earnings per share, SEK	0.18	1.44	0.34	1.60

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

MSEK	H1 2022	H1 2021	R12M	2021
<b>Opening balance NIBD</b>	<b>1,980</b>	<b>1,933</b>	<b>1,967</b>	<b>1,933</b>
EBITDA	308	348	558	598
Change in working capital	-48	73	42	162
Net capital expenditure	-75	-207	-174	-306
Other operating items	-44	-48	-104	-108
<b>Operating cash flow</b>	<b>141</b>	<b>166</b>	<b>322</b>	<b>347</b>
Paid finance items, net	-37	-36	-70	-69
Paid tax	-51	-55	-52	-56
Dividend	0	-81	-0	-81
Business combinations	0	-12	-159	-171
Other items	-22	-15	-24	-17
<b>Decrease (+) / increase (-)</b>				
<b>NIBD</b>	<b>31</b>	<b>-33</b>	<b>17</b>	<b>-47</b>
<b>Closing balance NIBD</b>	<b>1,949</b>	<b>1,967</b>	<b>1,949</b>	<b>1,980</b>

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

Financial targets	H1 2022	H1 2021	R12M	2021	Target
Adj. EBITDA margin, %	5.3%	7.0%	5.2%	5.8%	10%
NIBD/Adj. EBITDA	3.6x	2.6x	3.6x	3.4x	2.0-2.5x

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

## Other information

### Risks and uncertainties

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

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

### Events after the close of the period

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

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## Board of Director's assurance

This interim report for the second quarter and first half of 2022 provides a fair overview of the operations, position and results of the Parent Company and the Group, and describes material risks and uncertainties faced by the Parent Company and the companies that are included in the Group.

Stockholm, 25 August 2022

Johan Bygge  
*Chairman of the Board*

Øystein Engebretsen  
*Board member*

Paulo Gaspar  
*Board member*

Pia Gideon  
*Board member*

Henrik Hjalmarsson  
*Board member*

Cecilia Lannebo  
*Board member*

Michael Parker  
*Board member*

Jonas Tunestål  
*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	Q2 2022	Q2 2021	H1 2022	H1 2021	R12M	2021
Net sales	3,056	2,564	5,848	5,033	10,915	10,101
Other operating revenues	13	3	16	9	28	18
Changes in inventories of finished goods and work in progress	-63	0	-105	-55	4	54
Raw materials and consumables	-1,890	-1,516	-3,617	-2,964	-6,853	-6,200
Cost of personnel	-538	-551	-1,061	-1,046	-2,055	-2,041
Depreciation, amortisation and impairment	-130	-92	-229	-185	-422	-378
Other operating expenses	-406	-333	-774	-629	-1,478	-1,332
Share of income of associates	0	0	0	0	2	2
<b>Operating income</b>	<b>42</b>	<b>75</b>	<b>79</b>	<b>163</b>	<b>138</b>	<b>222</b>
Finance income	0	0	0	0	1	2
Finance expenses	-24	-24	-44	-41	-87	-83
<b>Income after finance net</b>	<b>18</b>	<b>51</b>	<b>34</b>	<b>123</b>	<b>52</b>	<b>140</b>
Tax on income for the period	-11	-10	-17	-27	-27	-37
<b>Income for the period</b>	<b>7</b>	<b>41</b>	<b>17</b>	<b>95</b>	<b>25</b>	<b>103</b>
Whereof attributable to:						
Shareholders of the Parent Company	5	40	12	94	22	104
Non-controlling interests	3	1	5	1	3	-1
Average number of shares	65,327,164	65,245,422	65,327,164	65,250,346	65,326,171	65,287,762
Earnings per share, SEK	0.07	0.61	0.18	1.44	0.34	1.60
Earnings per share after dilution, SEK	0.07	0.61	0.18	1.44	0.34	1.60
Number of shares at the end of the period	66,060,890	66,060,890	66,060,890	66,060,890	66,060,890	66,060,890

## Consolidated statement of comprehensive income

MSEK	Q2 2022	Q2 2021	H1 2022	H1 2021	R12M	2021
<b>Income for the period</b>	<b>7</b>	<b>41</b>	<b>17</b>	<b>95</b>	<b>25</b>	<b>103</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	30	11	30	11	61	42
Tax on actuarial gains and losses	-6	-2	-6	-2	-13	-9
<b>Total</b>	<b>24</b>	<b>8</b>	<b>24</b>	<b>8</b>	<b>48</b>	<b>33</b>
<i>Items that will or may be reclassified to the income statement</i>						
Cash flow hedges	10	-3	10	-3	12	-1
Currency effects from conversion of foreign operations	82	37	82	37	114	70
Income from currency hedging of foreign operations	-5	-8	-5	-8	-11	-14
Tax attributable to items that will be reclassified to the income statement	-2	1	-2	1	-2	0
<b>Total</b>	<b>85</b>	<b>27</b>	<b>85</b>	<b>27</b>	<b>113</b>	<b>55</b>
Other comprehensive income for the period, net of tax	108	35	108	35	161	88
<b>Total comprehensive income for the period</b>	<b>116</b>	<b>77</b>	<b>125</b>	<b>131</b>	<b>186</b>	<b>192</b>
Whereof attributable to:						
Shareholders of the Parent Company	113	75	120	129	183	193
Non-controlling interests	3	1	5	1	3	-1

## Consolidated statement of financial position

MSEK	Note	June 30, 2022	June 30, 2021	December 31, 2021
<b>ASSETS</b>				
<b>Non-current assets</b>				
Goodwill		943	906	921
Other intangible assets		897	861	876
Property plant and equipment		1,851	1,928	1,889
Right-of-use assets		402	433	415
Participations in associated companies		48	44	46
Surplus in funded pensions		65	-	34
Derivative instruments	3	3	-	-
Financial assets	3	3	1	3
Deferred tax assets		68	38	65
<b>Total non-current assets</b>		<b>4,279</b>	<b>4,211</b>	<b>4,249</b>
<b>Current assets</b>				
Biological assets		102	106	103
Inventory		700	663	785
Trade receivables	3	1,163	938	811
Other short-term receivables		97	95	92
Prepaid expenses and accrued income		189	109	104
Cash and cash equivalents	3	424	358	350
<b>Total current assets</b>		<b>2,676</b>	<b>2,269</b>	<b>2,245</b>
<b>TOTAL ASSETS</b>		<b>6,955</b>	<b>6,480</b>	<b>6,494</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Shareholder's equity</b>				
Share capital		1	1	1
Other contributed equity		646	646	646
Reserves		210	97	125
Retained earnings		1,213	1,151	1,180
<b>Capital and reserves attributable to owners</b>		<b>2,069</b>	<b>1,895</b>	<b>1,951</b>
Non-controlling interests		6	2	0
<b>Total equity</b>		<b>2,075</b>	<b>1,897</b>	<b>1,951</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Non-current interest-bearing liabilities	3	1,941	1,861	1,884
Non-current leasing liabilities		365	380	367
Derivative instruments	3	-	10	5
Provisions for pensions		3	-	3
Other provisions		9	8	9
Deferred tax liabilities		175	158	178
Other non-current liabilities	4	67	64	65
<b>Total non-current liabilities</b>		<b>2,561</b>	<b>2,481</b>	<b>2,511</b>
<b>Current liabilities</b>				
Current leasing liabilities		66	72	68
Derivative instruments	3	3	3	5
Trade payables	3	1,520	1,189	1,291
Tax payables		39	24	55
Other current liabilities	4	178	373	179
Accrued expenses and prepaid income		513	444	433
<b>Total current liabilities</b>		<b>2,319</b>	<b>2,103</b>	<b>2,031</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>6,955</b>	<b>6,480</b>	<b>6,494</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, 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 year					104	104	-1	103
Other comprehensive income for the year, 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 December 31, 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>
<b>Opening balance January 1, 2022</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>
Income for the period					12	12	6	17
Other comprehensive income, net after tax				85	24	108	-	108
<b>Total comprehensive income</b>				<b>85</b>	<b>36</b>	<b>120</b>	<b>6</b>	<b>125</b>
Dividend								
Long term incentive program (LTIP)					-12	-12	-	-12
Repurchase of own shares					10	10		10
<b>Total transactions with the owners</b>					<b>-2</b>	<b>-2</b>	<b>0</b>	<b>-2</b>
<b>Closing balance June 30, 2022</b>		<b>1</b>	<b>646</b>	<b>210</b>	<b>1,213</b>	<b>2,069</b>	<b>6</b>	<b>2,075</b>

## Consolidated statement of cash flows

MSEK	Q2 2022	Q2 2021	H1 2022	H1 2021	R12M	2021
<b>OPERATING ACTIVITIES</b>						
Operating income	42	75	79	163	138	222
Adjustment for non-cash items	134	92	230	181	403	354
Paid finance items, net	-19	-17	-37	-36	-70	-69
Paid current income tax	-23	-27	-51	-55	-52	-56
<b>Cash flow from operating activities before changes in operating capital</b>	<b>134</b>	<b>123</b>	<b>221</b>	<b>253</b>	<b>419</b>	<b>451</b>
Changes in inventories and biological assets	62	-1	104	54	-10	-60
Changes in operating receivables	-216	-39	-410	-90	-256	64
Changes in operating payables	181	41	258	109	308	158
<b>Changes in working capital</b>	<b>27</b>	<b>0</b>	<b>-48</b>	<b>73</b>	<b>42</b>	<b>162</b>
<b>Cash flow from operating activities</b>	<b>160</b>	<b>124</b>	<b>173</b>	<b>326</b>	<b>461</b>	<b>613</b>
<b>INVESTING ACTIVITIES</b>						
Business combinations	-	-	-	-12	-159	-171
Investments in rights of use assets	-0	-0	-1	-0	-2	-1
Investment in property, plant and equipment	-44	-89	-75	-207	-174	-306
<b>Cash flows used in investing activities</b>	<b>-44</b>	<b>-89</b>	<b>-76</b>	<b>-219</b>	<b>-335</b>	<b>-478</b>
<b>FINANCING ACTIVITIES</b>						
New loan	1,947	-	1,947	-	1,947	-
Repayment loan	-1,913	-26	-1,913	-31	-1,913	-31
Payments for amortisation of leasing liabilities	-23	-22	-44	-44	-85	-84
Dividend	0	-81	0	-81	0	-81
Repurchase of own shares	-	-	-	-32	-	-32
Other	-30	-1	-9	21	-2	29
<b>Cash flows in financing activities</b>	<b>-18</b>	<b>-131</b>	<b>-19</b>	<b>-166</b>	<b>-51</b>	<b>-199</b>
<b>Cash flows for the period</b>	<b>98</b>	<b>-96</b>	<b>78</b>	<b>-60</b>	<b>75</b>	<b>-63</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>328</b>	<b>458</b>	<b>350</b>	<b>413</b>	<b>358</b>	<b>413</b>
Currency effect in cash and cash equivalents	-2	-4	-4	5	-9	1
Cash flow for the period	98	-96	78	-60	75	-63
<b>Cash and cash equivalents at the end of the period</b>	<b>424</b>	<b>358</b>	<b>424</b>	<b>358</b>	<b>424</b>	<b>350</b>

## Parent Company income statement

MSEK	Q2 2022	Q2 2021	H1 2022	H1 2021	R12M	2021
Net sales	-	-	-	-	-	-
Operating expenses	-0	-0	-0	-0	0	0
<b>Operating income</b>	<b>-0</b>	<b>-0</b>	<b>-0</b>	<b>-0</b>	<b>0</b>	<b>0</b>
Finance net	401	5	397	10	396	9
<b>Income after finance net</b>	<b>401</b>	<b>5</b>	<b>397</b>	<b>10</b>	<b>396</b>	<b>9</b>
Group contribution	-	-	-	-	2	2
Tax on income for the period	0	-1	0	-1	1	0
<b>Income for the period</b>	<b>401</b>	<b>4</b>	<b>397</b>	<b>9</b>	<b>399</b>	<b>10</b>

## Parent Company statement of comprehensive income

MSEK	Q2 2022	Q2 2021	H1 2022	H1 2021	R12M	2021
Income for the period	401	4	397	9	399	9
Other comprehensive income for the period, net of tax	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>401</b>	<b>4</b>	<b>397</b>	<b>9</b>	<b>399</b>	<b>9</b>

## Parent Company statement of financial position

MSEK	Note	June 30, 2022	June 30, 2021	December 31, 2021
<b>ASSETS</b>				
<b>Non-current assets</b>				
Investments in subsidiaries		938	533	938
Receivables from Group entities		-	405	-
<b>Total non-current assets</b>		<b>938</b>	<b>938</b>	<b>938</b>
<b>Current assets</b>				
Receivables from Group entities		88	32	12
Cash and cash equivalents		0	0	0
<b>Total current assets</b>		<b>88</b>	<b>32</b>	<b>12</b>
<b>TOTAL ASSETS</b>		<b>1,026</b>	<b>979</b>	<b>950</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
<b>Restricted equity</b>				
Share capital		1	1	1
<b>Non-restricted equity</b>				
Share premium account		645	645	645
Retained earnings		-17	-27	-27
Income for the period		397	9	10
<b>Total equity</b>		<b>1,026</b>	<b>627</b>	<b>629</b>
<b>Current liabilities</b>				
Tax payables		0	1	0
Liabilities to Group companies	4	-	342	320
Accrued expenses and prepaid income		-	0	-
<b>Total current liabilities</b>		<b>0</b>	<b>343</b>	<b>320</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,026</b>	<b>970</b>	<b>950</b>

## Parent Company statement of changes in equity

MSEK

<b>Opening balance 1 January, 2021</b>	<b>732</b>
Income for the year	10
Other comprehensive income for the year, 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>
<b>Opening balance 1 January, 2021</b>	<b>629</b>
Income for the period	397
Other comprehensive income for the period, net after tax	-
<b>Total comprehensive income</b>	<b>397</b>
<b>Closing balance June 30, 2022</b>	<b>1,026</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. No changes have been made in the Group's accounting and valuation principles compared with the accounting and valuation principles described in Note 1 of the Annual Report 2021.

### Amount and dates

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

### Long-term incentive program

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

## Note 2. Segment information

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

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

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

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

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

MSEK	Ready-to-cook <sup>1)</sup>		Ready-to-eat <sup>2)</sup>		Other <sup>3)</sup>		Total	
	H1 2022	H1 2021	H1 2022	H1 2021	H1 2022	H1 2021	H1 2022	H1 2021
<b>Net Sales</b>	4 245	3 880	1 391	980	212	173	5 848	5,033
<b>Operating income (EBIT)</b>	-18	134	86	61	29	-32	79	163
Non-comparable items <sup>4)</sup>	0	0	0	0	0	-4	0	-4
Adjusted EBIT <sup>4)</sup>	-18	134	86	61	29	-28	79	167
Share of income of associates		0					-	0
Finance income							0	0
Finance expenses							-44	-41
Tax on income for the period							-17	-27
<b>Income for the period</b>							<b>17</b>	<b>95</b>

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

2) Net sales for the segment Ready-to-eat includes the external net sales. Operative result for the segment Ready-to-eat includes the integrated result for the group without internal margins

3) Other consist of ingredients business and group cost, see note 2 for definition of Other. Group cost was MSEK 18 (30) in the first half year.

4) Restated non-comparable items. see note 6

### Note 3. Accounting and valuation of financial instruments

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

June 30 2022, 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	1,163	-	-
Derivatives instruments	-	-	3
Cash and cash equivalents	424	-	-
<b>Total financial assets</b>	<b>1,590</b>	<b>-</b>	<b>3</b>
<b>Liabilities</b>			
Non-current interest-bearing liabilities	1,941	-	-
Other non-current liabilities	-	-	-
Derivatives instruments	-	-	3
Current interest-bearing liabilities	-	-	-
Other current liabilities	-	-	-
Trade and other payables	1,520	-	-
<b>Total financial liabilities</b>	<b>3,461</b>	<b>-</b>	<b>3</b>

June 30 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	1	-	-
Trade receivables	938	-	-
Derivative instruments	-	-	-
Cash and cash equivalents	358	-	-
<b>Total financial assets</b>	<b>1,298</b>	<b>-</b>	<b>-</b>
<b>Liabilities</b>			
Non-current interest-bearing liabilities	1,861	-	-
Other non-current liabilities	-	-	-
Derivative instruments	-	-	12
Current interest-bearing liabilities	-	-	-
Other current liabilities	-	173	-
Trade and other payables	1,189	-	-
<b>Total financial liabilities</b>	<b>3,049</b>	<b>173</b>	<b>12</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 30 June 2022, and at the end of the comparison period the Group had financial derivatives (level 2) measured at fair value on the balance sheet. The fair value of forward exchange contracts is estimated based on current forward rates at the reporting date, while interest rate swaps are valued using estimates of future discounted cash flows. As of 30 June 2022, the derivatives amounted to MSEK -0 (-12).

For the Group's long-term borrowing, which as of 30 June 2022 amounted to MSEK 1,941 (1,861), fair value is considered to be equal to the amortised cost as the borrowings are held at floating market rates and hence the booked value will be approximated as the fair value.

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

## Note 4. Other liabilities

The part in other current liabilities for the Group as per 30 June 2022 amounting to MSEK - (173), refers to the additional purchase price related to performed acquisitions.

The current liabilities to Group entities in the Parent Company as per 30 June 2022 amounted to MSEK - (342).

## 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		Q2 2022	Q2 2021	H1 2022	H1 2021	R12M	2021
Net sales	A	3,056	2,564	5,848	5,033	10,915	10,101
Income for the period	B	7	41	17	95	25	103
+ Reversal of tax on income for the year		11	10	17	27	27	37
<b>Income after finance net</b>	<b>C</b>	<b>18</b>	<b>51</b>	<b>34</b>	<b>123</b>	<b>52</b>	<b>140</b>
+ Reversal of financial expenses		24	24	44	41	87	83
+ Reversal of financial income		0	-0	0	-0	-1	-2
<b>Operating income (EBIT)</b>	<b>D</b>	<b>42</b>	<b>75</b>	<b>79</b>	<b>163</b>	<b>138</b>	<b>222</b>
+ Reversal of depreciation, amortisation and impairment		130	92	229	185	422	378
+ Reversal of share of income of associates		0	0	-	0	-2	-2
<b>EBITDA</b>	<b>E</b>	<b>172</b>	<b>167</b>	<b>308</b>	<b>348</b>	<b>559</b>	<b>598</b>
Non-comparable items in income for the period (EBIT)	F	0	4	-	4	-13	-9
<b>Adjusted income for the period (Adj. EBIT)</b>	<b>D+F</b>	<b>42</b>	<b>79</b>	<b>79</b>	<b>167</b>	<b>125</b>	<b>213</b>
Adjusted operating margin (Adj. EBIT margin)	(D+F)/A	1.4%	3.1%	1.3%	3.3%	1.1%	2.1%
Non-comparable items in EBITDA	G	-	4	-	4	-13	-9
<b>Adjusted EBITDA</b>	<b>E+G</b>	<b>172</b>	<b>171</b>	<b>308</b>	<b>352</b>	<b>545</b>	<b>589</b>
<i>Adjusted EBITDA margin %</i>	<i>(E+G)/A</i>	<i>5.6%</i>	<i>6.7%</i>	<i>5.3%</i>	<i>7.0%</i>	<i>5.0%</i>	<i>5.8%</i>

From Statement of Cash Flow, MSEK		Q2 2022	Q2 2021	H1 2022	H1 2021	R12M	2021
<b>Operating activities</b>							
Operating income (EBIT)		42	75	79	163	138	222
Adjustment for non-cash items							
+ Depreciation, amortisation and impairment		130	92	229	185	422	378
- Share of income of associates		-	0	-	0	-2	-2
<b>EBITDA</b>		<b>172</b>	<b>167</b>	<b>308</b>	<b>348</b>	<b>558</b>	<b>598</b>
Non-comparable items in EBITDA	G	-	4	-	4	-13	-9
<b>Adjusted EBITDA</b>		<b>172</b>	<b>171</b>	<b>308</b>	<b>352</b>	<b>545</b>	<b>589</b>

From Balance Sheet, MSEK		June 30, 2022	June 30, 2021	December 31, 2021
<b>Total assets</b>		<b>6,955</b>	<b>6,480</b>	<b>6,494</b>
<b>Non-current non-interest-bearing liabilities</b>				
Deferred tax liabilities		-175	-158	-178
Other non-current liabilities		-67	-64	-65
<b>Total non-current non-interest-bearing liabilities</b>		<b>-242</b>	<b>-222</b>	<b>-243</b>
<b>Current non-interest-bearing liabilities</b>				
Trade payables		-1,520	-1,189	-1,291
Tax payables		-39	-24	-55
Other current liabilities		-178	-373	-179
Accrued expenses and prepaid income		-513	-444	-433
<b>Total current non-interest-bearing liabilities</b>		<b>-2,249</b>	<b>-2,028</b>	<b>-1,958</b>
<b>Capital employed</b>		<b>4,463</b>	<b>4,230</b>	<b>4,293</b>
Less: Cash and cash equivalents		-424	-358	-350
<b>Operating capital</b>		<b>4,039</b>	<b>3,872</b>	<b>3,943</b>
<b>Average capital employed</b>	<b>H</b>	<b>4,347</b>	<b>4,261</b>	<b>4,268</b>
<b>Average operating capital</b>	<b>I</b>	<b>3,955</b>	<b>3,899</b>	<b>3,887</b>
Operating income (EBIT), R12M		138	334	222
Adjusted operating income (Adj. EBIT), R12M	<b>J</b>	125	397	213
Financial income	<b>K</b>	1	0	2
<b>Return on capital employed</b>	<b>(J+K)/H</b>	<b>3.2%</b>	<b>7.9%</b>	<b>5.2%</b>
<b>Return on operating capital</b>	<b>J/I</b>	<b>3.5%</b>	<b>8.6%</b>	<b>5.7%</b>
<b>Interest bearing liabilities</b>				
Non-current interest-bearing liabilities		1,941	1,861	1,884
Non-current leasing liabilities		365	380	367
Derivates		0	12	11
Current leasing liabilities		66	72	68
<b>Total interest-bearing liabilities</b>		<b>2,373</b>	<b>2,325</b>	<b>2,300</b>
Less: Cash and cash equivalents		-424	-358	-350
<b>Net interest-bearing debt</b>		<b>1,949</b>	<b>1,967</b>	<b>1,980</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 22.

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

MSEK	Q2 2022	Q2 2021	H1 2022	H1 2021	R12M	2021
Earn-out Debt adjustment <sup>1)</sup>	-	-4	-	-4	13	9
<b>Total</b>	<b>-</b>	<b>-4</b>	<b>-</b>	<b>-4</b>	<b>13</b>	<b>9</b>

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

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

MSEK	Q2 2022	Q2 2021	H1 2022	H1 2021	R12M	2021
Group cost	-	-4	-	-4	13	9
<b>Total</b>	<b>-</b>	<b>-4</b>	<b>-</b>	<b>-4</b>	<b>13</b>	<b>9</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	Q2 2022	Q2 2021	H1 2022	H1 2021	R12M	2021
Bird flu <sup>1)</sup>	-7	-14	-20	-33	-66	-80
Covid-19 pandemic <sup>2)</sup>	-	-	-	-8	-	-8
Settlement supplier contract <sup>3)</sup>	-	-	-	-	-17	-17
Severance package <sup>4)</sup>	-	-13	-	-13	-6	-19
One-time payment Afa Insurance <sup>5)</sup>	-	-	-	-	12	12
Fire incident in RTE facility in Farre, Denmark <sup>6)</sup>	-10	-	-10	-	-10	-
Write down assets <sup>7)</sup>	-26	-	-26	-	-26	-
Provision contract dispute <sup>8)</sup>	-19	-	-19	-	-19	-
<b>Total</b>	<b>-62</b>	<b>-27</b>	<b>-75</b>	<b>-54</b>	<b>-133</b>	<b>-112</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> Costs related to severance package for restructuring (Q3 2021), for Scandi Standard general manager and Group CEO and senior management in Ireland

<sup>5)</sup> In October 2021, Swedish entities in the Scandi Standard Group received a one-time payment of MSEK 12 from Afa insurance.

<sup>6)</sup> Fire incident in RTE facility in Farre, Denmark in April 2022

<sup>7)</sup> Write-down of hatchery machinery and write-down of leasing contracts regarding hatchery on farm equipment in Ireland

<sup>8)</sup> Provision for compensation linked to an old contract dispute in Finland.

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

MSEK	Q2 2022	Q2 2021	H1 2022	H1 2021	R12M	2021
Ready-to-cook	-52	-19	-65	-38	-117	-90
Ready-to-eat	-10	-	-10	-8	-11	-9
Other	-	-	-	-	-	-
Group cost	-	-8	-	-8	-5	-13
<b>Total</b>	<b>-62</b>	<b>-27</b>	<b>-75</b>	<b>-54</b>	<b>-133</b>	<b>-112</b>

## Definitions

### Adjusted income for the period

Income for the period adjusted for non-comparable items.

### CAGR

Yearly average growth.

### Capital employed

Total assets less non-interest-bearing liabilities, including deferred tax liabilities.

### Average Capital employed

Average capital employed as of the two last years.

### Adjusted return on operating capital (ROC)

Adjusted operating income last twelve months (R12M) divided by average operating capital.

### COGS

Cost of goods sold.

### Earnings per share (EPS)

Income for the period, attributable to the shareholders, divided by the average number of shares.

### Adjusted earnings per share (EPS)

Adjusted income for the period, attributable to the shareholders, divided by the average number of shares.

### EBIT

Operating income.

### Adjusted operating income (Adj. EBIT)

Operating income (EBIT) adjusted for non-comparable items.

### EBITA

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

### Adjusted EBITA

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

### Adjusted EBITA margin

Adjusted EBITA as a percentage of net sales.

### EBITDA

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

### Adjusted EBITDA

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

### EBITDA margin

EBITDA as a percentage of net sales.

### Adjusted EBITDA margin

Adjusted EBITDA as a percentage of net sales.

### Equity per share

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

### Net interest-bearing debt (NIBID)

Interest-bearing debt excluding arrangement fees less cash and cash equivalents.

### Net sales

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

### Non-comparable items

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

### Operating capital

Total assets less cash and cash equivalents and non-interest-bearing liabilities, including deferred tax liabilities.

### Average operating capital

Average operating capital as of the two last years.

### Operating cash flow

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

### Adjusted operating cash flow

Cash flow adjusted for non-comparable items.

### Operating margin (EBIT margin)

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

### Adjusted operating margin (Adj. EBIT margin)

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

### Other operating expenses

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

### Other operating revenues

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

### Production costs

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

### Raw materials and consumables

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

### Return on capital employed (ROCE)

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

### Return on equity

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

### Return on operating capital (ROC)

Operating income last twelve months (R12M) divided by average operating capital.

### Adjusted return on capital employed (ROCE)

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

### RTC

Ready-to-cook. Products that require cooking.

### RTE

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

### R12M

Rolling twelve months

### Specific Explanatory items (exceptional items)

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

### Working capital

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

## Conference Call

A conference call for investors, analysts and media will be held on 25 August 2022 at 8.30 AM CET.

### Dial-in numbers:

UK: 020 3936 2999

Sweden: 010 884 80 16

US: +1 646 664 1960

Other countries: +44 20 3936 2999

Slides used in the conference call can be downloaded at [www.scandistandard.com](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

Interim report for Q3 2022	October 28, 2022
Interim report for Q4 2022	February 9, 2023
Interim report for Q1 2023	May 3, 2023

This interim report comprises information which Scandi Standard is required to disclose pursuant to EU market abuse regulation and the Securities Markets Act. It was released for publication at 07:30 AM CET on 25 August 2022.

## Forward looking statement

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

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

## About Scandi Standard

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

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