



Third quarter report 2020

Good growth and strong operating performance

4 November 2020

- Net sales increased by 3 percent to MSEK 2,621 (2,541) in the third quarter 2020. Net sales increased in all segments.
- Adjusted operating income¹⁾ increased to MSEK 147 (125), corresponding to a margin of 5.6 (4.9) percent.
- Income for the period increased to MSEK 78 (72). Earnings per share increased to SEK 1.21 (1.12). The change compared to previous year was positively impacted by higher adjusted operating income, and by improved financial net driven by positive currency effects, as the Swedish krona has strengthened compared to the same quarter last year.
- Operating cash flow²⁾ was MSEK 240 (74). The increase is affected to a higher adjusted operating income and improved working capital.
- Net interest-bearing debt decreased by MSEK 129 from 30 June 2020 to MSEK 1,929.

MSEK	Q3 2020	Q3 2019	Change	9M 2020	9M 2019	Change	LTM	2019
Net sales	2,621	2,541	3%	7,548	7,471	1%	9,968	9,891
Adjusted EBITDA ¹⁾	231	207	12%	631	591	7%	816	776
Adjusted operating income (EBIT) ¹⁾	147	125	17%	386	350	10%	490	454
Non-comparable items ¹⁾	-31	-	-	-91	-13	573%	-107	-30
Operating income (EBIT)	116	125	-8%	295	337	-12%	383	424
Finance net	-15	-33	-55%	-68	-92	-27%	-88	-113
Income after finance net	101	92	10%	227	244	-7%	294	312
Income tax expense	-23	-20	16%	-41	-50	-19%	-66	-75
Income for the period	78	72	8%	187	194	-4%	229	237
Adjusted EBITDA margin ¹⁾	8.8%	8.2%	-	8.4%	7.9%	-	8.2%	7.8%
Adjusted operating margin (EBIT) ¹⁾	5.6%	4.9%	-	5.1%	4.7%	-	4.9%	4.6%
Earnings per share, SEK	1.21	1.12	8%	2.84	3.00	-5%	3.44	3.60
Adjusted return on capital employed ¹⁾	11.2%	10.5%	-	11.2%	10.5%	-	11.2%	11.0%
Return on equity	12.2%	16.1%	-	12.2%	16.1%	-	12.2%	14.2%
Operating cash flow ²⁾	240	74	225%	499	232	115%	804	536
Net interest-bearing debt	-1,929	-2,535	-24%	-1,929	-2,535	-24%	-1,929	-2,200

¹⁾ Adjusted for non-comparable items. see page 11 and page 22.

²⁾ Reclassification of cash flow effect for leasing assets has been made for the year and for comparative figures.

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 delivers another strong result in the third quarter of 2020. With a three percent growth in net sales compared to the same quarter last year, corresponding 7 percent in local currency, adjusted EBIT increased by 17 percent to MSEK 147. The quarterly adjusted EBIT margin of 5.6 percent represent a five-year quarterly record for the Group.

I am pleased to report that we have returned to a strong growth in net sales in the third quarter despite the Covid 19 related reduction in Foodservice demand. The strong retail demand has more than offset the reduced demand from our Foodservice clients. Although we have seen improvement in Foodservice sales compared to the second quarter, demand from this channel remains volatile as a result of changing Covid-19 related consumer behaviours and state measures. All in all, we maintain a good sales mix which contributes to the strong margins.

In all our markets, consumers more than ever focus on locally produced products adhering to the strictest animal welfare and food safety standard. In order to solidify our market positions, we are using the increased momentum to reminding consumers of our products ability to meet these requirements. We expect to achieve lasting effects from this enforcement.

I remain proud of the way our organisation has rapidly been able to adapt to the current environment. I am also confident that the robust adjustments and mitigating actions implemented will allow us to optimise our operating performance and secure timely deliveries of high-quality products to the customers in the prevailing environment.

As we have proven over several years there is great growth potential within chicken-based products as consumers strive to live healthier and climate smart in addition to loving the taste. In the last five years we have demonstrated an annual organic growth of more than 8 percent, which exceeds the market growth in our main markets. This has been made possible by a solid understanding of the consumers' needs and how to meet them.

Scandi Standard has a strong balance sheet, a solid financing and a significant available liquidity. Compared to the end of the third quarter last year, net interest-bearing debt was reduced by about MSEK 600 to MSEK 1,929. Considering this we have decided to ease our restrictions on capital investment this year and expect to spend MSEK 350 compared to the previous guidance of MSEK 300, still below the initial plan for the year of 420 MSEK. This will allow us to phase in sustainable investments which are expected to have a short payback.

Despite 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 strong quarter with continued solid operating performance and resilience to the ongoing Covid-19 pandemic so far. Being a key producer of the most affordable main protein source with sales predominantly through the growing Retail channel coupled with increased activity in the Foodservice puts us in a good position going forward.

We expect to continue to deliver an improvement in adjusted EBIT in the fourth quarter of 2020 compared to the same quarter last year.

Leif Bergvall Hansen

Managing Director and CEO



Net sales and income

MSEK	Q3 2020	Q3 2019	Change	9M 2020	9M 2019	Change	LTM	2019
Net sales	2,621	2,541	3%	7,548	7,471	1%	9,968	9,891
Adjusted EBITDA ¹⁾	231	207	12%	631	591	7%	816	776
Adjusted operating income (EBIT) ¹⁾	147	125	17%	386	350	10%	490	454
Non-comparable items ¹⁾	-31	-	-	-91	-13	573%	-107	-30
Operating income (EBIT)	116	125	-8%	295	337	-12%	383	424
Finance net	-15	-33	-55%	-68	-92	-27%	-88	-113
Income after finance net	101	92	10%	227	244	-7%	294	312
Income tax expense	-23	-20	16%	-41	-50	-19%	-66	-75
Income for the period	78	72	8%	187	194	-4%	229	237
Adjusted EBITDA-margin ¹⁾	8.8%	8.2%	-	8.4%	7.9%	-	8.2%	7.8%
Adjusted operating margin (EBIT) ¹⁾	5.6%	4.9%	-	5.1%	4.7%	-	4.9%	4.6%
Earnings per share. SEK	1.21	1.12	8%	2.84	3.00	-5%	3.44	3.60

¹⁾ Adjusted for non-comparable items. see page 11 and page 22.

Third quarter 2020

Net sales

Net sales for the Group in the third quarter 2020 increased by 3 percent to MSEK 2,621 compared to MSEK 2,541 in the third quarter 2019. The increase was 7 percent at constant exchange rates.

The Retail channel has had a continued positive development, while Foodservice and Industry have been negatively impacted by Covid-19 pandemic. The sales in Foodservice is still volatile.

Net sales in Sweden increased by 3 percent. Net sales increased in all product categories except for Ready-to-cook Frozen, mainly in Ready-to-cook Chilled and Ready-to-eat which contributed to a positive sales mix.

Net sales in Denmark increased by 2 percent, corresponding to 5 percent in local currency. The increase in net sales was driven mainly by Ready-to-Cook Chilled, while Ready-to-Eat continued to decrease as a result of lower sales within Foodservice.

Net Sales in Norway increased by 3 percent, corresponding to 15 percent in local currency. The increase in net sales was mainly driven by the product category Ready-to-cook Chilled and the continued strong positive market development within Retail.

Net Sales in Ireland increased by 3 percent, corresponding to 6 percent in local currency. The increase was driven by higher sales in the Ready-to-cook Export category.

Net sales in Finland increased by 11 percent corresponding to 14 percent in local currency. The increase in net sales was mainly driven by the category Ready-to-cook Chilled growing within the Retail channel.

Income

Adjusted operating income for the Group increased with 17 percent in the third quarter 2020 and was

MSEK 147 compared to MSEK 125 the third quarter 2019, corresponding to an adjusted operating margin of 5.6 (4.9) percent.

Adjusted operating income and adjusted operating margin improved in all segments except Denmark. Adjusted operating income was positively affected by higher sales in all segment and improved operational efficiency, but negatively affected by currency.

Operating income decreased by 8 percent to MSEK 116 (125), corresponding to an operating margin of 4.4 (4.9) percent. The decrease is driven by non comparable costs of MSEK 31 related to increased earn-out debt attributable to the acquisition of Manor Farm, mainly due to a strong development of earnings in Manor Farm compared to the assumptions at the time of the transaction. This as a result from successful implementation of Group best practice in the business.

Governmental support related to Covid-19 pandemic of approx. MSEK 2 has been recognised in the profit during the quarter offsetting part of the increase in costs due to Covid-19 pandemic.

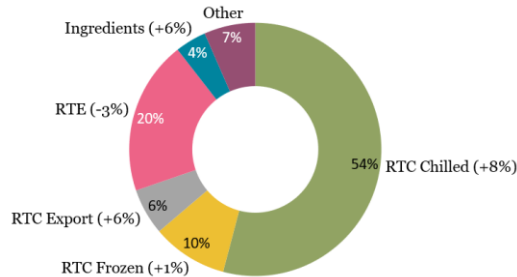
Finance net for the Group in the third quarter 2020 was MSEK -15 (-33). The change in the finance net is caused by positive foreign exchange effects as the Swedish krona has strengthened, compared to negative foreign exchange rate effects last year.

Tax expense for the Group in the third quarter 2020 amounted to MSEK -23 (-20), corresponding to an effective tax rate of approximately 22 (21) percent.

Income for the period for the Group in the third quarter was MSEK 78 (72). Earnings per share increased to SEK 1.21 (1.12).

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

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



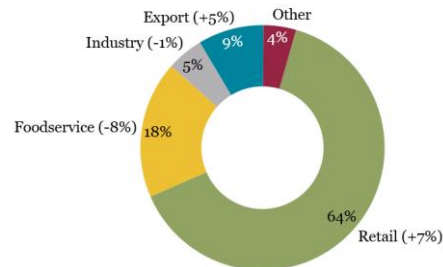
Net sales for the Group increased for the third quarter 2020 by 8 percent for the product category Ready-to-cook (RTC) Chilled compared to same quarter last year. The increase in net sales was driven by the changed consumer behaviours with Retail channel growing.

Net sales declined by 3 percent for the Ready-to-eat (RTE) product category, driven by decreased sales in Foodservice.

Net sales increased by only 1 percent for the Ready-to-cook (RTC) Frozen product category which has lower margins than Ready-to-cook (RTC) Chilled leading to a positive product mix.

Net sales increased by 6 percent for the product category Ready-to-cook (RTC) Export.

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



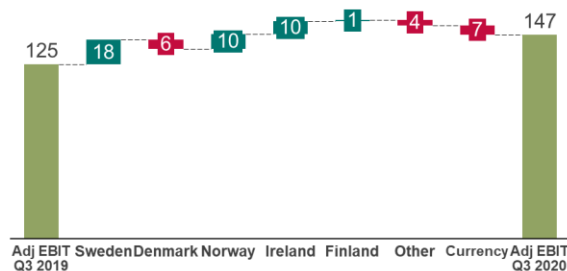
Net sales for the Group increased for the third quarter 2020 by 7 percent for the Retail channel compared to same quarter last year, driven by strong market development.

Net sales decreased by 8 percent for the sales channel Foodservice. There is a continuous shift from Foodservice to the Retail channel was driven by Covid-19 pandemic, as consumers are spending more time at home.

Net sales in the Industry channel decreased by 1 percent.

Net sales in the Export channel increased by 5 percent.

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



Adjusted operating income for the Group increased in the third quarter 2020 with 17 percent, to MSEK 147 (125) compared to same quarter last year. Adjusted operating income increased in all countries except Denmark (Forex adjusted).



The increase in the adjusted operating income is explained by a positive volume sales effect and improved sales mix, in combination with improved operational efficiency. The adjusted operating income has been negatively impacted by increased depreciation and currency effects.

Cash Flow and investments

Operating cash flow in the third quarter 2020 amounted to MSEK 240 (74). Cash flow was positively affected by a higher adjusted result and improved working capital.

Working capital as of 30 September 2020 amounted to MSEK -9 (543), corresponding to -0,1 (5.6) percent of net sales. The decrease compared to the same quarter previous year was

mainly driven by higher trade payables but also partly by higher other operating liabilities due to permission to postpone tax payment to the local authorities in some countries due to Covid-19 pandemic, in total MSEK 92.

Net capital expenditure in the third quarter 2020 was MSEK 80 (75).

MSEK	Q3 2020	Q3 2019	9M 2020	9M 2019	LTM	2019
Opening balance net interest-bearing debt	-2,058	-2,451	-2,200	-2,370	-2,535	-2,370
EBITDA	201	207	552	580	720	748
Adjustments for non-cash items	35	2	44	8	65	29
Change working capital	106	-39	228	-41	533	264
Net capital expenditure	-80	-75	-261	-249	-432	-419
Cash payment leasing assets/liabilities ¹⁾	-22	-23	-63	-66	-84	-87
Operating cash flow	240	74	499	232	804	536
Paid finance items, net	-19	-17	-60	-49	-84	-72
Paid tax	-16	-8	-39	-57	-32	-49
Dividend	0	-	0	-131	0	-131
Business combinations	-104	-133	-104	-133	-104	-133
Other items ²⁾	27	0	-24	-29	24	18
Net cash flow	129	-84	272	-165	607	170
Closing balance net interest-bearing debt	-1,929	-2,535	-1,929	-2,535	-1 929	-2,200

¹⁾ Reclassification of cash flow effect for leasing assets has been made for the year and for comparative figures.

²⁾ Other items mainly consist of effects from changes in foreign exchange rates and netchange of leasing assets.

Financial position

Total equity attributable to the owners of the parent company as of 30 September 2020 amounted to MSEK 1,924 (1,755). The equity to assets ratio improved to 28.7 (27.9) percent. Return on equity was 12.2 (16.1) percent driven by higher average equity compared to same period last year.

Net interest-bearing debt as of 30 September 2020 amounted to MSEK 1,929 (2,535). The decrease compared to 30 June 2020 was MSEK 129.

Cash and cash equivalents as of 30 September 2020 amounted to MSEK 472 (51). Committed but not utilized credit facilities as of 30 September 2020 amounted to MSEK 710 (320).

Segment information

Sweden

MSEK	Q3 2020	Q3 2019	Change	9M 2020	9M 2019	Change	LTM	2019
Net sales	786	765	3%	2,204	2,172	1%	2,896	2,864
Adjusted EBITDA ¹⁾	86	67	27%	219	189	16%	287	257
Adjusted operating income (EBIT) ¹⁾	65	48	37%	160	132	21%	209	182
Non-comparable items ¹⁾	-	-	-	-4	-	-	-4	-
Operating income (EBIT)	65	48	37%	156	132	18%	206	182
Adjusted EBITDA-margin ¹⁾	10,9%	8,8%	-	9,9%	8,7%	-	9,9%	9,0%
Adjusted operating margin (EBIT) ¹⁾	8,3%	6,2%	-	7,3%	6,1%	-	7,2%	6,3%

¹⁾ Adjusted for non-comparable items. see page 11 and page 22.

Net sales in Sweden in the third quarter 2020 increased by 3 percent to MSEK 786 compared to MSEK 765 in the third quarter 2019.

Net sales increased in all product categories except for Ready-to-cook Frozen, mainly in Ready-to-cook Chilled and Ready-to-eat which contributed to a positive sales mix.

Adjusted operating income increased by 37 percent to MSEK 65 (48), corresponding to an adjusted operating margin of 8.3 (6.2) percent. Adjusted operating income and adjusted operating margin improved through positive sales mix effects and improved operational efficiency.

Denmark

MSEK	Q3 2020	Q3 2019	Change	9M 2020	9M 2019	Change	LTM	2019
Net sales	893	873	2%	2,474	2,559	-3%	3,341	3,426
Adjusted EBITDA ¹⁾	44	50	-13%	119	149	-20%	157	186
Adjusted operating income (EBIT) ¹⁾	21	28	-24%	58	85	-31%	74	101
Non-comparable items ¹⁾	-	-	-	-36	-6	470%	-50	-20
Operating income (EBIT)	21	28	-24%	22	79	-72%	24	80
Adjusted EBITDA-margin ¹⁾	4.9%	5.7%	-	4.8%	5.8%	-	4.7%	5.4%
Adjusted operating margin (EBIT) ¹⁾	2.4%	3.2%	-	2.4%	3.3%	-	2.2%	2.9%

¹⁾ Adjusted for non-comparable items. see page 11 and page 22.

Net sales in Denmark in the third quarter 2020 increased by 2 percent to MSEK 893 compared to MSEK 873 in the third quarter 2019. The increase in local currency was 5 percent.

Net sales increased mainly in the product category Ready-to-cook, while Ready-to-eat continued to decrease as a result of lower sales in the sales channel Foodservice driven by changes in consumer behaviours related to Covid-19 pandemic.

Adjusted operating income decreased by 24 percent to MSEK 21 (28), corresponding to an adjusted operating margin of 2.4 (3.2) percent. Adjusted operating income and adjusted operating margin decreased mainly due to lower export prices and worsening mix with less sales to Foodservice channel, both impacted by Covid-19 pandemic.

Norway

MSEK	Q3 2020	Q3 2019	Change	9M 2020	9M 2019	Change	LTM	2019
Net sales	428	415	3%	1,241	1,234	1%	1,626	1,619
Adjusted EBITDA ¹⁾	62	58	5%	172	173	-1%	222	223
Adjusted operating income (EBIT) ¹⁾	45	40	13%	122	118	3%	153	150
Non-comparable items ¹⁾	-	-	-	-	-	-	-	-
Operating income (EBIT)	45	40	13%	122	118	3%	153	150
Adjusted EBITDA-margin ¹⁾	14.4%	14.1%	-	13.8%	14.0%	-	13.6%	13.8%
Adjusted operating margin (EBIT) ¹⁾	10.6%	9.7%	-	9.8%	9.6%	-	9.4%	9.2%

¹⁾ Adjusted for non-comparable items. see page 11 and page 22.

Net sales in Norway in the third quarter 2020 increased by 3 percent to MSEK 428 compared to MSEK 415 in the third quarter 2019. The increase in local currency was 15 percent.

The increase in net sales was mainly driven by the product category Ready-to-cook Chilled and the sales channel Retail which continued to display a very positive market development.

Adjusted operating income increased by 13 percent to MSEK 45 (40), corresponding to an adjusted operating margin of 10.6 (9.7) percent. Adjusted operating income and adjusted operating margin were positively affected by increased netsales coupled with good operational performance, but negatively affected by a weaker local currency rate in relation to the Swedish krona.

Ireland

MSEK	Q3 2020	Q3 2019	Change	9M 2020	9M 2019	Change	LTM	2019
Net sales	509	496	3%	1,578	1,493	6%	2,057	1,972
Adjusted EBITDA ¹⁾	56	46	22%	169	126	34%	213	169
Adjusted operating income (EBIT) ¹⁾	38	30	28%	116	79	47%	144	107
Non-comparable items ¹⁾	-	-	-	-4	-	-	-4	-
Operating income (EBIT)	38	30	28%	112	79	42%	140	107
Adjusted EBITDA-margin ¹⁾	11.0%	9.3%	-	10.7%	8.4%	-	10.3%	8.6%
Adjusted operating margin (EBIT) ¹⁾	7.6%	6.1%	-	7.3%	5.3%	-	7.0%	5.4%

¹⁾ Adjusted for non-comparable items. see page 11 and page 22.

Net sales in Ireland in the third quarter 2020 increased by 3 percent to MSEK 509 compared to MSEK 496 in the third quarter 2019. The increase in local currency was 6 percent.

The increase in net sales was mainly driven by increased sales in the product category Ready-to-cook Export. The growth in the Retail channel was at a low level and within Foodservice the growth

was negative compared to the same quarter last year.

Adjusted operating income increased with 28 percent to MSEK 38 (30), corresponding to an adjusted operating margin of 7.6 (6.1) percent. The improvement in adjusted operating income and adjusted operating margin was mainly driven by improved efficiency in the production.

Finland

MSEK	Q3 2020	Q3 2019	Change	9M 2020	9M 2019	Change	LTM	2019
Net sales	146	132	11%	424	373	14%	542	491
Adjusted EBITDA ¹⁾	8	7	15%	23	19	17%	24	20
Adjusted operating income (EBIT) ¹⁾	2	2	48%	5	3	97%	1	-2
Non-comparable items ¹⁾	-	-	-	-	-7	-100%	-2	-9
Operating income (EBIT)	2	2	48%	5	-4	227%	-	-10
Adjusted EBITDA-margin ¹⁾	5.7%	5.5%	-	5.3%	5.1%	-	4.4%	4.1%
Adjusted operating margin (EBIT) ¹⁾	1.7%	1.3%	-	1.3%	0.7%	-	0.2%	-0.3%

¹⁾ Adjusted for non-comparable items. see page 11 and page 22.

Net sales in Finland in the third quarter 2020 increased by 11 percent to MSEK 146 compared to MSEK 132 in the third quarter 2019. The increase in local currency was 14 percent. The increase in net sales was mainly driven by the category Ready-to-cook Chilled in the sales channel Retail.

Adjusted operating income amounted to MSEK 2 (2), corresponding to a margin of 1.7 (1.3) percent. The increase was driven by sales growth and improved efficiency.

Personnel

The average number of fulltime employees in the third quarter 2020 was 3,214 (3,161) and 3,252 (3,105) in the first nine months of the year.

Other

During the third quarter 2020 a limited amount of governmental support has been recognised in profit, substantially below the levels received in the second quarter 2020. The received government support refers to compensation for increased sickness-related absences through sick pay compensation, in total about MSEK 2.

The Group's sustainability work

Reducing CO2 emissions through better logistics

Scandi Standard's long-term goal in line with the Paris Agreement is to halve our CO2 emissions every 10 years, with 2016 as our base year. It is a continuous process with small steps and actions taken every day across the whole value chain and in all markets. Two projects within the logistics area which both will take effect in Q1 2021, will contribute significantly to lessen our carbon footprint: fossil free cold storage in Denmark and a changed geographic position for the logistics in Sweden.

The world is adjusting to a new normal and have moved beyond the initial crisis response. Most governments, NGOs and other governing bodies are in agreement of the importance of a Green Recovery of the economy, with the EU pledging a record sum to slow climate change. Scandi Standard has since the beginning been committed to a climate-smart and resource-efficient production, and while it of course is about choosing the appropriate energy sources, it's just as much about challenging our current systems and processes to find new ways of lowering our carbon emissions.

New warehouse and logistics solutions

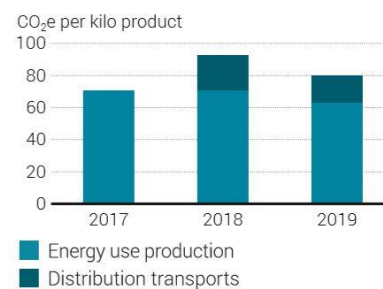
Our suppliers are an important part of our overall sustainability efforts. We choose partners carefully and consider sustainability in our procurement processes. Our Supplier Code of Conduct provides the foundation, setting requirements for environment, ethics, human rights, and social responsibility.

In Denmark, we have signed a contract for a CO2 neutral cold storage solution where our partner sources local green power to run the facility. The estimated saving is approximately 830.000 tonnes CO2 yearly. Denmark will also add a number of CO2 neutral cooling trailers used for transport to the fleet, adding to the CO2 savings.

In Sweden, a new warehouse and logistics partner with a more strategic geographical location has been signed, which will significantly reduce the

number of transported kilometres. The new warehouse is a modern facility located in Jordbro outside Stockholm which, being much closer to several key customers and the port of Nynäshamn, also adds the benefit of a higher level of customer service. Both initiatives will take effect during Q1, 2021.

Carbon dioxide emissions



Total carbon dioxide emissions from energy use production and distribution transports 2019 was 28 309 ton, corresponding to 80 g per kg product.

Reported carbon dioxide emissions per scope, GHG protocol	% of emissions	Ton CO2e
Scope 1 Energy use		
Fuel oil	5%	1,350
Natural gas	25%	7,105
Scope 2 Energy use		
District heating	1%	412
Electricity	50%	14,154
Scope 3 Distribution transports	19%	5,288

CO2 emissions reported in Annual Report, 2019
Note: 2017 years figure is excluding Ireland.

Continued monitoring of Covid-19 pandemic

To ensure the health and safety for our employees, all our preventative measures put in place in March 2020 remains. We closely monitor the ongoing situation in each country and update our protocols and safety measures in accordance with local recommendations.

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 affects our operations in several ways. The Groups sales to Foodservice is negatively affected since the hospitality industry is suffering consequences of the virus outbreak. Our ability to produce may also be affected by high levels of sick leave, if employees for other reasons can not be at work or by government directives that may affect the ability to maintain the production. If the outbreak has major impact on the Groups result, it may affect the liquidity and financial position of the Group. 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, 4 November 2020

Leif Bergvall Hansen
Managing Director and CEO

Auditor's report

Scandi Standard AB (publ) reg. no. 556921-0627

Introduction

We have reviewed the condensed interim financial information (interim report) of Scandi Standard as of 30 September 2020 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, *Review of Interim Report Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, 4 November 2020

Öhrlings PricewaterhouseCoopers AB

Ann-Christine Hägglund
Authorized Public Accountant

Segment information

Net sales by country

MSEK	Q3 2020	Q3 2019	Change	9M 2020	9M 2019	Change	LTM	2019
Sweden	786	765	3%	2,204	2,172	1%	2,896	2,864
of which internal sales	79	71	12%	200	187	7%	261	248
Denmark	893	873	2%	2,474	2,559	-3%	3,341	3,426
of which internal sales	59	67	-12%	168	168	0%	225	225
Norway	428	415	3%	1,241	1,234	1%	1,626	1,619
of which internal sales	1	0	-	3	1	146%	3	2
Ireland	509	496	3%	1,578	1,493	6%	2,057	1,972
of which internal sales	-	-	-	-	-	-	-	-
Finland	146	132	11%	424	373	14%	542	491
of which internal sales	1	1	-49%	4	4	-11%	5	6
Intra-group eliminations	-140	-139	0%	-375	-360	4%	-496	-481
Total net sales	2,621	2,541	3%	7,548	7,471	1%	9,968	9,891

Net sales per product category

MSEK	Q3 2020	Q3 2019 ²⁾	Change	9M 2020	9M 2019 ²⁾	Change	LTM	2019 ²⁾
Ready-to-cook Chilled	1,429	1,329	8%	4,158	3,963	5%	5,393	5,197
Ready-to-cook Frozen	256	254	1%	746	777	-4%	1,031	1,061
Ready-to-cook Export	157	148	6%	457	408	12%	623	574
Ready-to-eat	520	539	-3%	1,417	1,498	-5%	1,929	2,011
Ingredients	105	99	6%	315	279	13%	416	379
Other ¹⁾	154	171	-10%	454	546	-17%	576	668
Total net sales	2,621	2,541	3%	7,548	7,471	1%	9,968	9,891

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

²⁾ Comparable figures have been reclassified between product category.

Net sales in local currency

Millions in local currency	Q3 2020	Q3 2019	Change	9M 2020	9M 2019	Change	LTM	2019
Sweden	786	765	3%	2,204	2,172	1%	2,896	2,864
Denmark	640	611	5%	1,748	1,808	-3%	2,356	2,416
Norway	441	383	15%	1,258	1,141	10%	1,623	1,506
Ireland	49	46	6%	149	141	6%	194	186
Finland	14	12	14%	40	35	14%	51	46

Average exchange rates

	9M 2020	9M 2019	2019
DKK/SEK	1.42	1.42	1.42
NOK/SEK	0.99	1.08	1.07
EUR/SEK	10.56	10.57	10.59

Adjusted operating income (EBIT)

MSEK	Q3 2020	Q3 2019	9M 2020	9M 2019	LTM	2019
Sweden	65	48	160	132	209	182
Denmark	21	28	58	85	74	101
Norway	45	40	122	118	153	150
Ireland	38	30	116	79	144	107
Finland	2	2	5	3	1	-2
Group	-26	-22	-76	-67	-92	-83
Total	147	125	386	350	490	454

Non-comparable items in operating income

MSEK	Q3 2020	Q3 2019	9M 2020	9M 2019	LTM	2019
Earn-out Debt adjustment ¹⁾	-31	-	-31	-	-31	-
Covid-19 pandemic ²⁾	-	-	-44	-	-44	-
Strategy project ³⁾	-	-	-16	-	-16	-
Staff reduction costs ⁴⁾	-	-	-	-6	-5	-12
Restructuring of production ⁵⁾	-	-	-	-7	-0	-7
Transaction costs ⁶⁾	-	-	-	-	-1	-1
Costs for incorrect inserts goods ⁷⁾	-	-	-	-	-6	-6
Other	-	-	-	-	-4	-4
Total	-31	-	-91	-13	-107	-30

Non-comparable items in operating income by segment

MSEK	Q3 2020	Q3 2019	9M 2020	9M 2019	LTM	2019
Sweden	-	-	-4	-	-4	-
Denmark	-	-	-36	-6	-50	-20
Norway	-	-	-	-	-	-
Ireland	-	-	-4	-	-4	-
Finland	-	-	-	-7	-2	-9
Group	-31	-	-47	-	-48	-1
Total	-31	-	-91	-13	-107	-30

Operating income (EBIT)

MSEK	Q3 2020	Q3 2019	9M 2020	9M 2019	LTM	2019
Sweden	65	48	156	132	206	182
Denmark	21	28	22	79	24	80
Norway	45	40	122	118	153	150
Ireland	38	30	112	79	140	107
Finland	2	2	5	-4	-	-10
Group	-57	-22	-122	-67	-140	-84
Total operating income (EBIT)	116	125	295	337	383	424
Finance net	-15	-33	-68	-92	-88	-113
Income tax expense	-23	-20	-41	-50	-66	-75
Income for the period	78	72	187	194	229	237

¹⁾ Cost related to increased Earn-out debt attributable to the acquisition of Manor Farm, mainly driven by the strong result development in Manor Farm in 2020 compared with the assessments made at the acquisition time.

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

³⁾ Comprehensive strategy project in the Group aimed to review the business has resulted in a common Group strategy on medium-and long-term path.

⁴⁾ Restructuring costs in Denmark in 2019.

⁵⁾ Closing of hatchery in Finland in the second quarter 2019.

⁶⁾ Deal fees mainly related to the acquisitions of Rokkedahl Food ApS in Denmark in 2018.

⁷⁾ Costs incurred due to quality issues in purchased raw material that have not been covered by insurance.

Consolidated income statement

MSEK	Q3 2020	Q3 2019	9M 2020	9M 2019	LTM	2019
Net sales	2,621	2,541	7,548	7,471	9,968	9,891
Other operating revenues	11	6	19	15	28	24
Changes in inventories of finished goods and work in progress	-57	60	-40	27	2	69
Raw materials and consumables	-1,508	-1,571	-4,414	-4,510	-5,953	-6,049
Cost of personnel	-514	-511	-1,545	-1,504	-2,014	-1,972
Depreciation, amortisation and impairment	-85	-82	-257	-244	-337	-325
Other operating expenses	-354	-316	-1,015	-919	-1,311	-1,215
Share of income of associates	-	-	-	1	-	1
Operating income	116	125	295	337	383	424
Finance income	0	0	0	0	0	1
Finance expenses	-15	-34	-68	-93	-88	-113
Income after finance net	101	92	227	244	294	312
Income tax expense	-23	-20	-41	-50	-66	-75
Income for the period	78	72	187	194	229	237
Whereof attributable to:					0	
Shareholders of the Parent Company	79	73	186	196	225	235
Non-controlling interests	-1	-1	0	-2	4	1
Average number of shares	65,604,018	65,383,603	65,471,769	65,349,483	65,446,579	65,358,083
Earnings per share before dilution, SEK	1.21	1.12	2.84	3.00	3.44	3.60
Earnings per share after dilution, SEK	1.21	1.12	2.84	3.00	3.44	3.60
Number of shares at the end of the period	66,060,890	66,060,890	66,060,890	66,060,890	66,060,890	66,060,890

Consolidated statement of comprehensive income

MSEK	Q3 2020	Q3 2019	9M 2020	9M 2019	LTM	2019
Income for the period	78	72	187	194	229	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	-6	-4	-9	-17	-3	-11
Tax on actuarial gains and losses	1	1	2	4	1	2
Total	-5	-3	-7	-14	-2	-9
<i>Items that will or may be reclassified to the income statement</i>						
Cash flow hedges	2	-5	0	-11	8	-4
Currency effects from conversion of foreign operations	9	32	-18	107	-85	40
Income from currency hedging of foreign operations	2	0	13	6	10	3
Tax attributable to items that will be reclassified to the income statement	0	1	0	2	-2	1
Total	12	27	-5	104	-69	40
Other comprehensive income for the period, net of tax	7	23	-11	91	-72	31
Total comprehensive income for the period	85	96	175	285	157	267
Whereof attributable to:						
Shareholders of the Parent Company	86	97	175	287	154	266
Non-controlling interests	-1	-1	0	-2	4	1

Consolidated statement of financial position

MSEK	Note	Sep 30, 2020	Sep 30, 2019	Dec 31, 2019
ASSETS				
Non-current assets				
Goodwill		909	961	940
Other intangible assets		916	992	957
Property plant and equipment		1,846	1,698	1,748
Right-of-use assets		477	413	427
Non-current leasing receivables	3	-	9	9
Participations in associated companies		42	44	43
Financial assets	3	3	5	4
Deferred tax assets		36	56	40
Total non-current assets		4,227	4,178	4,167
Current assets				
Biological assets	3	101	107	99
Inventory		677	752	727
Trade receivables	3	994	984	901
Other short-term receivables		89	91	93
Prepaid expenses and accrued income		136	118	89
Current leasing receivables		-	2	2
Derivative instruments		3	-	-
Cash and cash equivalents	3	472	51	194
Total current assets		2,472	2,105	2,105
TOTAL ASSETS		6,699	6,283	6,272
EQUITY AND LIABILITIES				
Shareholder's equity				
Share capital		1	1	1
Other contributed equity		727	727	727
Reserves		161	239	166
Retained earnings		1,035	790	845
Capital and reserves attributable to owners		1,924	1,755	1,738
Non-controlling interests		1	-1	3
Total equity		1,925	1,755	1,741
Liabilities				
Non-current liabilities				
Non-current interest-bearing liabilities	3	1,893	2,085	1,925
Non-current leasing liabilities	3	429	404	381
Derivative instruments	3	18	19	11
Provisions for pensions		31	33	26
Other provisions		7	5	5
Deferred tax liabilities		132	144	174
Other non-current liabilities	4	67	102	137
Total non-current liabilities		2,577	2,791	2,659
Current liabilities				
Current leasing liabilities	3	64	75	73
Derivative instruments	3	0	4	4
Trade payables		1,320	998	1,117
Tax payables		53	41	12
Other current liabilities	4	364	230	254
Accrued expenses and prepaid income		396	389	412
Total current liabilities		2,197	1,737	1,872
TOTAL EQUITY AND LIABILITIES		6,699	6,283	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-controlling 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					186	186	1	187
Other comprehensive income, net after tax				-5	-7	-11	-	-11
Total comprehensive income		-	-	-5	179	175	1	175
Dividend						-	-2	-2
Long term incentive programme (LTIP)					11	11	-	11
Total transactions with the owners		-	-	-	11	11	-2	9
Closing balance September 30, 2020		1	727	161	1,035	1,924	1	1,925

Consolidated statement of cash flows

MSEK	Q3 2020	Q3 2019	9M 2020	9M 2019	LTM	2019
OPERATING ACTIVITIES						
Operating income	116	125	295	337	383	424
Adjustment for non-cash items	120	84	301	251	403	353
Paid finance items, net	-19	-17	-60	-49	-84	-72
Paid current income tax	-16	-8	-39	-57	-32	-49
Cash flow from operating activities before changes in operating capital	201	185	496	482	669	656
Changes in inventories and biological assets	61	-60	46	-87	64	-69
Changes in operating receivables	-111	10	-132	-32	-63	37
Changes in operating payables	157	11	314	78	533	296
Changes in working capital	106	-39	228	-41	533	264
Cash flow from operating activities	307	146	724	441	1 203	920
INVESTING ACTIVITIES						
Business combinations	-104	-133	-104	-133	-104	-133
Investments in rights of use assets	-0	-1	-2	-1	-2	-1
Investment in property, plant and equipment	-80	-75	-261	-257	-436	-432
Sale of property, plant and equipment	-	0	-	8	4	12
Cash flows used in investing activities	-185	-208	-367	-382	-538	-553
FINANCING ACTIVITIES						
New loan	-	-	60	-	60	-
Repayment loan	-1	-1	-54	-8	-57	-12
Change in overdraft facility	-	76	-	90	-131	-41
Payments for amortization of leasing liabilities	-22	-21	-61	-64	-82	-84
Dividend	-	-	-0	-131	-0	-131
Other	4	1	-20	14	-29	5
Cash flows in financing activities	-18	55	-76	-99	-240	-262
Cash flows for the period	104	-7	281	-40	427	105
Cash and cash equivalents at beginning of the period	366	58	194	89	51	89
Currency effect in cash and cash equivalents	3	1	-2	3	-4	0
Cash flow for the period	104	-7	281	-40	427	105
Cash and cash equivalents at the end of the period	472	51	472	51	472	194

Parent Company income statement

MSEK	Q3 2020	Q3 2019	9M 2020	9M 2019	LTM	2019
Net sales	-	-	-	-	-	-
Operating expenses	0	0	0	0	0	0
Operating income	0	0	0	0	0	0
Finance net	8	7	21	24	28	31
Income after finance net	8	7	21	24	28	31
Group contribution	-	-	-	-	-14	-14
Tax expenses	-1	-1	-2	-2	0	-
Income for the period	7	7	19	21	15	17

Parent Company statement of comprehensive income

MSEK	Q3 2020	Q3 2019	9M 2020	9M 2019	LTM	2019
Income for the period	7	7	19	21	15	17
Other comprehensive income for the period, net of tax	-	-	-	-	-	-
Total comprehensive income for the period	7	7	19	21	15	17

Parent Company Statement of financial position

MSEK	Note	Sep 30, 2020	Sep 30, 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		23	20	24
Cash and cash equivalents		0	-	-
Total current assets		23	20	24
TOTAL ASSETS		961	958	962
EQUITY AND LIABILITIES				
Equity				
Restricted equity				
Share capital		1	1	1
Non-restricted equity				
Share premium account		727	727	727
Retained earnings		-20	-37	-37
Income for the period		19	21	17
Total equity		726	712	707
Non-current liabilities				
Non-current interest-bearing liabilities		-	20	-
Total non-current liabilities		-	20	-
Current liabilities				
Tax payables		2	2	-
Liabilities to Group companies	4	232	224	255
Accrued expenses and prepaid income		0	0	0
Total current liabilities		234	227	255
TOTAL EQUITY AND LIABILITIES		961	958	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	19
Other comprehensive income for the period, net after tax	-
Total comprehensive income	19
Closing balance 30 September, 2020	726

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 2020 decided on a long-term incentive programme (LTIP 2020) for key employees which is designed to promote the long-term value growth of the company and the Group and increase alignment between the interests of the participating individual in the program and the company's shareholders. The programme is of the same type as LTIP 2019 and comply partly with the program LTIP 2015-2018. 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. For more information about the Group's long-term incentive programmes, see Notes 1 and 5 in the Annual Report 2019.

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 chilled and frozen chicken products for the Finnish market.

Net sales per segment and product category

MSEK	Sweden		Denmark		Norway		Ireland		Finland		Group items		Total	
	Q3	Q3*	Q3	Q3*	Q3	Q3*	Q3	Q3*	Q3	Q3*	Q3	Q3*	Q3	Q3*
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
RTC Chilled	330	318	302	260	216	202	438	447	144	103	-	-	1,429	1,329
RTC Frozen	167	183	30	25	40	33	7	5	11	8	-	-	256	254
RTC Export	27	9	92	113	-	-	38	26	-	-	-	-	157	148
RTE	103	98	342	360	72	77	-	-	3	3	-	-	520	539
Ingredients	19	20	54	51	3	6	22	17	7	6	-	-	105	99
Other	140	138	74	65	96	96	3	0	-19	12	-140	-139	154	171
Total	786	765	893	873	428	415	509	496	146	132	-140	-139	2,621	2,541

* 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 30 September 2020 and for the comparison period, are shown in the tables below.

September 30 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	3	-	-
Leasing receivables	-	-	-
Biological assets	-	101	-
Trade receivables	994	-	-
Derivatives instruments	-	-	3
Cash and cash equivalents	472	-	-
Total financial assets	1,470	101	3
Liabilities			
Non-current interest-bearing liabilities	1,893	-	-
Other non-current liabilities	-	-	-
Leasing liabilities	493	-	-
Derivatives instruments	-	-	18
Current interest-bearing liabilities	-	-	-
Other current liabilities	-	165	-
Trade and other payables	1,320	-	-
Total financial liabilities	3,706	165	18

September 30 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	11	-	-
Biological assets	-	107	-
Trade and other receivables	984	-	-
Derivatives instruments	-	-	-
Cash and cash equivalents	51	-	-
Total financial assets	1,051	107	-
Liabilities			
Non-current interest-bearing liabilities	2,085	-	-
Other non-current liabilities	-	102	-
Leasing liabilities	479	-	-
Derivatives instruments	-	-	23
Current interest-bearing liabilities	-	-	-
Other current liabilities	-	134	-
Trade and other payables	998	-	-
Total financial liabilities	3,561	236	23

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

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

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

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

As of 30 September 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 30 September 2020, the derivatives amounted to MSEK -15 (-23).

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 30 September 2020 those amounted to MSEK 101 (107).

For the Group's long-term borrowing, which as of 30 September 2020 amounted to MSEK 1,893 (2,085), 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 30 September amounting to MSEK - (102) and MSEK 165 (134) respectively, refers to the additional purchase price related to performed acquisitions.

The current liabilities to Group entities in the Parent Company as per 30 September 2020 amounted to MSEK 232 (224).

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		Q3 2020	Q3 2019	9M 2020	9M 2019	LTM	2019
Net sales	A	2,621	2,541	7,548	7,471	9,968	9,891
Income for the period	B	78	72	187	194	229	237
+ Reversal of tax on income for the year		23	20	41	50	66	75
Income after finance net	C	101	92	227	244	294	312
+ Reversal of financial expenses		15	34	68	93	88	113
+ Reversal of financial income		-	-	-	-	-	-1
Operating income (EBIT)	D	116	125	295	337	383	424
+ Reversal of depreciation, amortization and impairment		85	82	257	244	337	325
+ Reversal of share of income of associates		-	-0	-	-1	0	-1
EBITDA	E	201	207	552	580	720	748
Non-comparable items in income for the period (EBIT)	F	31	0	91	13	107	30
Adjusted income for the period (EBIT)	D+F	147	125	386	350	490	454
<i>Adjusted operating margin (EBIT)</i>	<i>(D+F)/A</i>	<i>5.6%</i>	<i>4.9%</i>	<i>5.1%</i>	<i>4.7%</i>	<i>4.9%</i>	<i>4.6%</i>
Non-comparable items in EBITDA	G	31	-	80	11	96	27
Adjusted EBITDA	E+G	231	207	631	591	816	776
<i>Adjusted EBITDA-margin %</i>	<i>(E+G)/A</i>	<i>8.8%</i>	<i>8.2%</i>	<i>8.4%</i>	<i>7.9%</i>	<i>8.2%</i>	<i>7.8%</i>

From Statement of Cash Flow, MSEK		Q3 2020	Q3 2019	9M 2020	9M 2019	LTM	2019
Operating activities							
Operating income (EBIT)		116	125	295	337	383	424
Adjustment for non-cash items							
+ Depreciation, amortization and impairment		85	82	257	244	337	325
- Share of income of associates		-	-0	-	-1	0	-1
EBITDA		201	207	552	580	720	748
Non-comparable items in EBITDA	G	31	-	80	11	96	27
Adjusted EBITDA		231	207	631	591	816	776

From Balance Sheet. MSEK		Sep 30, 2020	Sep 30, 2019	December 31, 2019
Total assets		6,699	6,283	6,272
Non-current non-interest-bearing liabilities				
Deferred tax liabilities		-132	-144	-174
Other non-current liabilities		-67	-102	-137
Total non-current non-interest-bearing liabilities		-199	-246	-311
Current non-interest-bearing liabilities				
Trade payables		-1,320	-998	-1,117
Tax payables		-53	-41	-12
Other current liabilities		-364	-230	-254
Accrued expenses and prepaid income		-396	-389	-412
Total current non-interest-bearing liabilities		-2,133	-1,658	-1,795
Capital employed		4,367	4,379	4,166
Less: Cash and cash equivalents		-472	-51	-194
Operating capital		3,895	4,328	3,972
Average capital employed	H	4,373	4,335	4,118
Average operating capital	I	4,111	4,251	3,977
Operating income, LTM		383	428	424
Adjusted operating income, LTM	J	490	455	454
Financial income	K	0	0	1
Adjusted return on capital employed	(J+K)/H	11.2%	10.5%	11.0%
Adjusted return on operating capital	J/I	11.9%	10.7%	11.4%
Interest bearing liabilities				
Non-current interest-bearing liabilities		1,893	2,085	1,925
Non-current leasing liabilities		429	404	381
Derivates		15	23	16
Current leasing liabilities		64	75	73
Total interest-bearing liabilities		2,401	2,586	2,394
Less: Cash and cash equivalents		-472	-51	-194
Net interest-bearing debt		1,929	2,535	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.

Non-comparable items

Items that rarely occur or are unusual in day-to-day business operations, and hence unlikely to occur again.

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 4th November 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:

Leif Bergvall Hansen, Managing Director and CEO

Tel: +45 22 10 05 44

Julia Lagerqvist, CFO

Tel: +46 72 402 84 02

Henrik Heiberg, Head of M&A, Financing & IR

Tel: +47 917 47 724

Financial calendar

- | | |
|--|-------------------|
| • Interim report for the fourth quarter 2020 | February 11, 2021 |
| • Interim report for the first quarter 2021 | May 7, 2021 |
| • Interim report for the second quarter 2021 | August 26, 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 4th November 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.

Scandi Standard AB (publ)

Strandbergsgatan 55

104 25 Stockholm

Reg no. 556921-0627

www.scandistandard.com