



First quarter report 2020

Strong operating performance – resilience to Covid-19 pandemic

12 May 2020

- Net sales increased by 1 percent to MSEK 2,479 (2,458) in the first quarter 2020. Net sales increased in all segments except for Denmark.
- Adjusted operating income¹⁾ increased to MSEK 117 (110), corresponding to a margin of 4.7 (4.5) percent.
- Income for the period decreased to MSEK 35 (72). Earnings per share decreased to SEK 0.51 (1.11). The decrease compared to previous year is mainly referring to higher non-comparable items in the quarter, whereof MSEK 27 was related to Covid-19 pandemic but also to higher financial net mainly driven by currency effects.
- Operating cash flow was MSEK 95 (41). The increase was driven by improved working capital.
- Net interest-bearing debt decreased by MSEK 66 from 31 December 2019 to MSEK 2,134.

MSEK	Q1 2020	Q1 2019	Change	LTM	2019
Net sales	2,479	2,458	1%	9,911	9,891
Adjusted EBITDA ¹⁾	200	190	5%	786	776
Adjusted operating income (EBIT) ¹⁾	117	110	6%	461	454
Non-comparable items ¹⁾	-42	-	-	-72	-30
Operating income (EBIT)	75	110	-32%	389	424
Finance net	-33	-21	57%	-125	-113
Income after finance net	41	89	-54%	264	312
Income tax expense	-6	-17	-64%	-64	-75
Income for the period	35	72	-51%	199	237
Adjusted EBITDA margin ¹⁾	8.1%	7.7%	-	7.9%	7.8%
Adjusted operating margin (EBIT) ¹⁾	4.7%	4.5%	-	4.7%	4.6%
Earnings per share, SEK	0.51	1.11	-54%	3.00	3.60
Adjusted return on capital employed ¹⁾	10.8%	9.9%	-	10.8%	11.0%
Return on equity	11.0%	14.1%	-	11.0%	14.2%
Operating cash flow	95	41	133%	644	590
Net interest-bearing debt	-2,134	-2,411	-11%	-2,134	-2,200

¹⁾ Adjusted for non-comparable items, see page 11.

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 over SEK 9 billion. For more information, please visit www.scandistandard.com.

CEO statement

Scandi Standard is reporting a strong adjusted result for the first quarter of 2020. Compared to the same quarter last year, net sales increased by 1 percent to MSEK 2,479 and adjusted EBIT increased by 6 percent to MSEK 117. Net sales were deflated by the price adjustments implemented in 2019 to pass through decreased raw material prices for feed. The improved adjusted EBIT was driven by increased volume reflecting strong demand for our products.

Towards the end of the quarter, effects of the Covid-19 pandemic started to impact our business. During April we experienced an increase of about 7 percent in retail sales as consumers were spending more time at home. Correspondingly, Scandi Standard experienced a drop of about 30 percent in its Foodservice sales. Thanks to the resilience overall consumer demand for our products, I am pleased to report that these effects have broadly offset each other and that prices in our domestic markets generally remain unaffected.

Scandi Standard's net sales is normally split 60 percent through domestic Retail channels and 20 percent through Foodservice channels. Scandi Standard has executed forceful measures to adjust throughput of products intended for these channels and made plans for alternative sales of specialised products already in stock. Certain plants and production lines focused on Retail sales has been operating during longer hours than normal and we have temporarily closed some production lines focused on Foodservice. Although we observe a partial reversal of these effects in line with lock downs being lifted, we expect the trend to remain for some time.

Scandi Standard is posting Covid-19 related non-comparable items in the first quarter accounts of MSEK 27. These items are primarily driven by cost related to Foodservice for inventory write-down, adjustments to production capacity and bad debt provision.

Despite a robust balance sheet, a solid financing and significant current headroom to our financial covenants, we have found it prudent to implement precautionary cash preservation measures in case material negative change should incur. The MSEK 147 dividend proposal to the 2020 AGM as noted in the interim report for the fourth quarter 2019 has been withdrawn, the planned level of capital investments in 2020 have been reduced from MSEK 420 to MSEK 300. Further we renewed credit facilities of MSEK 200 and obtained additional facilities of MSEK 200 from our lenders.

I am proud of the way our organisation has rapidly been able to adapt to the current environment. I am confident that the combination of operational and financial measures implemented will allow us to optimise our performance and secure timely deliveries of high-quality products to the customers in the prevailing environment.

I wish to thank all our employees for their flexibility and hard work to secure high quality food supply to our customers in the Nordic region, Ireland and our export markets. In spite of the higher than normal sick leave and increased overtime throughout the group, Scandi Standard has so far continued to deliver a solid performance in manufacturing. I am pleased to report that we have received recognition from customers in all regions for this hard work. The safety and well-being of our employees will however always be our highest priority and several measures, including heightened hygiene measures, have been implemented to safeguard our staff.

During the first quarter we concluded a comprehensive strategic review aimed at identifying the best medium-and long-term path to extract our organic growth and earnings potential. Through the involvement of a broad part of our organisation I am confident that the process absorbed the best ideas and that these were refined through thorough discussions and analysis. Given the modest implications of Covid-19 so far, I expect that we can embark on specific projects and plans without much delay. We are posting MSEK 16 in non-recurring items relating to the strategic review in the first quarter.

As a direct consequence of the process, we have been convinced of the benefits of increased focus on the respective skill sets required within our Ready-to-cook (RTC) and Ready-to-eat (RTE) activities. Following this we have decided to adapt our reporting segments accordingly, to be implemented later this year.

In spite of the turbulence around us, we continue to carefully monitor the structural changes and opportunities within our sector. Following our recent strategic review, I am confident that we are even better suited as an acquisition vehicle in the poultry market. Acquisitions can generate significant benefits for the Group through sharing of best practice with improved efficiency and sustainable operations as well as contribute to increased stability in earnings.

I am pleased to report a good quarter with strong operating performance and the business' resilience to the ongoing Covid-19 pandemic. Being a key producer of the most affordable main protein source with sales predominantly through the growing retail channel, Scandi Standard has had a good start to the second quarter of 2020. In the absence of material adverse change in the coming months, Scandi Standard will reconsider its current cash preservation measures.

Leif Bergvall Hansen
Managing Director and CEO

Net sales and income

MSEK	Q1 2020	Q1 2019	Change	LTM	2019
Net sales	2,479	2,458	1%	9,911	9,891
Adjusted EBITDA ¹⁾	200	190	5%	786	776
Adjusted operating income (EBIT) ¹⁾	117	110	6%	461	454
Non-comparable items ¹⁾	-42	-	-	-72	-30
Operating income (EBIT)	75	110	-32%	389	424
Finance net	-33	-21	57%	-125	-113
Income after finance net	41	89	-54%	264	312
Income tax expense	-6	-17	-64%	-64	-75
Income for the period	35	72	-51%	199	237
Adjusted EBITDA margin ¹⁾	8.1%	7.7%	-	7.9%	7.8%
Adjusted operating margin (EBIT) ¹⁾	4.7%	4.5%	-	4.7%	4.6%
Earnings per share, SEK	0.51	1.11	-54%	3.00	3.60

¹⁾ Adjusted for non-comparable items, see page 11.

First quarter 2020

Net sales

Net sales for the Group in the first quarter 2020 increased by 1 percent to MSEK 2,479 compared to MSEK 2,458 in the first quarter 2019. The increase was 0 percent at constant exchange rates.

All countries except Denmark have seen a positive development in the Retail channel, while Foodservice has been negatively impacted by Covid-19 pandemic.

Net sales in Sweden increased by 5 percent, driven by all product categories but mainly in Ready-to-eat, Ready-to-cook Frozen and Export through increased sales volumes. Net sales were also impacted by lower prices after adopting to lower feed prices.

Net sales in Denmark decreased by 9 percent corresponding to 11 percent in local currency. Net sales decreased mainly in the product categories Ready-to-cook Chilled and Frozen. The decline is driven by changes in sales pattern related to Covid-19 pandemic, as well as some changes in private label contracts in Retail channel during Februari to April.

Net Sales in Norway increased by 5 percent corresponding to 9 percent in local currency. The increase in net sales was mainly driven by the product categories Ready-to-cook Chilled and Ready-to-cook Frozen.

Net Sales in Ireland increased by 8 percent, corresponding to 6 percent in local currency. The increase was driven by Ready-to-cook Chilled.

Net sales in Finland increased by 19 percent corresponding to 16 percent in local currency. The growth is mainly driven by Ready-to-cook Chilled.

Income

Adjusted operating income for the Group in the first quarter 2020 was MSEK 117 compared to MSEK 110 the first quarter 2019, corresponding to an adjusted operating margin of 4.7 (4.5) percent.

Adjusted operating income and adjusted operating margin improved in Sweden, Ireland and Finland, was unchanged in Norway but decreased in Denmark. Adjusted operating income was positively affected by higher sales volumes in mainly Norway and Sweden, but negatively affected by slight increase in operating costs and depreciation.

Operating income decreased by 32 percent to MSEK 75 (110), corresponding to an operating margin of 3.0 (4.5) percent. Non-comparable items amounted to MSEK 42 (-) and consisted of cost related to Covid-19 of MSEK 27 and cost related to Group wide strategy project of MSEK 16.

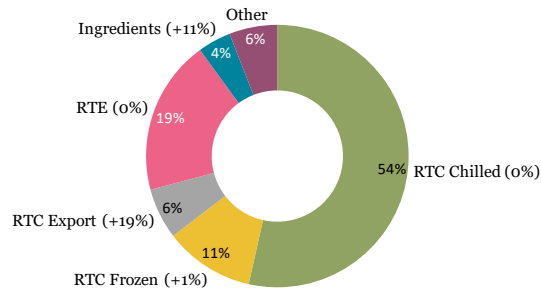
Finance net for the Group in the first quarter 2020 was MSEK -33 (-21). The change in the finance net is mainly caused by foreign exchange effects.

Tax expenses for the Group in the first quarter 2020 amounted to MSEK 6 (17) corresponding to an effective tax rate of approximately 15 (19) percent.

Income for the period for the Group in the first quarter was MSEK 35 (72). Earnings per share decreased to SEK 0.51 (1.11).

Net sales by product category and by sales channel for the first quarter 2020

Net sales by product category as percentage of total net sales (change from same period last year in parenthesis)



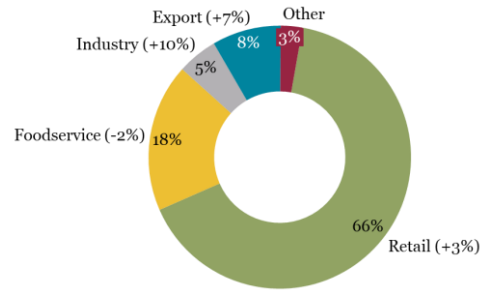
Net sales for the Group in first quarter 2020 was unchanged for the product category Ready-to-cook (RTC) Chilled, compared to same period last year, since the positive development in Sweden, Norway, Ireland, and Finland was offset by negative development in Denmark.

Net sales were unchanged for the Ready-to-eat (RTE) product category, since a positive development in the beginning of the year was offset by a large downfall in March driven by the Covid-19 pandemic.

Net sales increased by 1 percent for the Ready-to-cook (RTC) Frozen product category.

Net sales increased by 19 percent in the Ready-to-cook (RTC) Export product category.

Net sales by sales channel as percentage of total net sales (change from same period last year in parenthesis)

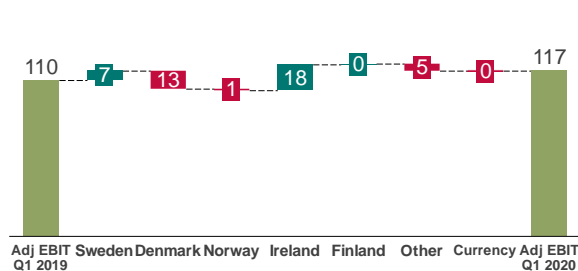


Net sales for the Group for the first quarter 2020 increased by 3 percent for the Retail channel compared to same period last year. Net sales decreased by 2 percent for the sales channel Foodservice, driven by Covid-19 pandemic.

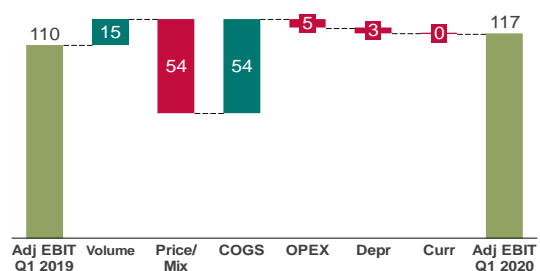
The net sales trend differ between months in the first quarter 2020, driven by Covid-19 pandemic. Net sales in the sales channel Retail declined by 1 percent in January-February but grew by 12 percent in March. Likewise, in the sales channel Foodservice, the net sales were up 5 percent in January-February but declined with 19 percent in March.

Net sales to the Industry channel increased by 10 percent and net sales in the Export channel increased by 7 percent.

Change in adjusted operating income (EBIT) for the first quarter 2020 compared to the first quarter 2019



Adjusted operating income for the Group in the first quarter 2020 increased with 6 percent, to MSEK 117 (110) compared to same quarter last year. Adjusted operating income increased in Sweden, Ireland and Finland, was unchanged in Norway and decreased in Denmark.



The increase in the adjusted operating income is mainly explained by a positive volume sales effect. The decrease in price/mix effect is offset by lowered COGS, which is the effect of downward product price adjustments implemented during the latter part of 2019 to pass through the decreased raw material prices for feed.

The operating costs increased slightly during the first quarter 2020 compared to the same quarter last year, driven by general cost increases. Depreciation increased slightly as a result of higher investments.

Cash Flow and investments

Operating cash flow in the first quarter 2020 amounted to MSEK 95 (41). Cash flow was positively affected by improved working capital while higher capital expenditure impacted negatively.

Working capital as of 31 Mars 2020 amounted to MSEK 181 (569), corresponding to 1.8 (6.2) percent of net sales. The decrease compared to the

same quarter previous year is mainly due to higher trade payables and higher other operating liabilities.

Net capital expenditure in the first quarter 2020 increased to MSEK 103 (72).

MSEK	Q1 2020	Q1 2019	LTM	2019
Opening balance net interest-bearing debt	-2,200	-2,370	-2,411	-2,370
EBITDA	159	190	718	748
Adjustments for non-cash items	5	4	30	29
Change working capital	52	-68	385	264
Net capital expenditure	-103	-72	-450	-419
Net increase in leasing assets	-17	-12	-38	-33
Operating cash flow	95	41	644	590
Paid finance items, net	-19	-22	-70	-72
Paid tax	-16	-23	-42	-49
Dividend	-	-	-133	-131
Business combinations	-	-	-133	-133
Other items ¹⁾	7	-37	8	-36
Net cash flow	66	-42	278	170
Closing balance net interest-bearing debt	-2,134	-2,411	-2,134	-2,200

¹⁾ Other mainly consists of effects from changes in foreign exchange rates.

Financial position

Total equity attributable to the owners of the parent company as of 31 March 2020 amounted to MSEK 1,877 (1,691). The equity to assets ratio improved to 28.8 (27.3) percent. Return on equity was 11.0 (14.1) percent driven by the lower income for the period.

Net interest-bearing debt as of 31 March 2020 amounted to MSEK 2,134 (2,411). The decrease compared to 31 December 2019 was MSEK 66.

Cash and cash equivalents as of 31 March 2020 amounted to MSEK 250 (92). Committed but not utilized credit facilities as of 31 March 2020 amounted to MSEK 450 (450).

Segment information

Sweden

MSEK	Q1 2020	Q1 2019	Change	LTM	2019
Net sales	732	695	5%	2,900	2,864
Adjusted EBITDA ¹⁾	67	60	12%	264	257
Adjusted operating income (EBIT) ¹⁾	49	42	17%	189	182
Non-comparable items ¹⁾	-4	-	-	-4	-
Operating income (EBIT)	45	42	7%	185	182
Adjusted EBITDA-margin ¹⁾	9.2%	8.7%	-	9.1%	9.0%
Adjusted operating margin (EBIT) ¹⁾	6.7%	6.0%	-	6.5%	6.3%

¹⁾ Adjusted for non-comparable items, see page 11.

Net sales in Sweden in the first quarter 2020 increased by 5 percent to MSEK 732 compared to MSEK 695 in the first quarter 2019.

Net sales increased in all product categories and mainly in Ready-to-eat, Ready-to-cook Frozen and Export, driven by increased volumes. The volume growth is driven by the Retail channel, while Foodservice has been negatively affected by

Covid-19 pandemic. Net sales were also impacted by lower prices after adopting to lower feed prices.

Adjusted operating income increased by 17 percent to MSEK 49 (42), corresponding to an adjusted operating margin of 6.7 (6.0) percent. Adjusted operating income and adjusted operating margin improved through increased volumes and improved efficiency.

Denmark

MSEK	Q1 2020	Q1 2019	Change	LTM	2019
Net sales	784	860	-9%	3,351	3,426
Adjusted EBITDA ¹⁾	42	53	-21%	175	186
Adjusted operating income (EBIT) ¹⁾	20	32	-38%	88	101
Non-comparable items ¹⁾	-11	-	-	-31	-20
Operating income (EBIT)	8	32	-74%	57	80
Adjusted EBITDA-margin ¹⁾	5.4%	6.2%	-	5.2%	5.4%
Adjusted operating margin (EBIT) ¹⁾	2.5%	3.7%	-	2.6%	2.9%

¹⁾ Adjusted for non-comparable items, see page 11.

Net sales in Denmark in the first quarter 2020 decreased by 9 percent to MSEK 784 compared to MSEK 860 in the first quarter 2019. The decrease in local currency was 11 percent.

Net sales decreased mainly in the product categories Ready-to-cook Chilled and Frozen. The decline is driven by changes in sales pattern related to Covid-19 pandemic, as well as some changes in private label contracts in Retail channel during February to April.

Adjusted operating income decreased by 38 percent to MSEK 20 (32), corresponding to a margin of 2.5 (3.7) percent. Adjusted operating income and adjusted operating margin was mainly affected by the decrease in net sales.

The operating income and the operating margin were affected by non-comparable items related to Covid-19 pandemic of MSEK 11.

Norway

MSEK	Q1 2020	Q1 2019	Change	LTM	2019
Net sales	419	400	5%	1,637	1,619
Adjusted EBITDA ¹⁾	51	55	-6%	220	223
Adjusted operating income (EBIT) ¹⁾	34	37	-8%	147	150
Non-comparable items ¹⁾	-3	-	-	-3	-
Operating income (EBIT)	31	37	-15%	145	150
Adjusted EBITDA-margin ¹⁾	12.3%	13.7%	-	13.4%	13.8%
Adjusted operating margin (EBIT) ¹⁾	8.1%	9.2%	-	9.0%	9.2%

¹⁾ Adjusted for non-comparable items, see page 11.

Net sales in Norway in the first quarter 2020 increased by 5 percent to MSEK 419 compared to MSEK 400 in the first quarter 2019. The increase in local currency was 9 percent. The increase in net sales is mainly driven by the product categories Ready-to-cook Chilled and Ready-to-cook Frozen.

Adjusted operating income decreased by 8 percent to MSEK 34 (37), corresponding to an adjusted operating margin of 8.1 (9.2) percent. Adjusted operating income and adjusted operating margin were affected by a weaker currency rate in relation to the Swedish krona.

Ireland

MSEK	Q1 2020	Q1 2019	Change	LTM	2019
Net sales	538	496	8%	2,013	1,972
Adjusted EBITDA ¹⁾	54	32	66%	191	169
Adjusted operating income (EBIT) ¹⁾	36	17	111%	126	107
Non-comparable items ¹⁾	-9	-	-	-9	-
Operating income (EBIT)	27	17	58%	117	107
Adjusted EBITDA-margin ¹⁾	10.0%	6.5%	-	9.5%	8.6%
Adjusted operating margin (EBIT) ¹⁾	6.8%	3.5%	-	6.3%	5.4%

¹⁾ Adjusted for non-comparable items, see page 11.

Net sales in Ireland in the first quarter 2020 increased by 8 percent to MSEK 538 compared to MSEK 496 in the first quarter 2019. The increase in local currency was 6 percent and the increase in net sales was mainly driven by the product categories Ready-to-cook Chilled. The Retail channel has been positively affected by Covid-19 pandemic.

The improvement in adjusted operating income and adjusted operating margin is driven by increased sales volumes as well as a good sales mix and improved productivity.

Operating income and operating margin were impacted by non-comparable items related to Covid-19 pandemic of MSEK 9.

Adjusted operating income increased with 111 percent to MSEK 36 (17), corresponding to an adjusted operating margin of 6.8 (3.5) percent.

Finland

MSEK	Q1 2020	Q1 2019	Change	LTM	2019
Net sales	134	112	19%	513	491
Adjusted EBITDA ¹⁾	7	6	4%	21	20
Adjusted operating income (EBIT) ¹⁾	1	1	72%	-1	-2
Non-comparable items ¹⁾	-	-	-	-9	-9
Operating income (EBIT)	1	1	72%	-10	-10
Adjusted EBITDA-margin ¹⁾	4.9%	5.6%	-	4.0%	4.1%
Adjusted operating margin (EBIT) ¹⁾	0.7%	0.5%	-	-0.2%	-0.3%

¹⁾ Adjusted for non-comparable items, see page 11.

Net sales in Finland in the first quarter 2020 increased by 19 percent to MSEK 134 compared to MSEK 112 in the first quarter 2019. The increase in local currency was 16 percent and the increase in

net sales was mainly driven by the product categories Ready-to-cook Chilled.

Adjusted operating income amounted to MSEK 1 (1), corresponding to a margin of 0.7 (0.5) percent. Net sales increased mainly in the product category Ready-to-cook Chilled.

Personnel

The average number of employees (FTE) in the first quarter 2020 was 3,146 (2,985).

The Group's sustainability work

Covid-19: The Scandi Way

Increased focus on employees and safety

Our employees' health and safety are an important part of the sustainability platform *The Scandi Way* and has been defined under the People area. To safeguard our employees and reduce the spread of Covid-19, precautionary measures were introduced early in accordance with the authorities' recommendations. These have since been updated as the recommendations have changed.

Since Covid-19 erupted, the situation has been a top priority with daily briefings in Group Management as well as in the local country and functional management teams.

Already in February, the first safety measures were introduced, with restrictions on business trips, routines for returning from personal travels in defined risk areas, and canceled conferences. As the situation has developed, we have updated our procedures in accordance with the authorities' recommendations in our various markets. The efforts have mainly been about ensuring the health of production employees through extra hygiene routines, protective equipment and distance from each other. Other employees have been asked to work from home to the greatest extent possible.

In the future, as the authorities in our markets ease the restrictions at different rates, we welcome employees back to work in stages to ensure this is done safely.

Covid-19 updates antibiotic resistance

According to WHO, the World Health Organization, antibiotic resistance is one of the biggest global threats to health, food safety and development. Antibiotic resistance has previously been called "the silent pandemic" and during the prevailing Covid-19 outbreak it became particularly clear what the effects would be if the world were to suffer an outbreak of resistant bacteria. Our work on continuing to reduce the use of antibiotics is now more important than ever.

For Scandi Standard, good animal welfare and the fight against antibiotic resistance are important parts of our sustainability work. It is not only an ethical position but also a social responsibility. Theories also argue that high death rates of Covid-19 can be linked to bacterial secondary infections in areas of high antibiotic resistance. Italy and Spain are particularly highlighted as an example¹.

- We work systematically to identify and address the factors that have the greatest impact on animal welfare and through this we continuously reduce the need for antibiotics. Good animal welfare is crucial for the chicken's wellbeing, for it to grow properly and to not receive diseases that require treatment, says Tommi Saksala, Group Director, Live Operations.

There is in essence, three factors play a role in good animal welfare: the quality of day-old chicks, the environment in which the chicken resides and the feed and care it receives from the breeder. In all of these areas, several key factors have been identified and efforts to reach Nordic levels in all markets continue. The stated target for antibiotic use for the entire group is <1% treated flocks. In 2019, the result was 0.1% for Scandi's Nordic operations.



¹ <https://www.bbc.com/future/article/20200401-coronavirus-why-death-and-mortality-rates-differ>, <https://svenska.yle.fi/artikel/2020/03/30/norsk-journalist-resistent-bakterier-kan-leda-till-doden-for-coronapatienter>, <https://www.aftenposten.no/meninger/kronikk/i/awEP27/derfor-tar-koronaviruset-saa-mange-liv-i-italia-erik-martiniusssen>

Events after the end of the quarter

On April 14th 2020 Scandi Standard issued a press release stating the effects of Covid-19 pandemic for Scandi Standard. Scandi Standard has during the second part of March and during April experienced an increase in Retail sales as consumers are spending more time at home. Likewise, Scandi Standard has experienced a drop in the Foodservice sales, which broadly represent a similar volume. Scandi Standard has executed forceful measures to manage the production capacity for these channels. One effect is that we in March temporarily closed one production line for Ready-to-eat products in Denmark. In April we closed down the full main RTE plant in Denmark for 2 weeks but as of mid-April the plant is partially up and running again at 60 percent capacity. Scandi Standard's RTE plants currently running at 60-70 percent capacity.

The Board of Directors have withdrawn the dividend proposal as announced in the interim report for the fourth quarter 2019 and decided not to propose any dividend to the Annual general meeting for 2020 (SEK 2.00 per share last year). This as a precautionary measurement to secure the company's and the Group's liquidity in case the development as an effect of Covid-19 pandemic would deteriorate. The Board declare that the financial position is good and that the proposal does not reflect a change in the company's dividend policy or future intention to pay dividend. The decision not to propose dividend is due to the uncertainty of the development that the Covid-19 pandemic creates, and the Board of Directors considers that it is not justifiable to propose any dividend.

Furthermore, Scandi Standard has a close dialogue with the financiers to secure the funding framework. As an extra precautionary measure to secure the Group's liquidity, new agreements regarding supplementary financing of MSEK 200 was agreed in May 2020.

Risks and uncertainties

Scandi Standards' risks and uncertainties are described on pages 49 – 53 and pages 81 – 84 in the Annual Report 2019, which is available at www.scandistandard.com. This description includes a section on Covid-19 pandemic under the heading "Viruspandemic", which is also stated here.

The ongoing outbreak of the new Corona virus during the spring of 2020 affects our operations in several ways. The Group's sales to Foodservice is negatively affected since the hospitality industry is suffering consequences of the virus outbreak. Our ability to produce may also be affected by high levels of sick leave and by employees that cannot be at work due to other reasons. If the outbreak has major impact on the Group's result, it may affect the liquidity and financial position of the Group. The Group has crisis plans that are updated and put into action during prevailing circumstance and production capacity is adapted to demand. A detailed analysis of the expected liquidity and financial position is made and updated continuously. Crisis package from governments may be applicable in some cases.

Stockholm, 12 May 2020

Leif Bergvall Hansen
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

Segment information

Net sales by country

MSEK	Q1 2020	Q1 2019	Change	LTM	2019
Sweden	732	695	5%	2,900	2,864
of which internal sales	63	58	9%	253	248
Denmark	784	860	-9%	3,351	3,426
of which internal sales	61	47	31%	239	225
Norway	419	400	5%	1,637	1,619
of which internal sales	1	-	-	3	2
Ireland	538	496	8%	2,013	1,972
of which internal sales	-	-	-	-	-
Finland	134	112	19%	513	491
of which internal sales	1	1	-3%	6	6
Intra-group eliminations	-127	-106	20%	-502	-481
Total net sales	2,479	2,458	1%	9,911	9,891

Net sales per product category

MSEK	Q1 2020	Q1 2019*	Change	LTM	2019*
Ready-to-cook Chilled	1,327	1,331	0%	5,194	5,197
Ready-to-cook Frozen	276	273	1%	1,064	1,061
Ready-to-cook Export	155	130	19%	600	574
Ready-to-eat	474	473	0%	2,012	2,011
Ingredients	101	91	11%	390	379
Other ¹⁾	145	161	-10%	652	668
Total net sales	2,479	2,458	1%	9,911	9,891

* Comparable figures have been reclassified between product category.

¹⁾ Other relates mainly to the sales of consumer eggs, pet food and sales of day-old chicks and hatching eggs.

Net sales in local currency

Millions in local currency	Q1 2020	Q1 2019	Change	LTM	2019
Sweden	732	695	5%	2,900	2,864
Denmark	549	616	-11%	2,349	2,416
Norway	410	375	9%	1,541	1,506
Ireland	50	48	6%	189	186
Finland	13	11	16%	48	46

Average exchange rates

	Q1 2020	Q1 2019	2019
DKK/SEK	1.43	1.40	1.42
NOK/SEK	1.02	1.07	1.07
EUR/SEK	10.66	10.42	10.59

Adjusted operating income (EBIT)

MSEK	Q1 2020	Q1 2019	LTM	2019
Sweden	49	42	189	182
Denmark	20	32	88	101
Norway	34	37	147	150
Ireland	36	17	126	107
Finland	1	1	-1	-2
Group	-23	-18	-88	-83
Total	117	110	461	454

Non-comparable items in operating income

MSEK	Q1 2020	Q1 2019	LTM	2019
Cost related to Covid-19 pandemic ¹⁾	-27	-	-27	-
Strategy project ²⁾	-16	-	-16	-
Staff reduction costs ³⁾	-	-	-12	-12
Restructuring of production ⁴⁾	-	-	-7	-7
Transaction costs ⁵⁾	-	-	-1	-1
Costs for incorrect inserts goods ⁶⁾	-	-	-6	-6
Other	-	-	-4	-4
Total	-42	-	-72	-30

Non-comparable items in operating income by segment

MSEK	Q1 2020	Q1 2019	LTM	2019
Sweden	-4	-	-4	-
Denmark	-11	-	-31	-20
Norway	-3	-	-3	-
Ireland	-9	-	-9	-
Finland	-	-	-9	-9
Group	-16	-	-16	-1
Total	-42	-	-72	-30

Operating income (EBIT)

MSEK	Q1 2020	Q1 2019	LTM	2019
Sweden	45	42	185	182
Denmark	8	32	57	80
Norway	31	37	145	150
Ireland	27	17	117	107
Finland	1	1	-10	-10
Group	-38	-18	-104	-84
Total operating income (EBIT)	75	110	389	424
Finance net	-33	-21	-125	-113
Income tax expense	-6	-17	-64	-75
Income for the period	35	72	199	237

¹⁾ Cost related to Covid-19 pandemic - inventory write-down for Foodservice MSEK 9, bad debt reservation of MSEK 11, temporarily closing of production lines for Ready-to-eat products in Denmark of MSEK 5 and other of MSEK 2.

²⁾ Comprehensive strategy project in the Group aimed to review the business has resulted in a common Group strategy on medium-and long-term path.

³⁾ Restructuring costs in Denmark in 2019.

⁴⁾ Closing of hatchery in Finland in the second quarter 2019.

⁵⁾ Deal fees mainly related to the acquisitions of Rokkedahl Food ApS in Denmark in 2018.

⁶⁾ Costs incurred due to quality issues in purchased raw material that have not been covered by insurance.

Consolidated income statement

MSEK	Q1 2020	Q1 2019	LTM	2019
Net sales	2,479	2,458	9,911	9,891
Other operating revenues	5	6	23	24
Changes in inventories of finished goods and work in progress	11	23	57	69
Raw materials and consumables	-1,469	-1,525	-5,993	-6,049
Cost of personnel	-506	-466	-2,011	-1,972
Depreciation, amortization and impairment	-85	-80	-330	-325
Other operating expenses	-361	-307	-1,269	-1,215
Share of income of associates	-	-	1	1
Operating income	75	110	389	424
Finance income	0	0	1	1
Finance expenses	-34	-21	-126	-113
Income after finance net	41	89	264	312
Tax on income for the period	-6	-17	-64	-75
Income for the period	35	72	199	237
Whereof attributable to:			0	
Shareholders of the Parent Company	33	72	197	235
Non-controlling interests	2	0	3	1
Average number of shares	65,383,603	65,285,191	65,553,278	65,358,083
Earnings per share, SEK	0.51	1.11	3.00	3.60
Earnings per share after dilution, SEK	0.51	1.11	3.00	3.60
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	Q1 2020	Q1 2019	LTM	2019
Income for the period	35	72	199	237
Other comprehensive income				
<i>Items that will not be reclassified to the income statement</i>				
Actuarial gains and losses in defined benefit pension plans	0	-9	-3	-11
Tax on actuarial gains and losses	0	2	1	2
Total	0	-7	-3	-9
<i>Items that will or may be reclassified to the income statement</i>				
Cash flow hedges	-4	-7	-1	-4
Currency effects from conversion of foreign operations	94	44	89	40
Income from currency hedging of foreign operations	12	-5	20	3
Tax attributable to items that will be reclassified to the income statement	1	1	0	1
Total	102	34	108	40
Other comprehensive income for the period, net of tax	102	27	106	31
Total comprehensive income for the period	137	99	305	267
Whereof attributable to:				
Shareholders of the Parent Company	136	100	302	266
Non-controlling interests	2	0	3	1

Consolidated statement of financial position

MSEK	Note	March 31, 2020	March 31, 2019	December 31, 2019
ASSETS				
Non-current assets				
Goodwill		934	946	940
Other intangible assets		970	1,001	957
Property plant and equipment		1,856	1,543	1,748
Right-of-use assets		415	474	427
Non-current leasing receivables	3	8	10	9
Participations in associated companies		43	42	43
Financial assets	3	4	5	4
Deferred tax assets		39	52	40
Total non-current assets		4,270	4,073	4,167
Current assets				
Biological assets	3	102	104	99
Inventory		754	677	727
Trade receivables	3	954	986	901
Other short-term receivables		73	100	93
Prepaid expenses and accrued income		108	166	89
Current leasing receivables		2	2	2
Cash and cash equivalents	3	250	92	194
Total current assets		2,242	2,128	2,105
TOTAL ASSETS		6,512	6,201	6,272
EQUITY AND LIABILITIES				
Shareholder's equity				
Share capital		1	1	1
Other contributed equity		727	857	727
Reserves		269	168	166
Retained earnings		881	665	845
Capital and reserves attributable to owners		1,877	1,691	1,738
Non-controlling interests		2	1	3
Total equity		1,879	1,693	1,741
Liabilities				
Non-current liabilities				
Non-current interest-bearing liabilities	3	1,922	1,984	1,925
Non-current leasing liabilities	3	376	425	381
Derivative instruments	3	18	14	11
Provisions for pensions		26	26	26
Other provisions		6	5	5
Deferred tax liabilities		147	158	174
Other non-current liabilities	4	164	223	137
Total non-current liabilities		2,660	2,835	2,659
Current liabilities				
Current leasing liabilities	3	65	75	73
Derivative instruments	3	2	5	4
Trade payables		1,249	968	1,117
Tax payables		22	25	12
Other current liabilities	4	220	235	254
Accrued expenses and prepaid income		416	366	412
Total current liabilities		1,974	1,674	1,872
TOTAL EQUITY AND LIABILITIES		6,512	6,201	6,272

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-control-ling interests	Total equity
Opening balance January 1, 2019		1	857	134	594	1,586	1	1,587
Income for the year					235	235	1	237
Other comprehensive income for the year, net after tax				40	-9	31	-	31
Total comprehensive income		-	-	40	226	266	1	267
Dividend			-131			-131		-131
Long term incentive programme (LTIP)					17	17	-	17
Total transactions with the owners		-	-131	-	17	-114	-	-114
Other changes				-8	8			-
Closing balance December 31, 2019		1	727	166	845	1,738	3	1,741
Opening balance January 1, 2020		1	727	166	845	1,738	3	1,741
Income for the period					33	33	2	35
Other comprehensive income, net after tax				102	-	102	-	102
Total comprehensive income				102	33	136	2	137
Dividend						-	-2	-2
Long term incentive programme (LTIP)					3	3	-	3
Total transactions with the owners		-	-	-	3	3	-2	1
Closing balance March 31, 2020		1	727	269	881	1,877	2	1,879

Consolidated statement of cash flows

MSEK	Q1 2020	Q1 2019	LTM	2019
OPERATING ACTIVITIES				
Operating income	75	110	389	424
Adjustment for non-cash items	89	83	358	353
Paid finance items net	-19	-22	-70	-72
Paid current income tax	-16	-23	-42	-49
Cash flow from operating activities before changes in operating capital	127	148	635	656
Changes in inventories and biological assets	-7	-23	-53	-69
Changes in operating receivables	-23	-109	123	37
Changes in operating payables	82	64	314	296
Changes in working capital	52	-68	385	264
Cash flow from operating activities	180	80	1,020	920
INVESTING ACTIVITIES				
Business combinations	-	-	-133	-133
Investments in rights of use assets	0	0	-1	-1
Investment in property, plant and equipment	-103	-72	-462	-432
Sale of property, plant and equipment	-	-	12	12
Cash flows used in investing activities	-103	-72	-583	-553
FINANCING ACTIVITIES				
Repayment loan	-1	-	-12	-12
Change in overdraft facility	-	15	-56	-41
Payments for amortization of leasing liabilities	-20	-21	-83	-84
Dividend	-	-	-131	-131
Other	-7	3	-5	5
Cash flows in financing activities	-27	-2	-287	-262
Cash flows for the period	50	5	150	105
Cash and cash equivalents at the beginning of the period	194	89	194	89
Currency effect in cash and cash equivalents	6	-1	7	0
Cash flow for the period	50	5	150	105
Cash and cash equivalents at the end of the period	250	92	349	194

Parent Company income statement

MSEK	Q1 2020	Q1 2019	LTM	2019
Net sales	-	-	-	-
Operating expenses	0	0	0	0
Operating income	0	0	0	0
Finance net	6	10	27	31
Income after finance net	6	10	27	31
Group contribution	-	-	-14	-14
Tax on income for the period	-1	-1	0	-
Income for the period	6	9	14	17

Parent Company statement of comprehensive income

MSEK	Q1 2020	Q1 2019	LTM	2019
Income for the period	6	9	14	17
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period	6	9	14	17

Parent Company Statement of financial position

MSEK	Note	March 31, 2020	March 31, 2019	December 31, 2019
ASSETS				
Non-current assets				
Investments in subsidiaries		533	533	533
Receivables from Group entities		405	405	405
Total non-current assets		938	938	938
Current assets				
Receivables from Group entities		27	17	24
Cash and cash equivalents		0	0	0
Total current assets		27	18	24
TOTAL ASSETS		965	956	962
EQUITY AND LIABILITIES				
Equity				
Restricted equity				
Share capital		1	1	1
Non-restricted equity				
Share premium account		727	857	727
Retained earnings		-20	-37	-37
Income for the period		6	9	17
Total equity		713	830	707
Current liabilities				
Tax payables		1	1	-
Liabilities to Group companies	4	252	125	255
Accrued expenses and prepaid income		0	-	0
Total current liabilities		252	126	255
TOTAL EQUITY AND LIABILITIES		965	956	962

Parent Company statement of changes in equity

MSEK	
Opening balance 1 January 2019	821
Income for the year	17
Other comprehensive income for the year, net after tax	-
Total comprehensive income	17
Dividend	-131
Total transactions with the owners	-131
Closing balance December 31, 2019	707
Opening balance 1 January 2020	707
Income for the period	6
Other comprehensive income for the period, net after tax	-
Total comprehensive income	6
Closing balance 31 March, 2020	713

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 2019.

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. Rounding errors may occur.

Long-term incentive programs

The Annual General Meeting 2019 decided on a long-term incentive programme (LTIP 2019) for key employees. The programme is intended to contribute to long-term value growth and is of the same type as the outstanding, LTIP 2017 and LTIP 2018. The programmes are equity-settled, share based compensation plans accounted for in accordance with IFRS 2, Share based payments. The programmes 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 programmes are recognized as a cash-settled instrument. New from LTIP 2019 is that the participants undertake to retain all allotted shares for two years from the date of the allotment (except for those shares that must be sold to cover employment income tax based on the allotment). For more information about the Group's long-term incentive programmes, see Notes 1 and 5 in the Annual Report 2019.

The board of directors will propose to the Annual General Meeting 2020 a similar long-term incentive program for 2020 (LTIP 2020).

Note 2. Segment information

Scandi Standard's business is operationally divided into the countries of Sweden, Denmark, Norway, Ireland and Finland.

Internal reporting to Group Management and the Board of Directors corresponds with the Group's operational structure. The division is based on the Group's operations from a geographical perspective. Those countries where business is operated equals the Group segments. The segments are managed on the basis of sales and operating results. The responsibility for the Group's financial assets and liabilities, provisions for taxes and pensions, gains and losses on the re-measurement of financial instruments (according to IFRS 9) and pension obligations (according to IAS 19) are dealt with by the corporate functions and are not allocated to the segments. All capital expenditure on property, plant and equipment and intangible assets, apart from expendable equipment, is included in the segments' investments.

Segment Sweden comprises the companies Kronfågel AB, SweHatch AB, AB Skånefågel and Bosarpskyckling AB. Kronfågel AB is the segment's largest business engaged in slaughtering, production, development, processing and sale of fresh and frozen chicken products mainly for the Swedish market. SweHatch AB engages in the rearing, production and hatching of day-old chickens for Kronfågel AB's breeders and other players in the Swedish market.

Segment Denmark comprises Danpo A/S, Rokkedahl Food ApS and the associate Farmfood A/S. Danpo A/S and Rokkedahl Food ApS slaughter, produce, develop, process and sale of fresh and frozen chicken products for both the Danish market and exports within Europe and to Asia. Farmfood A/S processes slaughterhouse by-products from the Group's different segments, mainly for use in pet food sold in the international markets.

Segment Norway comprises Den Stolte Hane AS and Scandi Standard Norway AS. In addition, there is an associate, Naerbo Kyllingslakt AS. The segment consists of two parts - the production, development, processing and sale of fresh and frozen chicken products and the packing of eggs in the segment's own egg packing facility. Both types of products are sold in the Norwegian market.

Segment Ireland comprises Carton Bros ULC, which includes the operations of Manor Farm Ireland. Operations include slaughtering, production, development and sale of chilled chicken products for the Irish market. The segment also produces feed for its contracted farmers.

Segment Finland comprises Naapurin Maalaiskana Oy. Operations include slaughtering, production, development and sale of fresh and frozen chicken products for the Finnish market.

Net sales per segment and product category

MSEK	Sweden		Denmark		Norway		Ireland		Finland		Group items		Total	
	Q1	Q1*	Q1	Q1*	Q1	Q1*	Q1	Q1*	Q1	Q1*	Q1	Q1*	Q1	Q1*
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
RTC Chilled	293	285	235	310	211	203	482	442	106	90	-	-	1,327	1,331
RTC Frozen	199	187	24	40	40	36	6	5	6	5	-	-	276	273
RTC Export	12	3	112	95	0	0	31	32	1	0	-	-	155	130
RTE	87	78	317	327	66	65	0	0	3	2	-	-	474	473
Ingredients	17	16	54	45	4	6	19	18	7	7	-	-	101	91
Other	123	126	42	43	97	90	-1	0	10	8	-127	-106	145	161
Total	732	695	784	860	419	400	538	496	134	112	-127	-106	2,479	2,458

* Comparable figures have been reclassified.

Note 3. Accounting and valuation of financial instruments

Scandi Standard's financial instruments, by classification and by level in the fair value hierarchy as per 31 March, 2020 and for the comparison period, are shown in the tables below.

March 31, 2020, MSEK	Valued at amortized cost	Valued at fair value through profit and loss ¹	Valued at fair value through other comprehensive income ¹
Assets			
Other non-current financial assets	4	-	-
Leasing receivables	10	-	-
Biological assets	-	102	-
Trade receivables	954	-	-
Derivatives instruments	-	-	-
Cash and cash equivalents	250	-	-
Total financial assets	1,218	102	-
Liabilities			
Non-current interest-bearing liabilities	1,922	-	-
Other non-current liabilities	-	125	-
Leasing liabilities	441	-	-
Derivatives instruments	-	-	20
Current interest-bearing liabilities	0	-	-
Other current liabilities	-	125	-
Trade and other payables	1,249	-	-
Total financial liabilities	3,612	250	20

March 31, 2019, MSEK	Valued at amortized cost	Valued at fair value through profit and loss ¹	Valued at fair value through other comprehensive income ¹
Assets			
Other non-current financial assets	5	-	-
Leasing receivables	12	-	-
Biological assets	-	104	-
Trade and other receivables	986	-	-
Derivatives instruments	-	-	-
Cash and cash equivalents	92	-	-
Total financial assets	1,096	104	-
Liabilities			
Non-current interest-bearing liabilities	1,984	-	-
Other non-current liabilities	-	223	-
Leasing liabilities	500	-	-
Derivatives instruments	-	-	19
Current interest-bearing liabilities	0	-	-
Other current liabilities	-	130	-
Trade and other payables	968	-	-
Total financial liabilities	3,452	353	19

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 March 2020, and at the end of the comparison period the Group had financial derivatives (level 2) and biological assets (level 3) measured at fair value on the balance sheet. The fair value of forward exchange contracts is estimated based on current forward rates at the reporting date, while interest rate swaps are valued using estimates of future discounted cash flows. As of 31 March 2020, the derivatives amounted to MSEK -20 (-19).

The biological assets (parent animals in the rearing of day-old chicks) are measured in accordance with IAS 41 at fair value less selling costs and as of 31 March 2020 those amounted to MSEK 102 (104).

For the Group's long-term borrowing, which as of 31 March 2020 amounted to MSEK 1,922 (1,984), fair value is considered to be equal to the amortized 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 non-current liabilities and other current liabilities (level 3) refers to the additional purchase price related to the acquisition of Carton Bros ULC. The liability is valued at estimated fair value based on historic and future expected EBITDA.

Note 4. Other liabilities

The part in other non-current liabilities and other current liabilities for the Group as per 31 March amounting to MSEK 125 (223) and MSEK 125 (130) respectively, refers to the additional purchase price related to performed acquisitions.

The current liabilities to Group entities in the Parent Company as per 31 March 2020 amounted to MSEK 252 (125).

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		Q1 2020	Q1 2019	LTM	2019
Net sales	A	2,479	2,458	9,911	9,891
Income for the period	B	35	72	199	237
+ Reversal of tax on income for the year		6	17	64	75
Income after finance net	C	41	89	264	312
+ Reversal of financial expenses		34	21	126	113
+ Reversal of financial income		0	0	-1	-1
Operating income (EBIT)	D	75	110	389	424
+ Reversal of depreciation, amortization and impairment		85	80	330	325
+ Reversal of share of income of associates		-	-	-1	-1
EBITDA	E	159	190	718	748
Non-comparable items in income for the period (EBIT)	F	42	-	72	30
Adjusted income for the period (EBIT)	D+F	117	110	461	454
<i>Adjusted operating margin (EBIT)</i>	<i>(D+F)/A</i>	<i>4.7%</i>	<i>4.5%</i>	<i>4.7%</i>	<i>4.6%</i>
Non-comparable items in EBITDA	G	41	-	68	27
Adjusted EBITDA	E+G	200	190	786	776
<i>Adjusted EBITDA-margin %</i>	<i>(E+G)/A</i>	<i>8.1%</i>	<i>7.7%</i>	<i>7.9%</i>	<i>7.8%</i>

From Statement of Cash Flow, MSEK		Q1 2020	Q1 2019	LTM	2019
OPERATING ACTIVITIES					
Operating income (EBIT)		75	110	389	424
Adjustment for non-cash items					
+ Depreciation, amortization and impairment		85	80	330	325
-Share of income of associates		-	-	-1	-1
EBITDA		159	190	718	748
Non-comparable items in EBITDA	G	41	-0	68	27
Adjusted EBITDA		200	190	788	776

From Balance Sheet, MSEK		March 31, 2020	March 31, 2019	December 31, 2019
Total assets		6,512	6,201	6,272
Non-current non-interest bearing liabilities				
- Deferred tax liabilities		-147	-158	-174
- Other non-current liabilities		-164	-223	-137
Total non-current non-interest bearing liabilities		-311	-381	-311
Current non-interest-bearing liabilities				
Trade payables		-1,249	-968	-1,117
Tax payables		-22	-25	-12
Other current liabilities		-220	-235	-254
Accrued expenses and prepaid income		-416	-366	-412
Total current non-interest bearing liabilities		-1,907	-1,593	-1,795
Capital employed		4,295	4,227	4,166
Less: Cash and cash equivalents		-250	-92	-194
Operating capital		4,045	4,135	3,972
Average capital employed	H	4,261	4,144	4,118
Average operating capital	I	4,090	4,062	3,977
Operating income, LTM		380	360	424
Adjusted operating income, LTM	J	461	409	454
Financial income	K	1	0	1
Adjusted return on capital employed	(J+K)/H	10.8%	9.9%	11.0%
Adjusted return on operating capital	J/I	11.3%	10.1%	11.4%
Interest bearing liabilities				
Non-current interest-bearing liabilities		1,922	1,984	1,925
Non-current leasing liabilities		376	425	381
Derivates		20	19	16
Current leasing liabilities		65	75	73
Total interest-bearing liabilities		2,384	2,504	2,394
Less: Cash and cash equivalents		-250	-92	-194
Net interest-bearing debt		2,134	2,411	2,200

Definitions

EBIT

Operating income.

Adjusted operating income

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

Operating margin

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

Adjusted operating margin

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

EBITDA

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

Adjusted EBITDA

Operating income before depreciation, amortization 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.

Adjusted return on operating capital (ROC)

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

Adjusted return on capital employed (ROCE)

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

Return on equity

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

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.

Adjusted income for the period

Income for the period adjusted for non-comparable items.

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.

Net interest-bearing debt

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

Working capital

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

Operating capital

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

Capital employed

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

Net sales

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

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.

COGS

Cost of goods sold.

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.

Production costs

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

Other operating expenses

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

RTC

Ready-to-cook. Products that requires cooking.

RTE

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

LTM

Last twelve months.

Conference call

A conference call for investors, analysts and media will be held on 12 May 2020 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 replay of the conference call will be available on www.scandistandard.com afterwards.

Further information

For further information, please contact:

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Financial calendar

- | | |
|--|-------------------|
| • Annual general meeting | May 15, 2020 |
| • Interim report for the second quarter 2020 | August 26, 2020 |
| • Interim report for the third quarter 2020 | November 4, 2020 |
| • Interim report for the fourth quarter 2020 | February 11, 2021 |

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 12 May 2020.

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, fluctuations in exchange rates and interest rates, political developments, the impact of competing products and their pricing, product development, commercialization and technological difficulties, products quality and safety, interruptions in supply, increased raw material costs, disease outbreaks, loss of major customer contracts, major customer credit losses and Covid-19 pandemic.

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.

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