

“Scandi Standard reports a strong result for the fourth quarter. We have adapted the business and demonstrated our ability to implement efficient measures to combat challenging conditions in our markets. At the same time, we are preparing to manage the effects of continued changes in consumer behaviour.”

Jonas Tunestål, managing director and CEO



Strong result in a challenging market

October – December 2022

- Net sales amounted to MSEK 3,069 (2,435) in the fourth quarter of 2022. At constant exchange rates net sales increased by 20 per cent.
- Operating income (EBIT) increased to MSEK 99 (30), corresponding to a margin of 3.2 (1.2) per cent.
- Income for the period amounted to MSEK 55 (4). Earnings per share amounted to SEK 0.86 (0.08).
- Operating cash flow was MSEK -192 (69).

January – December 2022

- Net sales amounted to MSEK 12,119 (10,101) in the year of 2022. At constant exchange rates net sales increased by 16 per cent.
- Operating income (EBIT) increased to MSEK 290 (222), corresponding to a margin of 2.4 (2.2) per cent.
- Income for the period amounted to MSEK 138 (103). Earnings per share amounted to SEK 2.02 (1.60)
- Operating cash flow was MSEK 197 (347).
- The Board of Director proposes a dividend for the financial year 2022 of SEK 1,15 per share, corresponding to MSEK 75 (0).

Key metrics²⁾

MSEK	Q4 2022	Q4 2021	Δ	2022	2021	Δ
Net sales	3,069	2,435	26%	12,119	10,101	20%
EBITDA	202	125	62%	722	598	21%
Operating income (EBIT)	99	30	-	290	222	31%
EBITDA margin %	6.6%	5.1%	1.5,ppt	6.0%	5.9%	0.0,ppt
EBIT margin %	3.2%	1.2%	2.0,ppt	2.4%	2.2%	0.2,ppt
Non-comparable items ¹⁾	-	26	-100%	-	9	-100%
Adjusted EBITDA ¹⁾	202	98	106%	722	589	23%
Adjusted operating income (Adj. EBIT)¹⁾	99	3	-	290	213	36%
Adjusted EBITDA margin ¹⁾ %	6.6%	4.0%	2.5,ppt	6.0%	5.8%	0.1,ppt
Adjusted EBIT margin ¹⁾ %	3.2%	0.1%	3.1,ppt	2.4%	2.1%	0.3,ppt
Income after finance net	67	8	759%	186	140	32%
Income for the period	55	4	-	138	103	34%
Earnings per share, SEK	0.86	0.08	-	2.02	1.60	26%
Return on capital employed %	6.7%	5.2%	1.5,ppt	6.7%	5.2%	1.5,ppt
Return on equity %	6.2%	5.5%	0.7,ppt	6.2%	5.5%	0.7,ppt
Operating cash flow	-192	69	-	197	347	-43%
Net interest-bearing debt	1,983	1,980	0%	1,983	1,980	0%
NIBD/Adj. EBITDA	2.7	3.4	-18%	2.7	3.4	-18%
Lost time injuries (LTI) per million hours worked	24.8	38.0	-35%	27.4	39.2	-30%
Feed efficiency (kg feed/live weight)	1.51	1.52	-1%	1.50	1.52	-1%

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

2) For a definition of alternative performance measures see page 22

CEO Comments

Scandi Standard reported strong results for the fourth quarter despite a challenging market. We have adapted sales prices and performed favourably in the Ready-to-eat segment, thus compensated for increased costs. We have during the quarter decided on ambitious new long-term sustainability goals. These form the basis for continued development of more sustainable solutions and work methods for our chicken production.

During 2022, we have successfully implemented efficient measures to combat challenging conditions in our markets. Despite lower volumes, net sales increased 26 per cent to MSEK 3,069 (2,435) in the fourth quarter. At the same time, we reported strong operating income of MSEK 99 (30) in a quarter that is typically weak due to seasonal variation, with less demand for chicken during the Christmas and new year holidays.

Continued uncertainty in our markets

The high rate of inflation in the past six months has forced consumers to change their purchasing behaviour and preferences. Our assessment is that the changed purchasing behaviour will continue in the short term, creating an imbalance in the market.

The production cycle for chicken is significantly shorter than, for example, beef and pork, which has resulted in Scandi Standard being able to compensate for inflation by adapting the volumes we produce to the declining demand. With distinct positions in consolidated local markets, our rapid actions have had a clear impact on balancing supply and demand. At the same time, long lead times for transitioning the production of beef and pork have led to surpluses, creating price pressure across the entire protein area. As the market appears right now, we assess that the surplus of beef and pork will remain until at least the end of the first half of 2023. When supply and demand has reached a balance in the market for pork and beef, we will be ready to gradually increase volumes once more.

The trend of more consumers selecting white meat rather than red is distinct and is expected to continue. I am convinced that we will be able to continue to drive the choice of chicken ahead of other proteins.

We are carefully monitoring developments in raw material prices and prices for energy, logistics and personnel costs. Our operations are dealing with increased costs in the beginning of 2023, which have yet to be fully compensated for by price increases.

Improved performances in all segments

The Ready-to-cook segment reported growth of 21 per cent, and operating income increased to MSEK 31 (-32). All markets have worked intensively to manage increased cost inflation in a long-term and sustainable manner. The positive earnings effects of these efforts have been partially offset by increased imports with lower price points in some of our home markets.

Market conditions in Denmark remain challenging and we reported a loss of MSEK -51 (-59) in the Ready-to-cook segment. Even if the situation in Denmark remains unsatisfactory, the earnings of Ready-to-cook combined with Ingredients in Denmark demonstrate that the gradual operational improvements are yielding effects. We will adjust our product range in the first quarter of 2023 to meet increased price sensitivity in the market but also to complete further efficiency enhancements in the value chain.

Scandi Standard's second segment, Ready-to-eat, reported a continued positive performance in the quarter. Net sales increased 39 per cent

and operating income increased 66 per cent to MSEK 53 (32). To enable continued growth, capacity at the Danish factory in Farre was expanded in the quarter. At the same time, we have also commenced the construction of an additional production line that will increase production capacity in Farre by approximately 30 per cent in the beginning of 2024.

New sustainability goals setting guidelines for 2030

Scandi Standard adopted new sustainability goals in the fourth quarter. The goals are tied to important areas for the operations of Scandi Standard such as food safety, product development, climate impact, animal welfare, health and safety, employee engagement and resource usage. For each goal, key metrics have been identified and an objective for 2030 has been defined from a Group perspective. Focus for the first half of 2023 has been on integrating Group-wide goals in national operations by implementing local goals as well as action plans for reaching them.

The science-based climate targets were submitted to the Science Based Targets initiative for validation during the quarter.

Stable financial position

As a result of the challenges that began in 2021, we introduced measures to secure financial flexibility. These have gradually been lifted in line with improved earnings in 2022. Net interest-bearing debt was stable in 2022 and amounted to MSEK 1,983 (1,980) at the end of December 2022. Investments amounted to MSEK 311 (306), of which MSEK 168 (68) was in the fourth quarter. We expect investments to amount to approximately MSEK 400 in 2023, with focus on expanding operations in Ready-to-eat, the roll-out of the new ERP system and investments connected to efficiency, maintenance and sustainability.

I am pleased to close 2022 with a stable balance sheet and, given the turbulent year, I consider our banks renewing their confidence in us in the form of a new five-year financing plan to be a sign of strength.

In light of Scandi Standard's positive performance and stable financial position, the Board of Directors proposes of a dividend for the 2022 financial year of SEK 1,15 (0.00) per share.

Focus moving forward on long-term stable earnings

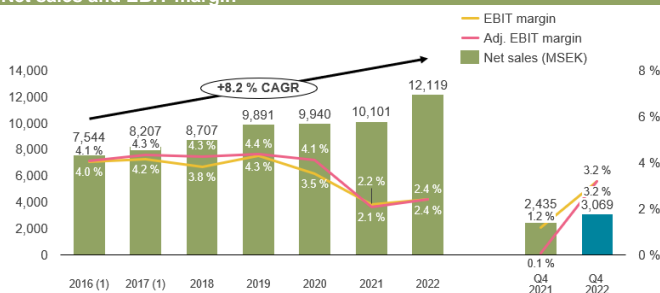
There is considerable potential to increase the value per bird processed. This will be essential for Scandi Standard to establish long-term stable earnings above the levels reported between 2015 and 2020. The transition requires focus on the right culture, governance and leadership, increased efficiency throughout the value chain and innovative development of our product portfolio. In parallel, we will continue to create a fundamentally sustainable business in the long term. Comprehensive efforts within these strategic focus areas are ongoing across the Group.

Having successfully managed the tough, prevailing conditions in our markets, my main priorities are to achieve price compensation in all areas, ensure correct inventory levels through balancing production and demand, and continue to turn around Ready-to-cook in Denmark. We continue our detailed monitoring of market developments to enable us to adapt quickly to further changes.

Stockholm, 9 February 2023

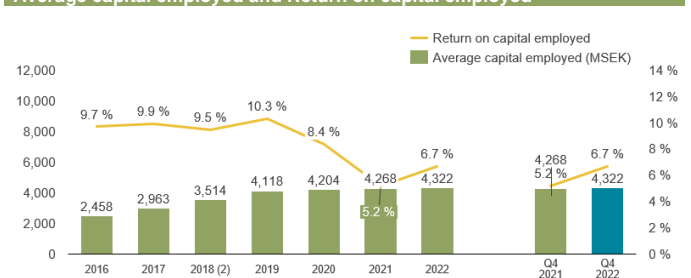
Jonas Tunestål, Managing director and CEO

Net sales and EBIT margin



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

Average capital employed and Return on capital employed



Group results, financial position and cash flow

October – December 2022

Net sales amounted to MSEK 3,069 (2,435). At constant exchange rates, net sales increased by 20 per cent. Net Sales to the Retail sales channel increased by 19 per cent compared to the corresponding quarter previous year driven by price increases while volume decreased. Net sales to Foodservice sales channel continued to increase with growth of 42 driven by price increase but also a positive mix through product development. Export sales increased by 32 per cent in the quarter in line with rising prices in the international market and more targeted sales within Ready-to-eat, while volume decreased with less surplus sales.

Operating income (EBIT) for the Group amounted to MSEK 99 (30), corresponding to an operating margin (EBIT margin) of 3.2 (1.1) per cent. No non-comparable items were reported in the fourth quarter. In the same quarter previous year a non-comparable item of MSEK 26 was reported related to the reduction of debt when the final purchase price payment relating to the acquisition of Manor Farm was done. The operating income improved in all segments, driven mainly by a better balance between price increases and cost increases. Ready-to-cook Denmark still weighed on the result, where a challenging market situation and high energy prices have had a negative impact.

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

Finance net for the Group amounted to MSEK -32 (-22). The increase is mainly driven by increased interest expenses for interest-bearing liabilities of MSEK -17 (-9). In addition the finance net consists of interest expenses for leasing of MSEK -3 (-3), and currency effects/other items of MSEK -12 (-10).

Tax expenses for the Group amounted to MSEK -12 (-3) corresponding to an effective tax rate of approximately 18 (44) per cent, which is in line with expectations given the mix of tax rates between the different countries.

Income for the period for the Group increased to MSEK 55 (4). Earnings per share were SEK 0.86 (0.08).

Net interest-bearing debt (NIBD) for the Group was MSEK 1,983, an increase by MSEK 249 from 30 September 2022. Operating cash flow in the quarter amounted to MSEK -192 (69) negatively affected by increase of working capital, mainly driven by a higher level of inventory but also as a consequence of unusually low level in the third quarter.

The investment rate has increased after a period of low investment levels. The main investments relate to capacity investments in Ready-to-eat and new ERP system. Paid financial items have increased driven by higher interest rates.

Total equity attributable to the owners of the parent company as of December 31, 2022, amounted to MSEK 2,334 (1,951). The equity to assets ratio amounted to 33.5 (30.0) per cent. Return on equity was 6.2 (5.5) per cent.

The financial target for the Group's adjusted EBITDA margin is to exceed 10 per cent in the medium term. The outcome for the full year 2022 was 6.0 (5.8) per cent, 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, 2022, was 2.7x (3.4x), which was somewhat above the target range for the Group but an improvement compared with previous year.

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-year average) for the full year 2022 was 7 (6) per cent, and the growth in 2022 was 20 per cent.

The financial target for the Group's dividend ratio is approximately 60 per cent of profit for the year adjusted for non-comparable items on average over time. The Board proposes a dividend for the financial year 2022 of SEK 1.15 per share which corresponds to MSEK 75 (0) which is 54 per cent of the year's result.

Net Sales and Operating Income (EBIT)²⁾

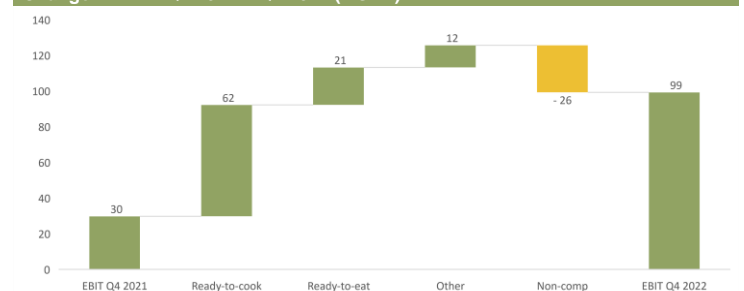
MSEK	Q4 2022	Q4 2021	2022	2021
Net sales	3,069	2,435	12,119	10,101
EBITDA	202	125	722	598
Depreciation	-91	-84	-382	-328
EBITA	110	40	340	270
Amortisation	-13	-12	-52	-50
EBIT²⁾	99	30	290	222
EBITDA margin, %	6.6%	5.1%	6.0%	5.9%
EBITA margin, %	3.6%	1.7%	2.8%	2.7%
EBIT margin, %	3.2%	1.2%	2.4%	2.2%
Non-comparable items ¹⁾	-	26	-	9
Adj. EBITDA ¹⁾	202	98	722	589
Adj. EBIT¹⁾	99	3	290	213
Adj. EBITDA margin, % ¹⁾	6.6%	4.0%	6.0%	5.8%
Adj. EBIT margin, % ¹⁾	3.6%	0.1%	2.4%	2.1%
Chicken processed (tonne lw) ³⁾	84,737	94,288	355,072	393,369
EBIT/kg	1.2	0.3	0.8	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 Q4 2021 – Q4 2022 (MSEK)



Finance net and tax expenses

MSEK	Q4 2022	Q4 2021	R12M	2021
Finance income	0	1	1	2
Finance expenses	-32	-23	-105	-83
Finance net	-32	-22	-105	-82
Income after finance net	67	8	186	140
Income tax expenses	-12	-3	-47	-37
Income tax expenses %	-18%	-44%	-25%	-26%
Income for the period	55	4	138	103
Earnings per share, SEK	0.86	0.08	2.02	1.60

Net-interest-bearing debt (NIBD)

MSEK	Q4 2022	Q4 2021	R12M	2021
Opening balance NIBD	1,733	1,891	1,980	1,933
EBITDA	202	125	722	598
Change in working capital	-203	59	-136	162
Net capital expenditure	-168	-68	-311	-306
Other operating items	-22	-46	-79	-108
Operating cash flow	-192	69	197	347
Paid finance items, net	-30	-17	-95	-69
Paid tax	3	4	-55	-56
Dividend	-5	-	-4	-81
Business combinations	-	-136	-	-171
Other items ¹⁾	26	-9	-45	-17
Decrease (+) / increase (-) NIBD	-249	-89	-3	-47
Closing balance NIBD	1,983	1,980	1,983	1,980

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

Financial targets	Q4 2022	Q4 2021	2022	2021	Target
Adj. EBITDA margin, %	6.6%	4.0%	6.0%	5.8%	10%
NIBD/Adj. EBITDA	2.7x	3.4x	2.7x	3.4x	2.0–2.5x

Overview – segment consolidation and KPIs

MSEK unless stated otherwise	Ready-to-cook ¹⁾		Ready-to-eat ²⁾		Other ³⁾		Total	
	Q4 2022	Q4 2021	Q4 2022	Q4 2021	Q4 2022	Q4 2021	Q4 2022	Q4 2021
Net sales	2,164	1,789	756	543	149	103	3,069	2,435
EBITDA	115	47	66	44	21	33	202	125
Depreciation	-78	-68	-13	-12	0	-4	-91	-84
EBITA	37	-21	53	31	21	30	110	40
Amortisation	-8	-13	-	-	-5	0	-13	-12
EBIT	31	-32	53	32	16	30	99	30
EBITDA margin, %	5.3%	2.6%	8.7%	8.1%	14.1%	32.4%	6.6%	5.1%
EBITA margin, %	1.7%	-1.1%	7.0%	5.8%	14.0%	28.8%	3.6%	1.7%
EBIT margin, %	1.4%	-1.8%	7.0%	5.8%	10.6%	28.9%	3.2%	1.2%
Non-comparable items ⁴⁾	-	-	-	-	-	26	-	26
Adj. EBITDA ⁴⁾	115	47	66	44	21	7	202	98
Adj. EBIT⁴⁾	31	-32	53	32	16	3	99	3
Adj. EBITDA margin, % ⁴⁾	5.3%	2.6%	8.7%	8.1%	14.1%	6.7%	6.6%	4.0%
Adj. EBIT margin, % ⁴⁾	1.4%	-1.8%	7.0%	5.8%	10.6%	3.2%	3.2%	0.1%
Capital employed							4,351	4,293
Return on capital employed							6.7%	5.2%
Chicken processed (LW) ⁵⁾							84,737	94,288
Net sales/kg							36.2	25.8
EBIT/kg							1.2	0.3
Net sales split								
Sweden	580	489	154	115	34	19	768	624
Denmark	425	368	492	338	74	60	990	765
Norway	419	366	100	83	5	5	524	454
Ireland	550	428	3	2	26	11	579	441
Finland	190	138	7	5	10	7	207	151
Total Net sales per country	2,164	1,789	756	543	149	103	3,069	2,435
Retail	1,671	1,394	139	123	6	4	1,816	1,521
Export	141	131	79	44	27	12	246	187
Foodservice	192	139	501	348	2	1	695	488
Industry / Other	161	125	36	28	115	86	312	239
Total Net sales sales channel	2,164	1,789	756	543	149	103	3,069	2,435
Chilled	1,710	1,427						
Frozen	454	362						
Total Net sales sub segment	2,164	1,789						
LTI per million hours worked ⁶⁾	29.1	42.1	4.8	15.4			24.8	38.0
Use of antibiotics (% of flocks treated)	9.9	6.4					9.9	6.4
Animal welfare indicator (foot score) ⁷⁾	11.4	9.4					11.4	9.4
CO2 emissions (g CO2e/kg product) ⁸⁾							78.1	86.8
Critical complaints ⁹⁾	0	0	1	3	0	0	1	3
Feed efficiency (kg feed/live weight) ¹⁰⁾	1.51	1.52					1.51	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

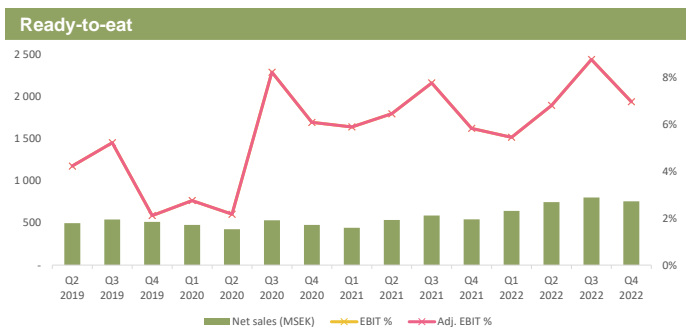
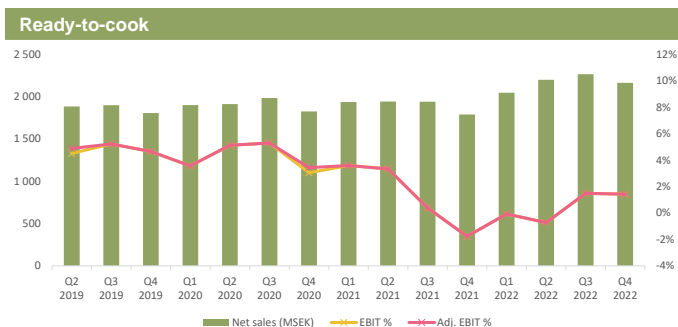
7) Foot score; leading industry indicator for animal welfare. The score is measured according to industry standard, meaning assessing 100 feet per flock independent of flock size

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 i

n Sweden, where figures are country averages from Svensk Fågel



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

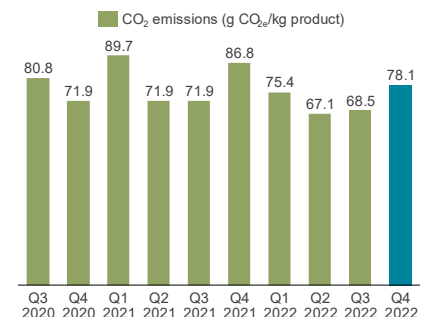
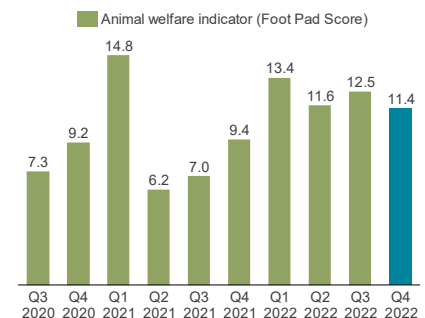
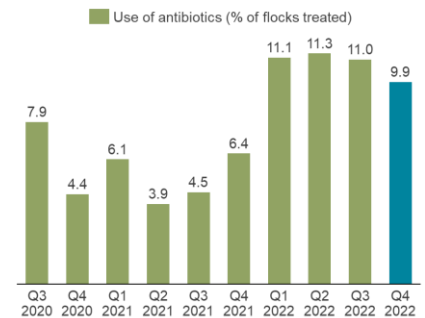
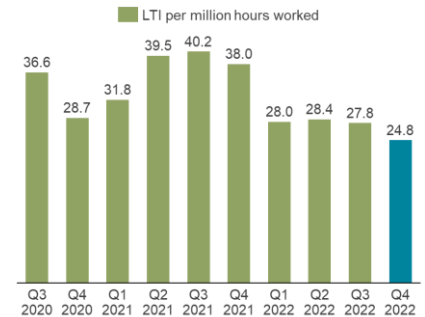
Sustainability performance

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 the Group's operational and financial performance. Scandi Standard's ambition is to be a sustainability leader in the global poultry space.

Fourth quarter 2022

- The lost time injury frequency rate (LTIFR) during the fourth quarter 2022 was 24.8 LTIs per million hours worked. This was 35 per cent lower year-on-year and a considerable improvement on the full-year result for 2021.
- During the fourth quarter of 2022, use of antibiotics in the Group remained higher than in previous years, albeit it remains low in an international comparison and negligible in the Nordic countries. In the fourth quarter, 9.9 per cent of flocks were treated, compared with 11.0 per cent in the third quarter in 2022. Even if this outcome was higher than the target, it demonstrates a gradual improvement since the use of antibiotics typically increases during the winter period. As previously, the poorer outcome was mainly driven by operations in Ireland and Scandi Standard continues to work with systematic improvement measures.
- 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 fourth quarter was 11.4 points, representing a decline compared with the corresponding quarter of 2021, when the result was 9.4. Similarly to the use of antibiotics, this demonstrates a gradual improvement back to previous levels, and improvement measures have been implemented.
- Decreasing the climate impact in the form of CO₂ emissions from its own operations as well as across the value chain is a key priority at Scandi Standard. The result for the fourth quarter with regards to carbon intensity in own operations was 78.1 g CO₂e/kg product which was 10 per cent lower year-on-year. Calculations with updated emission factors were made in 2022, which primarily impact the calculated emissions from district heating in Sweden and Denmark, but also emissions from fuel oil. Since production volumes fell during the year, the actual carbon intensity (g CO₂e/kg product) has increased while emissions in absolute terms have fallen. More details about Scandi Standard's method for calculating climate impact will be published in the annual and sustainability report.
- Critical complaints remain at a very low level and one new complaint was reported in the Danish Ready-to-eat operations during the fourth quarter of 2022.



Sustainability goals for 2030

In the fourth quarter, Scandi Standard's Board of Directors adopted six overarching sustainability goals for 2030 with associated key performance indicators (KPIs) and targets. These targets will act as the foundation of operations and set the guidelines and priorities to focus on moving forward. KPIs and quantitative targets will be presented in the annual and sustainability report.

Providing local, healthy, safe and affordable protein – a goal with a focus on food safety and quality, but also on product development and nutrition.

Keeping our employees engaged, safe and healthy – this target primarily focuses on health and safety, as well as on employee engagement and creating an inclusive, winning culture.

Preserving and developing our animal welfare practices – will remain a priority moving forward with focus continuing to be placed on the use of antibiotics and animal welfare.

Producing chicken with a lower climate impact – from farm to fork – in addition to the overarching, science-based climate targets for the entire value chain, we have identified key areas to reach our targets. These include working with soy reduction and the collection of climate data from the rearing stage.

Finally, we have also identified two more specific environmental targets that are material for Scandi Standard: *Using less plastic in a better way when designing our packaging and Maximizing use of resources and minimizing waste.*

Sustainability Overview	Q4 2022	Q4 2021	Δ	2022	2021	Δ	2022 Target
LTI per million hours worked ¹⁾	24.8	38.0	-35%	27.4	39.2	-30%	25.0 ⁶⁾
Use of antibiotics (% of flocks treated)	9.9	6.4	54%	10.8	5.2	108%	4.7
Animal welfare indicator (foot score) ²⁾	11.4	9.4	21%	12.2	9.3	31%	8.4
CO ₂ emissions (g CO ₂ e/kg product) ³⁾	78.1	86.8	-10%	72.0	79.9	-10%	75.9
Critical complaints ⁴⁾	1	3	-67%	2	7	-71%	0
Feed efficiency (kg feed/live weight) ⁵⁾	1.51	1.52	-1%	1.50	1.52	-1%	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. The figures for the first, second and third quarters 2022 has been adjusted to account for differences between races. Small differences are therefore reported compared to previously published figures

3) g CO₂e/kg product. Location-based method used for calculations. Emission factors from Energiföretagen 2020, Energistyrelsen 2020 and AIB 2020. Includes 80% of Scope 1 and Scope 2 emissions for Scandi Standard Group, with exception for owned and leased vehicles, technical gases, and energy and electricity consumed at our sites Harlösa, SweHatch, Rokkedahl och Ski.

Numbers for 2022 has been adjusted compared to previously published results following a recalculation with an updated emission factor

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

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

6) The target for lost time injury frequency rate (LTIFR) is set to be achieved in Q4 2022, and corresponds to 38% decrease in the LTIFR compared to full year 2021

Segment: Ready-to-cook

MSEK	Q4 2022	Q4 2021	Δ	2022	2021
Net sales	2,164	1,789	21%	8,674	7,611
EBITDA	115	47	143%	406	424
Depreciation	-78	-68	15%	-315	-266
EBITA	37	-21	-280%	92	158
Amortisation	-8	-13	-36%	-47	-50
EBIT	31	-32	-197%	47	110
EBITDA margin, %	5.3%	2.6%	2,7ppt	4.7%	5.6%
EBITA margin, %	1.7%	-1.1%	2,9ppt	1.1%	2.1%
EBIT margin, %	1.4%	-1.8%	3,2ppt	0.5%	1.4%
Non-comparable items ¹⁾	-	-	-	-	-
Adj. EBITDA ¹⁾	115	47	143%	406	424
Adj. EBIT¹⁾	31	-32	-197%	47	110
Adj. EBITDA margin, % ¹⁾	5.3%	2.6%	2,7ppt	4.7%	5.6%
Adj. EBIT margin, % ¹⁾	1.4%	-1.8%	3,2ppt	0.5%	1.4%
LTI per million hours worked ²⁾	29.1	42.1	-31%	30.7	43.2
Animal welfare indicator ³⁾	11.4	9.4	21%	12.2	9.3
Critical complaints ⁴⁾	0	0	0%	0	1

1) Restated non-comparable items, see note 6

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

3) Foot score; leading industry indicator for animal welfare

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

Net sales within the segment Ready-to-cook (RTC) increased by 21 per cent from MSEK 1,789 to MSEK 2,164 MSEK. In fixed currency, the increase in net sales was 15 per cent. The increase is mainly driven by price increases across all sales channels and strong growth (38 per cent) in Foodservice. For Retail, growth in net sales amounted to 20 per cent.

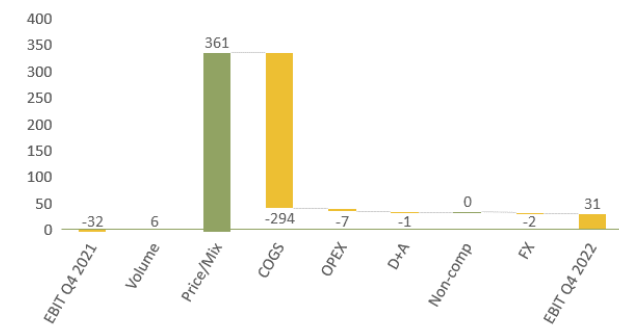
Sweden and Ireland are main contributors with an increased net sales of 18 per cent and 29 per cent respectively versus the same period last year. Finland also developed strongly and increased net sales by 37 per cent.

Sales of frozen products increased by 25 per cent while chilled products increased by 20 per cent, driven by a change in consumer behaviour where consumers chose frozen products over chilled to a greater degree than before.

At the same time total sales volumes decreased by 7 per cent compared to the same quarter last year, driven by reduced production but also decreased demand. Denmark had the largest decrease whilst volume in Finland continued to grow, albeit at a more moderate pace compared to previous quarters.

During the quarter, growth within Export has been moderate but showed a positive sales mix as we had less surplus sales while sales to Asia recovered as restrictions related to bird flu have been removed.

Ready-to-cook: Change in EBIT Q4 2021 – Q4 2022 (MSEK)



Operating income (EBIT) for Ready-to-cook increased by MSEK 62 to MSEK 31 (-32) corresponding to an operating income margin (EBIT margin) of 1.4 (-1.8) per cent.

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

The fourth quarter of last year was also burdened with cost related to bird flu with high export volumes at low prices as well as increased production cost related to local outbreaks of bird flu.

Ready-to-cook Denmark delivered a negative result of -51 MSEK for the fourth quarter which is in line with the third quarter of 2022. This is driven by a challenging market environment with changes in demand and high energy prices.

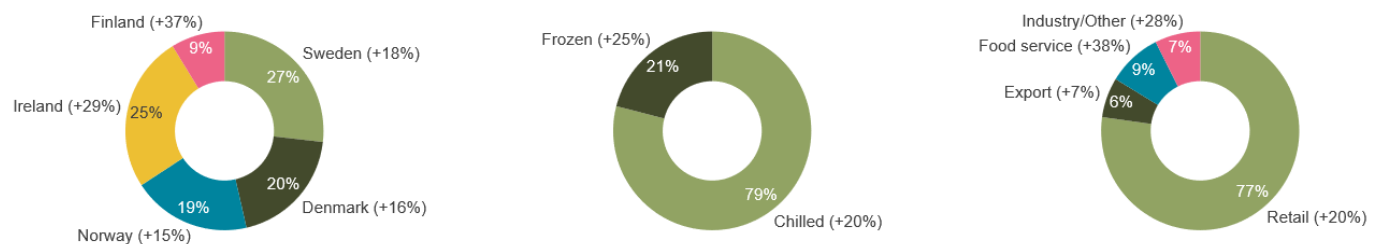
Other operating costs increased during the quarter, mainly driven by inflation and internal projects.

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

Lost time injuries (LTI) for the Ready-to-cook business amounted to 29.1 per million hours worked during the fourth quarter, which is an improvement of 31 per cent compared to the corresponding quarter last year, this shows that implemented measures continues to deliver improved results.

No critical complaint was reported for Ready-to-cook 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 2022	Q4 2021	Δ	2022	2021
Net sales	756	543	39%	2,949	2,112
EBITDA	66	44	49%	260	187
Depreciation	-13	-12	5%	-51	-49
EBITA	53	31	67%	209	138
Amortisation	-	-	-	-	-
EBIT	53	32	66%	209	138
EBITDA margin, %	8.7%	8.1%	0,6ppt	8.8%	8.8%
EBITA margin, %	7.0%	5.8%	1,2ppt	7.1%	6.5%
EBIT margin, %	7.0%	5.8%	1,1ppt	7.1%	6.6%
Non-comparable items ¹⁾	-	-	-	-	-
Adj. EBITDA ¹⁾	66	44	49%	260	187
Adj. EBIT¹⁾	53	32	66%	209	138
Adj. EBITDA margin, % ¹⁾	8.7%	8.1%	0,6ppt	8.8%	8.8%
Adj. EBIT margin, % ¹⁾	7.0%	5.8%	1,1ppt	7.1%	6.6%
LTI per million hours worked ²⁾	4.8	15.4	-77%	11.8	13.6
Critical complaints ³⁾	1	3	-66%	2	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 per cent from MSEK 543 to MSEK 756. In fixed currency, the increase was 32 per cent. The growth was mainly attributed to price increases but also a better mix, both between countries and products, as the total sales volume were in line with last year.

Net sales within Foodservice sales channel increased by 44 per cent and represent 66 per cent of the total net sales. In addition to price increases the growth is explained by a positive development within quick service restaurants (QSR) where consumers tend to opt more for chicken products than before and the product range has improved, leading to a better mix.

Net sales within the Retail sales channel grew more modestly by only 13 per cent and represent 18 per cent of net sales within the segment. Total volumes decreased by 4 per cent driven by lower demand in Sweden.

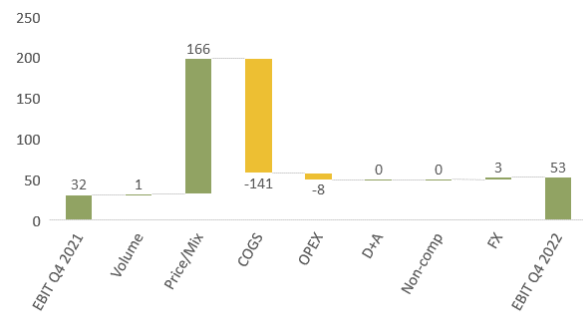
Net sales within the Export sales channel grew by 81 per cent and now stand for 10 per cent driven by targeted sales to new customers, which was also a driver of profitability.

Net sales in Denmark increased with 46 per cent and represents 65 per cent of total sales within the segment.

Net sales in Sweden increased with 46 per cent while net sales in Norway increased with 20 per cent.

To enable further growth, the capacity in the factory in Farre in Denmark has been expanded during the quarter and we have also started construction of another production line which is expected to be completed in 2024.

Ready-to-eat: Change in EBIT Q4 2021 – Q4 2022 (MSEK)



Operating income (EBIT) for Ready-to-eat increased by MSEK 21 to MSEK 53 (32) corresponding to an operating margin (EBIT margin) of 7.0 (5.8) per cent.

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

At the same time the segment continued to be negatively impacted by the fire that occurred in the production site in Farre in Denmark at the beginning of April 2022, mainly due to lost sales. Refurbishment has been made in the end of the fourth quarter.

Other operating costs increased with MSEK 8, driven by higher sales and marketing spending to stimulate innovation and growth.

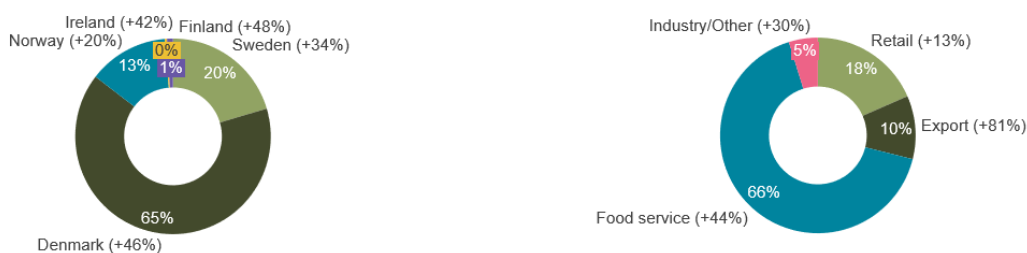
The quarter's operating margin amounted to 7.0 per cent which is higher than the corresponding quarter previous year as well as above the corresponding period in 2019 before the Covid-19 pandemic (2,1 per cent).

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

Lost time injuries (LTI) for the Ready-to-eat business amounted to 4.8 per million hours worked during the fourth quarter, which was an improvement from 15.4 in the corresponding quarter previous year. The number of hours worked within the Ready-to-eat business is relatively low in comparison to Ready-to-cook, hence also a smaller number of accidents influences the LTI FR.

One critical complaint was reported during the fourth quarter related to the Danish Ready-to-eat business.

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 149 (103) with an operating income (EBIT) of MSEK 25 (11). The improvement in operating income (EBIT) is mainly explained by increased sales prices.

Group cost

Group costs of MSEK -10 (19) were recognised in the Group operating income (EBIT). Previous year group cost included non-comparable items of MSEK 26 related to the reduction of debt when the final purchase price payment relating to the acquisition of Manor Farm was done.

Other

Personnel

The average number of fulltime employees in the fourth quarter 2022 was 3,139 (3,108) and 3,392 (3,215) for the year.

Government support

During the fourth quarter 2022 an amount of MSEK 2 (1) of governmental support has been recognized in profit. The received government support refers to compensation for agricultural support and energy support.

Average exchange rates

	2022-12	2021-12
DKK/SEK	1.43	1.36
NOK/SEK	1.05	1.00
EUR/SEK	10.63	10.14

Group results, financial position and cash flow

January – December 2022

Net sales amounted to MSEK 12,119 (10,101). At constant exchange rates net sales increased by 16 per cent. The increase in net sales is mainly explained by price increases. Net sales to Retail sales channel increased with 19 per cent while net sales to Food service increased with 42 per cent 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 290 (222), corresponding to an operating margin (EBIT margin) of 2.4 (2.2) per cent. No non-comparable items reported in the period.

The increase in operating income was mainly driven by an improved results in Ready-to-eat and segment Other, while Ready-to-cook reported worsening results.

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

Finance net for the Group amounted to MSEK -105 (-82). The increase is primarily driven by increased interest expenses for interest-bearing liabilities of MSEK -54 (-37) due to increased interest rates. In addition the finance net consists of interest on leasing of MSEK -11 (-11) and currency/other items of MSEK -39 (-33).

Tax expenses for the Group amounted to MSEK -47 (-37) corresponding to an effective tax rate of approximately 25 (26) per cent which is in line with expectations given the mix of tax rates between the different countries and that no deferred tax asset was booked for Finland during the year.

Income for the period for the Group increased by 34 per cent to MSEK 138 (103). Earnings per share was SEK 2.02 (1.60).

Net interest-bearing debt (NIBD) for the Group was MSEK 1,983, an increase by MSEK 3 from the 31st of December 2021. The operating cash flow for year decreased to MSEK 197 (347) negatively affected by a higher working capital level mainly driven by a reduction in factoring solutions but also increased inventory.

Total equity attributable to the owners of the parent company as of December 31, 2022, amounted to MSEK 2,331 (1,951). The equity to assets ratio amounted to 33.5 (30.0) per cent. Return on equity was 6.2 (5.5) per cent.

The financial target for the Group's adjusted EBITDA margin is to exceed 10 per cent in the medium term. The outcome for the full year 2022 was 6.0 (5.8) per cent, 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, 2022, was 2.7x (3.4x), which was somewhat above the target range for the Group but an improvement compared with previous year.

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-year average) for the full year 2022 was 7 (6) per cent, and the growth in 2022 was 20 per cent.

The financial target for the Group's dividend ratio is approximately 60 per cent of profit for the year adjusted for non-comparable items on average over time. The Board proposes a dividend for the financial year 2022 of SEK 1.15 per share which corresponds to MSEK 75 (0) which is 54 per cent of the year's result.

Net Sales and Operating Income (EBIT)²⁾

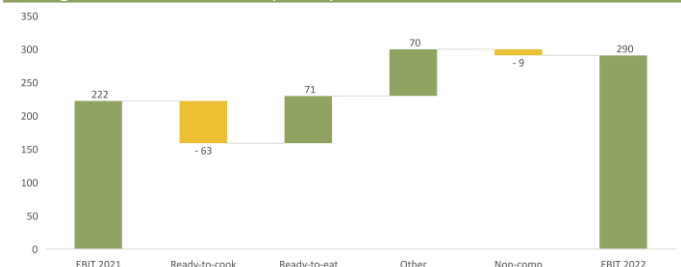
MSEK	2022	2021
Net sales	12,119	10,101
EBITDA	722	598
Depreciation	-382	-328
EBITA	340	270
Amortisation	-52	-50
EBIT	290	222
EBITDA margin, %	6.0%	5.9%
EBITA margin, %	2.8%	2.7%
EBIT margin, %	2.4%	2.2%
Non-comparable items ¹⁾	-	9
Adj. EBITDA ¹⁾	722	589
Adj. EBIT¹⁾	290	213
Adj. EBITDA margin, % ¹⁾	6.0%	5.8%
Adj. EBIT margin, % ¹⁾	2.4%	2.1%
Chicken processed (tonne lw) ³⁾	355 072	393,369
Adj. EBIT/kg	0,8	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 2021 – 2022 (MSEK)



Finance net and tax expenses

MSEK	2022	2021
Finance income	1	2
Finance expenses	-105	-83
Finance net	-105	-82
Income after finance net	186	140
Income tax expenses	-47	-37
Income tax expenses %	-25%	-26%
Income for the period	138	103
Earnings per share, SEK	2.02	1.60

Net-interest-bearing debt (NIBD)

MSEK	2022	2021
Opening balance NIBD	1,980	1,933
EBITDA	722	598
Change in working capital	-136	162
Net capital expenditure	-311	-306
Other operating items	-79	-108
Operating cash flow	197	347
Paid finance items, net	-95	-69
Paid tax	-55	-56
Dividend	-4	-81
Business combinations	-	-171
Other items	-45	-17
Decrease (+) / increase (-) NIBD	-3	-47
Closing balance NIBD	1,983	1,980

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

Financial targets	2022	2021	Target
Adj. EBITDA margin, %	6.0%	5.8%	10%
NIBD/Adj. EBITDA	2.7x	3.4x	2.0-2.5x

Other information

Risks and uncertainties

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

This description also includes a section on "Changed purchasing costs" which is also stated here in updated form: The Group is also exposed to general cost changes including energy, transportation, insurance and packaging materials and for cost changes as an effect of geopolitical uncertainty. The 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.

Other significant events

Dividend

The Board proposes a dividend for the financial year 2022 of SEK 1.15 per share which corresponds to MSEK 75 (0) to the Annual General Meeting 2023 based on the number of outstanding shares as of December 31, 2022. Proposed dividend corresponds to 54 (0) per cent of the earnings of the year adjusted for non-comparable items. The dividend policy of Scandi Standard is to distribute approximately 60 per cent of earnings, adjusted for non-comparable items, for the year on average over time.

Stockholm, 9 February 2023

Jonas Tunestål
Managing director and CEO

*The interim report has not been subject to review by the Company's auditors.
This is a translation of the original Swedish version published on www.scandistandard.com*

Consolidated income statement

MSEK	Q4 2022	Q4 2021	2022	2021
Net sales	3,069	2,435	12,119	10,101
Other operating revenues	6	5	25	18
Changes in inventories of finished goods and work in progress	145	81	112	54
Raw materials and consumables	-2,058	-1,581	-7,809	-6,200
Cost of personnel	-550	-480	-2,136	-2,041
Depreciation, amortisation and impairment	-104	-97	-434	-378
Other operating expenses	-410	-335	-1,589	-1,332
Share of income of associates	2	2	2	2
Operating income	99	30	290	222
Finance income	0	1	1	2
Finance expenses	-32	-23	-105	-83
Income after finance net	67	8	186	140
Tax on income for the period	-12	-3	-47	-37
Income for the period	55	4	138	103
Whereof attributable to:				
Shareholders of the Parent Company	56	5	132	104
Non-controlling interests	-1	-1	6	-1
Average number of shares	65,327,164	65,325,178	65,327,164	65,287,762
Earnings per share, SEK	0.86	0.08	2.02	1.60
Earnings per share after dilution, SEK	0.86	0.08	2.02	1.60
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 2022	Q4 2021	2022	2021
Income for the period	55	4	138	103
Other comprehensive income				
<i>Items that will not be reclassified to the income statement</i>				
Actuarial gains and losses in defined benefit pension plans	-17	18	28	42
Tax on actuarial gains and losses	3	-4	-6	-9
Total	-13	14	22	33
<i>Items that will or may be reclassified to the income statement</i>				
Cash flow hedges	71	0	96	-1
Currency effects from conversion of foreign operations	116	15	248	70
Income from currency hedging of foreign operations	-11	-4	-29	-14
Tax attributable to items that will be reclassified to the income statement	-15	0	-20	0
Total	162	11	295	55
Other comprehensive income for the period, net of tax	149	25	317	88
Total comprehensive income for the period	204	30	456	192
Whereof attributable to:				
Shareholders of the Parent Company	205	31	449	193
Non-controlling interests	-1	-1	6	-1

Consolidated statement of financial position

MSEK	Note	December 31, 2022	December 31, 2021
ASSETS			
Non-current assets			
Goodwill		971	921
Other intangible assets		915	876
Property plant and equipment		1,995	1,889
Right-of-use assets		393	415
Participations in associated companies		51	46
Surplus in funded pensions		64	34
Derivative instruments financial	3	18	-
Derivative instruments operational	3	18	-
Financial assets	3	4	3
Deferred tax assets		90	65
Total non-current assets		4,520	4,249
Current assets			
Biological assets		110	103
Inventory		930	785
Trade receivables	3	1,095	811
Other short-term receivables		109	92
Prepaid expenses and accrued income		150	104
Derivative instruments operational	3	49	-
Cash and cash equivalents	3	3	350
Total current assets		2,446	2,245
TOTAL ASSETS		6,965	6,494
EQUITY AND LIABILITIES			
Shareholder's equity			
Share capital		646	646
Other contributed equity		355	125
Reserves		1,331	1,180
Retained earnings		2,331	1,951
Capital and reserves attributable to owners		2	0
Non-controlling interests		2,334	1,951
Total equity			
Liabilities			
Non-current liabilities			
Non-current interest-bearing liabilities	3	1,582	1,884
Non-current leasing liabilities		346	367
Derivative instruments	3	-	5
Provisions for pensions		3	3
Other provisions		11	9
Deferred tax liabilities		211	178
Other non-current liabilities	4	71	65
Total non-current liabilities		2,225	2,511
Current liabilities			
Current leasing liabilities		75	68
Derivative instruments	3	-	5
Trade payables	3	1,619	1,291
Tax payables		56	55
Other current liabilities	4	-	179
Accrued expenses and prepaid income		657	433
Total current liabilities		2,407	2,031
TOTAL EQUITY AND LIABILITIES		6,965	6,494

Consolidated statement of changes in equity

MSEK	Equity attributable to shareholders of the Parent Company							Total equity
	Note	Share capital	Other contributed equity	Reserves	Retained earnings	Equity attributable to shareholders of the Parent Company	Non-controlling interests	
Opening balance January 1, 2021		1	727	70	1,077	1,875	1	1,876
Income for the year					104	104	-1	103
Other comprehensive income for the year, net after tax				55	33	88	-	88
Total comprehensive income				55	138	193	-1	192
Dividend			-81			-81	-	-81
Long term incentive program (LTIP)					-3	-3	-	-3
Repurchase of own shares					-32	-32	-	-32
Total transactions with the owners		-	-81	-	-35	-117	0	-117
Closing balance December 31, 2021		1	646	125	1,180	1,951	0	1,951
Opening balance January 1, 2022		1	646	125	1,180	1,951	0	1,951
Income for the period					132	132	6	138
Other comprehensive income, net after tax				229	22	251	-	251
Total comprehensive income				229	154	383	6	389
Dividend							-4	-4
Long term incentive program (LTIP)					-4	-4	-	-4
Repurchase of own shares								
Total transactions with the owners		-	-	-	-4	-4	-4	-8
Closing balance December 31, 2022		1	646	355	1,329	2,331	2	2,334

Consolidated statement of cash flows

MSEK	Q4 2022	Q4 2021	2022	2021
OPERATING ACTIVITIES				
Operating income	99	30	290	222
Adjustment for non-cash items	104	69	441	354
Paid finance items, net	-30	-17	-95	-69
Paid current income tax	3	4	-55	-56
Cash flow from operating activities before changes in operating capital	176	87	581	451
Changes in inventories and biological assets	-141	-81	-107	-60
Changes in operating receivables	65	162	-301	64
Changes in operating payables	-127	-23	272	158
Changes in working capital	-203	59	-136	162
Cash flow from operating activities	-27	145	445	613
INVESTING ACTIVITIES				
Business combinations	-	-136	-	-171
Investments in rights of use assets	-3	-1	-3	-1
Investments in intangible assets	-25	-	-31	-
Investment in property, plant and equipment	-143	-68	-280	-306
Cash flows used in investing activities	-170	-205	-314	-478
FINANCING ACTIVITIES				
New loan	-	-	2,561	-
Repayment loan	-74	-	-2,930	-31
Change in overdraft facility	3	-	3	-
Payments for amortisation of leasing liabilities	-21	-20	-85	-84
Dividend	-5	-	-4	-81
Repurchase of own shares	-	-	-	-32
Other	-5	10	-13	29
Cash flows in financing activities	-101	-9	-468	-199
Cash flows for the period	-299	-69	-337	-63
Cash and cash equivalents at beginning of the period	303	425	350	413
Currency effect in cash and cash equivalents	-2	-6	-10	1
Cash flow for the period	-299	-69	-337	-63
Cash and cash equivalents at the end of the period	3	350	3	350

Parent Company income statement

MSEK	Q4 2022	Q4 2021	2022	2021
Net sales	-	-	-	-
Operating expenses	0	0	0	0
Operating income	0	0	0	0
Finance net ¹⁾	-3	5	395	9
Income after finance net	-3	5	395	9
Group contribution	13	2	13	2
Tax on income for the period	0	2	-	0
Income for the period	10	8	408	10

¹⁾Regards dividend from subsidiaries

Parent Company statement of comprehensive income

MSEK	Q4 2022	Q4 2021	2022	2021
Income for the period	10	8	408	10
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period	10	8	408	10

Parent Company statement of financial position

MSEK	Note	December 31, 2022	December 31, 2021
ASSETS			
Non-current assets			
Investments in subsidiaries		938	938
Receivables from Group entities		-	-
Total non-current assets		938	938
Current assets			
Receivables from Group entities		99	12
Cash and cash equivalents		0	0
Total current assets		99	12
TOTAL ASSETS		1,037	950
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital		1	1
Non-restricted equity			
Share premium account		645	645
Retained earnings		-17	-27
Income for the period		408	10
Total equity		1,037	629
Current liabilities			
Tax payables		-	0
Liabilities to Group companies	4	-	320
Accrued expenses and prepaid income		-	-
Total current liabilities		-	320
TOTAL EQUITY AND LIABILITIES		1,037	950

Parent Company statement of changes in equity

MSEK

Opening balance 1 January, 2021	732
Income for the year	10
Other comprehensive income for the year, net after tax	-
Total comprehensive income	10
Dividend	-81
Repurchase of own shares	-32
Total transactions with the owners	-113
Closing balance December 31, 2021	629
Opening balance 1 January, 2021	629
Income for the period	408
Other comprehensive income for the period, net after tax	-
Total comprehensive income	408
Closing balance December 31, 2022	1,037

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.

Energy derivatives

The company applies hedge accounting according to the cash flow hedge model for energy derivatives. The accounting principle for these hedges coincide with the existing cash flow hedges, as shown in the annual report 2021. Actual values for energy derivatives are shown in note 3.

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 ¹⁾		Ready-to-eat ²⁾		Other ³⁾		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
Net Sales	8,674	7,611	2,949	2,112	496	377	12,119	10,101
Operating income (EBIT)	47	110	209	138	34	-26	290	222
Non-comparable items ⁴⁾	-	-	-	-	-	9	-	9
Adjusted EBIT ⁴⁾	47	110	209	138	34	-36	290	213
Share of income of associates	2	2					2	2
Finance income							1	2
Finance expenses							-105	-83
Tax on income for the period							-47	-37
Income for the period							138	103

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 31 December 2022 and for the comparison period, are shown in the tables below.

December 31 2022, MSEK	Valued at amortised cost	Valued at fair value through profit and loss ¹	Derivatives used in hedge accounting ¹
Assets			
Other non-current financial assets	4	-	-
Trade receivables	1,095	-	-
Derivatives instruments, financial	-	-	18
Derivatives instruments, operational	-	-	68
Cash and cash equivalents	3	-	-
Total financial assets	1,101	-	86
Liabilities			
Non-current interest-bearing liabilities	1,582	-	-
Other non-current liabilities	-	-	-
Derivatives instruments	-	-	-
Current interest-bearing liabilities	-	-	-
Other current liabilities	-	-	-
Trade and other payables	1,619	-	-
Total financial liabilities	3,200	-	-

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

1) The valuation of the Groups financial assets and liabilities is performed in accordance with the fair-value hierarchy:

Level 1. Quoted prices (unadjusted) in active markets for identical instruments.

Level 2. Data other than quoted prices included within level 1 that are observable for the asset or liability either directly as prices or indirectly as derived from prices.

Level 3. Non-observable data for the asset or liability.

As of 31 December 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. The fair value of energy hedge contracts (operational derivatives) is estimated based on current forward rates at the reporting date. As of 31 December 2022, the financial derivatives amounted to MSEK 18 (-11) and the operational derivatives amounted to MSEK 68 (0).

For the Group's long-term borrowing, which as of 31 December 2022 amounted to MSEK 1,582 (1,884), fair value is considered to be equal to the amortised cost as the borrowings are held at floating market rates and hence the booked value will be approximated as the fair value.

For other financial instruments, fair value is estimated at cost adjusted for any impairment.

Note 4. Other liabilities

The current liabilities to Group entities in the Parent Company as per 31 December 2022 amounted to MSEK - (320).

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 2022	Q4 2021	2022	2021
Net sales	A	3,069	2,435	12,119	10,101
Income for the period	B	55	4	138	103
+ Reversal of tax on income for the year		12	3	47	37
Income after finance net	C	67	8	186	140
+ Reversal of financial expenses		32	23	105	83
+ Reversal of financial income		0	-1	-1	-2
Operating income (EBIT)	D	99	30	290	222
+ Reversal of depreciation, amortisation and impairment		104	97	434	378
+ Reversal of share of income of associates		-2	-2	-2	-2
EBITDA	E	202	125	722	598
Non-comparable items in income for the period (EBIT)	F	0	-26	-	-9
Adjusted income for the period (Adj. EBIT)	D+F	99	3	290	213
Adjusted operating margin (Adj. EBIT margin)	(D+F)/A	3.2%	0.1%	2.4%	2.1%
Non-comparable items in EBITDA	G	-	-26	-	-9
Adjusted EBITDA	E+G	202	98	722	589
<i>Adjusted EBITDA margin %</i>	<i>(E+G)/A</i>	<i>6.6%</i>	<i>4.0%</i>	<i>6.0%</i>	<i>5.8%</i>

From Statement of Cash Flow, MSEK		Q4 2022	Q4 2021	2022	2021
Operating activities		,			
Operating income (EBIT)		99	30	290	222
Adjustment for non-cash items		,			
+ Depreciation, amortisation and impairment		104	97	434	378
- Share of income of associates		-2	-2	-2	-2
EBITDA		202	125	722	598
Non-comparable items in EBITDA	G	-	-26	-	-9
Adjusted EBITDA		202	98	722	589

From Balance Sheet, MSEK		December 31, 2022	December 31, 2021
Total assets		6,965	6,494
Non-current non-interest-bearing liabilities			
Deferred tax liabilities		-211	-178
Other non-current liabilities		-71	-65
Total non-current non-interest-bearing liabilities		-283	-243
Current non-interest-bearing liabilities			
Trade payables		-1,619	-1,291
Tax payables		-56	-55
Other current liabilities		-167	-179
Accrued expenses and prepaid income		-490	-433
Total current non-interest-bearing liabilities		-2,332	-1,958
Capital employed		4,351	4,293
Less: Cash and cash equivalents		-3	-350
Operating capital		4,348	3,943
Average capital employed	H	4,322	4,268
Average operating capital	I	4,146	3,887
Operating income (EBIT), R12M		290	222
Adjusted operating income (Adj. EBIT), R12M	J	290	213
Financial income	K	1	2
Return on capital employed	(J+K)/H	6.7%	5.2%
Return on operating capital	J/I	7.0%	5.7%
Interest bearing liabilities			
Non-current interest-bearing liabilities		1,582	1,884
Non-current leasing liabilities		346	367
Derivates		-18	11
Current leasing liabilities		75	68
Total interest-bearing liabilities		1,985	2,330
Less: Cash and cash equivalents		-3	-350
Net interest-bearing debt		1,983	1,980

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

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

Non-comparable items in operating income (EBIT)

MSEK	Q4 2022	Q4 2021	2022	2021
Earn-out Debt adjustment ¹⁾	-	26	-	9
Total	-	26	-	9

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

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

MSEK	Q4 2022	Q4 2021	2022	2021
Group cost	-	26	-	9
Total	-	-26	-	9

Note 7. Specific explanatory items (Exceptional items)

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

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

MSEK	Q4 2022	Q4 2021	2022	2021
Bird flu ¹⁾	0	-28	-20	-80
Covid-19 pandemic ²⁾	-	-	-	-8
Settlement supplier contract ³⁾	-	-	-	-17
Severance package ⁴⁾	-	-	-	-19
One-time payment Afa Insurance ⁵⁾	-	12	-	12
Fire incident in RTE facility in Farre, Denmark ⁶⁾	-9	-	-26	-
Write down assets ⁷⁾	0	-	-26	-
Provision contract dispute ⁸⁾	0	-	-20	-
Total	-10	-16	-92	-112

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

2) Costs related to Covid-19 pandemic - Temporarily closing of production lines on products within Foodservice in Denmark, provision for bad debt, and inventory write-down.

3) Settlement related to supplier contract in Denmark.

4) Costs related to severance package for restructuring (Q4 2021), for Scandi Standard general manager and Group CEO and senior management in Ireland

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

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

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

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

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

MSEK	Q4 2022	Q4 2021	2022	2021
Ready-to-cook	-1	-16	-66	-90
Ready-to-eat	-9	-	-26	-9
Other	-	-	-	-
Group cost	-	-	-	-13
Total	-10	-16	-92	-112

Definitions

Adjusted income for the period

Income for the period adjusted for non-comparable items.

CAGR

Yearly average growth.

Capital employed

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

Average Capital employed

Average capital employed as of the two last years.

Adjusted return on operating capital (ROC)

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

COGS

Cost of goods sold.

Earnings per share (EPS)

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

Adjusted earnings per share (EPS)

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

EBIT

Operating income.

Adjusted operating income (Adj. EBIT)

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

EBITA

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

Adjusted EBITA

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

Adjusted EBITA margin

Adjusted EBITA as a percentage of net sales.

EBITDA

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

Adjusted EBITDA

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

EBITDA margin

EBITDA as a percentage of net sales.

Adjusted EBITDA margin

Adjusted EBITDA as a percentage of net sales.

Equity per share

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

Net interest-bearing debt (NIBID)

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

Net sales

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

Non-comparable items

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

Operating capital

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

Average operating capital

Average operating capital as of the two last years.

Operating cash flow

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

Adjusted operating cash flow

Cash flow adjusted for non-comparable items.

Operating margin (EBIT margin)

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

Adjusted operating margin (Adj. EBIT margin)

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

Other operating expenses

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

Other operating revenues

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

Production costs

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

Raw materials and consumables

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

Return on capital employed (ROCE)

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

Return on equity (ROE)

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

Return on operating capital (ROC)

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

Adjusted return on capital employed (ROCE)

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

RTC

Ready-to-cook. Products that require cooking.

RTE

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

R12M

Rolling twelve months

Specific Explanatory items (exceptional items)

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

Working capital

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

Conference Call

A conference call for investors, analysts and media will be held on 9 February 2023 at 8.30 AM CET.

Dial-in numbers:

UK: 020 3936 2999

Sweden: 010 884 80 16

US: +1 646 664 1960

Other countries: +44 20 3936 2999

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

Further information

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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 9 February 2023.

Financial calendar

Interim report for Q1 2023	May 3, 2023
Annual General Meeting	May 4, 2023
Interim report for Q2 2023	August 23, 2023
Interim report for Q3 2023	October 26 2023

Annual General Meeting 2023

Scandi Standard's annual general meeting will take place on 4 May 2023 at 7A Posthuset, Vasagatan 28 in Stockholm. Notice will be published no later than four weeks before the meeting.

Nomination Committee

The Nomination committee for the AGM 2023 consists of Andreas Hofmann (chairman, appointed by Investment AB Öresund), Paulo Gaspar (appointed by Grupo Lusiaves), Tove Cederborg (appointed by Lantmännen Animalieinvest AB), Tim Floderus (appointed by Eva Qviberg) and Johan Bygge in his capacity as Chairman of the Board of Scandi Standard AB (publ).

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 Maaliskana. Eggs are also produced and sold in Norway. We are approximately 3,000 employees with annual sales of more than SEK 12 billion.

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