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Scandi Standard (SCST SS) accelerates build-up of integrated business model in Lithuania

Scandi Standard has agreed to acquire six highly profitable poultry farms in Lithuania. Through the transaction, Scandi Standard's Lithuanian business will become self-sufficient in bird supply. Each of the six farms will be acquired separately during 2025 in an idle state. The total cash purchase price of 18 MEUR (appr. 200 MSEK), on a debt and cash-free basis, will be financed through Scandi Standard's credit facilities. The transaction is expected to be margin and EPS accretive.

In Q4 2024 Scandi Standard acquired a state-of-the-art poultry processor in Lithuania. As part of that transaction Scandi Standard acquired poultry farms with capacity to produce up to 6 ktonnes grill weight (GW) p.a. When including the six additional poultry farms, Scandi Standard will have the ability be self-sufficient in producing up to 25 ktonnes (GW) p.a. on one shift in Lithuania.

Jonas Tunestål, CEO of Scandi Standard, says *"This deal accelerates our ability to combine low-cost capability with the necessary control to meet the highest standards within animal welfare, food safety and product quality in Lithuania. In combination with our recent acquisition of two of Europe's most efficient breaded product lines in the Netherlands, we will have a unique end-to-end quality offering to some of Europe's most demanding customers. Furthermore, the Lithuanian business will allow us to better service the most price-sensitive segments in our home markets. All in all, I am very pleased by the successful startup of our operations in Lithuania, and I am confident that the integrated business there will have a capacity to generate an EBIT/kg well above our 2027 group target of 3 SEK already in 2026. I expect the transaction to be EPS-accretive from day one and will contribute to a higher EBIT margin for the Scandi Group."*

In the original 2024 transaction Scandi Standard also acquired land plots suitable for building poultry farms. The acquisition of poultry farms accelerates the supply chain integration and leaves land plots available for gradually doubling our capacity in Lithuania in line with increased capacity utilisation of our breaded capacity in the Netherlands.

WALLESS are legal advisers to Scandi Standard in connection with the transaction.

For further comments, please contact:

Jonas Tunestål, Managing Director and CEO

Fredrik Sylwan, Group CFO: +46 706 422 304

Henrik Heiberg, Head of M&A, Financing & IR: +47 917 47 724

About Scandi Standard

Scandi Standard is the market leader within chicken-based food products in the Nordic region and Ireland. The company processes, 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. Scandi Standard also has a leading position within frozen breaded poultry products in the Nordic region and has recently acquired two of Europe's most efficient product lines in the Netherlands. Scandi Standard also owns an integrated low-cost chicken operations in Lithuania. Scandi Standard employs more than 3,200 employees and has annual sales of more than SEK 13 billion. For more information, please visit www.scandistandard.com.