Scandi Standard
Better Chicken for a Better Life

Third quarter report 2019
Another quarter with strong growth and improved results
6 November 2019

- Net sales increased by 12 percent to MSEK 2,541 (2,263) in the third quarter 2019. Net sales increased in all segments.
- Adjusted operating income[2)] increased by 23 percent to MSEK 125 (102), corresponding to a margin of 4.9 (4.5) percent.
- Income for the period improved to MSEK 72 (52). Earnings per share rose to SEK 1.12 (0.80). The increase compared to previous year is mainly referring to the improvement in operating income. There were no Non-comparable items in the quarter.
- Operating cash flow was MSEK 90 (18). The improvement is referring to the increased operating income and lower capital expenditure.
- Net interest-bearing debt increased by MSEK 84 from 30 June 2019 to MSEK 2,535.
- 2019 is the first accounting year for which IFRS 16 Leases is applied. The change is treated as a change in accounting principles and the comparison numbers have been adjusted. For further information, see Note 1 and the Scandi Standard AB (publ) Annual Report 2018, Note 31.

MSEK	Q3 2019	Q3 2018[1)]	Change	9M 2019	9M 2018[1)]	Change	LTM	2018[1)]
Net sales	2,541	2,263	12%	7,471	6,631	13%	9,637	8,797
Adjusted EBITDA[2)]	207	195	6%	591	546	8%	759	714
Adjusted operating income (EBIT) [2)]	125	102	23%	350	277	27%	455	381
Non-comparable items[2)]	-	-12	-	-13	-36	-	-26	-49
Operating income (EBIT)	125	89	40%	337	241	40%	428	333
Finance net	-33	-22	-49%	-92	-82	-12%	-109	-99
Income after finance net	92	67	37%	244	159	54%	319	233
Income tax expense	-20	-14	-36%	-50	-32	-56%	-51	-33
Income for the period	72	52	38%	194	127	53%	268	200
Adjusted EBITDA margin[2)]	*8.2%*	*8.6%*	-	*7.9%*	*8.2%*	-	*7.9%*	*8.1%*
Adjusted operating margin (EBIT) [2)]	*4.9%*	*4.5%*	-	*4.7%*	*4.2%*	-	*4.7%*	*4.3%*
Earnings per share, SEK	1.12	0.80	40%	3.00	1.94	55%	4.11	3.05
Adjusted return on operating capital employed[2)]	10.5%	9.7%	-	10.5%	9.7%	-	10.5%	9.7%
Return on equity	16.1%	12.7%	-	16.1%	12.7%	-	16.1%	13.2%
Operating cash flow	90	18	398%	270	124	117%	500	354
Net interest-bearing debt	-2,535	-2,577	2%	-2,535	-2,577	2%	-2,535	-2,370

[1)] When applicable, adjusted for changed accounting principles according to IFRS 16 Leases, see Note 1 and the Annual Report 2018, Note 31.
[2)] Adjusted for non-comparable items, see page 13.

About Scandi Standard
Scandi Standard is the leading producer of chicken-based food products in the Nordic region and Ireland. The company produces, markets and sells ready to eat, chilled and frozen products under the well-known brands Kronfågel, Danpo, Den Stolte Hane, Manor Farm and Naapurin Maalaiskana. Eggs are also produced and sold in Norway. We are approximately 3,000 employees with annual sales of more than SEK 9 billion. For more information, please visit **www.scandistandard.com**.

CEO statement

I am proud to present another quarter of strong growth and improved results. Compared to the third quarter last year, our top line increased by 12 percent, to MSEK 2,541, and our adjusted EBIT increased by 23 percent to MSEK 125, implying a margin of 4.9 percent.

We continue to see a strong demand for our products in all our markets. Although our top line growth is somewhat inflated due to the successful implementation of price increases to mitigate corresponding increases in raw material costs, our underlying growth is very strong and remains higher than the average organic growth of approximately 6-7 percent annually demonstrated in recent years. This is driven by a good mix between market growth, increased market share and a more favorable product portfolio driving price realization. Given the increased product prices to consumers, I am particularly pleased to report a quarterly volume growth of 4 percent.

The strongest growth was generated in the Ready-to-eat product category (31 percent) and in the Ready-to-cook Chilled product category (13 percent). We continue to observe a decline in the less profitable Ready-to-Cook Frozen product category (-9 percent) and the export category grows at a slower pace than the categories with better profitability.

In term of sustainability and food safety metrics, we strive to be a leader in the European poultry space. In order to secure further advances in these areas, we have set ambitious long-term targets and intermediate milestones. I am looking forward to reporting our progress in the coming periods. We are also putting increased emphasis on communicating our work in these areas and the attractive features of poultry products in general. Several recent consumer campaigns to this end have been very well received, and we see the increasing consumer awareness of our sustainability metrics with poultry as a positive key driver for our sales.

During the last years we have gained market share in our home markets through the introduction of new innovative, healthy products and our focus on improved sustainability work. I am convinced that these drivers will continue to work in our favor and enable us to sustain significant long-term growth. Scandi Standard is uniquely positioned among our competitors in our home markets. We are geographically well diversified, have a skilled organization and a robust structural setup. Based on the improvements made in the third quarter I am pleased to report another step towards the earnings potential inherent in our business model.

As we have previously communicated, we are carrying out significant investments in our business in Ireland this year. These investments are part of the overall investment program identified in connection with the acquisition in 2017 aimed at increasing efficiency, improving animal welfare, food safety differentiation and debottlenecking. For the group, we expect to invest around MSEK 380 in 2019.

During the third quarter our net interest-bearing debt increased by MSEK 84 to MSEK 2,535 compared to the end of the second quarter 2019. The increase was driven by the earn out payment of MSEK 133 paid to the former owners of Manor Farm. When adjusting for this, our net debt decreased by MSEK 49. Operating cash flow amounted to MSEK 90 compared to MSEK 18 for the same quarter last year. We remain committed to finding a good balance between returning capital to our shareholders and reinvesting into profitable growth.

We are carefully following the structural changes in our sector and believe that we are ideally positioned to take part of the consolidation of the European poultry market. We believe the acquisition of Manor Farm is a good example of how we can create value and stability for our shareholders. The acquisition has contributed to further geographic diversification and we are happy with our cross-country teams' ability to deliver benefits through exchanging best practice within the group.

I am pleased with the way Scandi Standard is currently positioned with a robust business model of sustainably produced, healthy products. Based on the current market outlook, I see good opportunities for incrementally improving returns to the shareholders in the coming periods.

Leif Bergvall Hansen
Managing Director and CEO

Net Sales and income

MSEK	Q3 2019	Q3 2018[1]	Change	9M 2019	9M 2018[1]	Change	LTM	2018[1]
Net sales	2,541	2,263	12%	7,471	6,631	13%	9,637	8,797
Adjusted EBITDA[2]	207	195	6%	591	546	8%	759	714
Adjusted operating income (EBIT)[2]	125	102	23%	350	277	27%	455	381
Non-comparable items[2]	-	-12	-	-13	-36	-	-26	-49
Operating income (EBIT)	125	89	40%	337	241	40%	428	333
Of which the effect of changes in estimated life of fixed assets	9	-	-	27	-	-	55	28
Finance net	-33	-22	-49%	-92	-82	-12%	-109	-99
Income after finance net	92	67	37%	244	159	54%	319	233
Income tax expense	-20	-14	-36%	-50	-32	-56%	-51	-33
Income for the period	72	52	38%	194	127	53%	268	200
Adjusted EBITDA-margin[2]	*8.2%*	*8.6%*	-	*7.9%*	*8.2%*	-	*7.9%*	*8.1%*
Adjusted operating margin (EBIT)[2]	*4.9%*	*4.5%*	-	*4.7%*	*4.2%*	-	*4.7%*	*4.3%*
Earnings per share, SEK	1.12	0.80	40%	3.00	1.94	55%	4.11	3.05

[1] When applicable, adjusted for changed accounting principles according to IFRS 16 Leases, see Note 1 and the Annual Report 2018, Note 31.
[2] Adjusted for non-comparable items, see page 13.

Third quarter 2019

Net sales

Net sales for the Group in the third quarter 2019 increased by 12 percent to MSEK 2,541 compared to MSEK 2,263 in the third quarter 2018. The increase was 11 percent at constant exchange rates.

Net sales in Sweden increased by 11 percent with growth mainly in Retail driven by price increases as well as higher volumes.

Net sales in Denmark increased by 20 percent corresponding to 17 percent in local currency. The growth is driven by a strong volume development in Ready-to-eat products to Foodservice and that net sales from Rokkedahl Food ApS now is included in net sales as well as the positive development for sales under the brand De Danske Familiegårde in Retail.

Net Sales in Norway increased by 8 percent corresponding to 8 percent in local currency, mainly driven by an increase in volume.

Net Sales in Ireland increased by 3 percent, corresponding to 1 percent in local currency.

Net sales in Finland increased by 33 percent corresponding to 30 percent in local currency.

Income

Adjusted operating income for the Group in the third quarter 2019 increased by 23 percent to MSEK 125 compared to MSEK 102 the third quarter 2018, corresponding to an operating margin of 4.9 (4.5) percent.

Adjusted operating income improved in all segments, except in Denmark. The improvement was mainly driven by an increase in net sales, with a continued positive growth in the product categories Ready-to-cook Chilled and Ready-to-eat. Adjusted operating profit was also positively affected by one-time items in Ireland.

Operating income increased by 40 percent to MSEK 125 (89), corresponding to an operating margin of 4.9 (3.9) percent. There were no Non-comparable items in the quarter.

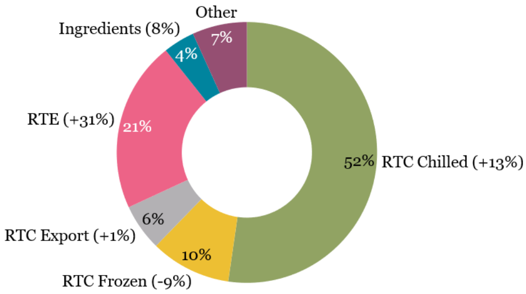
Finance net for the Group in the third quarter 2019 was MSEK -33 (-22), including interest expenses related to leases reported according to IFRS 16 Leases, of MSEK 3 (3). The changes in the finance net are mainly caused by currency fluctuations.

Tax expenses for the Group in the third quarter 2019 amounted to MSEK 20 (14) corresponding to an effective tax rate of approximately 21 (22) percent.

Income for the period for the Group in the third quarter was MSEK 72 (52). Earnings per share rose to SEK 1.12 (0.80).

Net Sales by product category and sales channel for the third quarter 2019 compared to the third quarter 2018

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



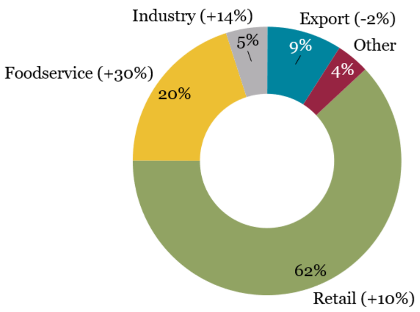
Net sales for the Group increased by 13 percent in the third quarter 2019 in the Ready-to-cook (RTC) Chilled product category, mainly driven by price increases as well as higher volumes in Retail.

Net sales increased by 31 percent for the Ready-to-eat (RTE) product category driven by strong volume development in several markets as well as a continued keeping of sales on a high level of Ready-to-eat (RTE) products for Foodservice. The trend with processed products increasing share of sales continues.

Net sales decreased by 9 percent for the Ready-to-cook (RTC) Frozen product category, partly because of better chilled sales across several markets, which means less inventory sell-offs compared to last year.

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

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

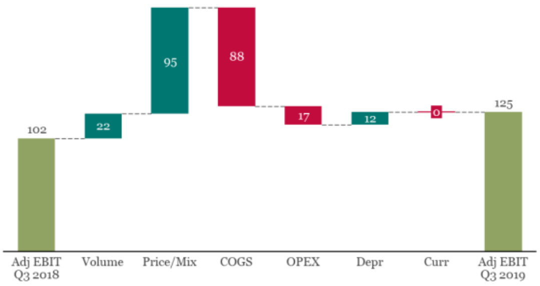


Net sales for the Group to the Retail channel increased by 10 percent in the third quarter 2019, mainly driven by price increases in several markets as well as higher sales in the Ready-to-cook (RTC) Chilled category across the Group.

Net Sales to the Foodservice channel increased by 30 percent, mainly driven by continued high sales of Ready-to-eat (RTE) products for Foodservice.

Net Sales to the Industry channel increased by 14 percent while net sales to the Export channel decreased by 2 percent.

Change in adjusted operating income (EBIT) for the third quarter 2019 compared to the third quarter 2018



Adjusted operating income for the Group increased by 23 percent or MSEK 23 in the third quarter 2019, to MSEK 125 compared to MSEK 102 in the third quarter 2018. Adjusted operating income increased in all segments, except for Denmark.

The increase in the adjusted operating income is mainly explained by a positive sales mix with a better development of sales in the Ready-to-eat (RTE) and Ready-to-cook (RTC) Chilled categories. Price increases, accomplished during the second half of 2018 and the first quarter of 2019, have mostly compensated for the increase in costs we have experienced because of the increase in feed prices. The operating costs have increased during the third quarter 2019 compared to the third quarter last year, partly driven by higher marketing investments but also general cost increases.

Cash Flow and investments

Operating cash flow in the third quarter 2019 amounted to MSEK 90 (18). Cash flow was impacted positively by increased operating profit and lower investments and increase in leased assets compared to the third quarter last year.

Working capital as of 30 September 2019 amounted to MSEK 543 (643), corresponding to 5.6 (7.4) percent of net sales. The decrease compared to the previous year is mainly due to higher trade payables. Working capital as of 31 December 2018 was MSEK 509.

Net capital expenditure in the third quarter 2019 decreased with 35 to MSEK 75 (110).

The Group applies IFRS 16 Leases as from 1 January 2019 and almost all leases are carried on the balance sheet. Leasing contracts are disclosed as right-of-use assets. In the third quarter 2019, the net increase of leasing assets amounted to MSEK 6 (55).

MSEK	Q3 2019	Q3 2018[1)]	9M 2019	9M 2018[1)]	LTM	2018[1)]
Opening balance net interest-bearing debt	**-2,451**	**-2,497**	**-2,370**	**-2,323**	**-2,577**	**-2,323**
EBITDA	207	188	580	517	726	662
Adjustments for non-cash items	2	7	8	10	1	3
Change working capital	-39	-11	-41	25	92	157
Net capital expenditure	-75	-110	-249	-338	-282	-371
Net increase in leasing assets	-6	-55	-29	-90	-37	-98
Operating cash flow	**90**	**18**	**270**	**124**	**500**	**354**
Paid finance items, net	-17	-22	-49	-59	-67	-78
Paid tax	-8	-6	-57	-59	-80	-83
Dividend	-	-	-131	-118	-131	-118
Business combinations	-133	-	-133	-4	-133	-4
Other items[2)]	-17	-70	-66	-139	-47	-119
Net cash flow	**-84**	**-80**	**-165**	**-254**	**42**	**-47**
Closing balance net interest-bearing debt	**-2,535**	**-2,577**	**-2,535**	**-2,577**	**-2,535**	**-2,370**

1) When applicable, adjusted for changed accounting principles according to IFRS 16 Leases, see Note 1 and Annual Report 2018, Note 31.
2) Other items in the third quarter 2019 include negative effects from changes in exchange rates of MSEK 4. Other for full year 2018 include assumed net debt of the acquired Rokkedahl Food ApS, MSEK 92.

Financial position

Total equity attributable to the owners of the parent company as of 30 September 2019 amounted to MSEK 1,755 (1,572). The equity to assets ratio improved to 27.9 (25.7) percent. Return on equity was 16.1 (12.7) percent. The improvement was mainly related to improved results.

Net interest-bearing debt as of 30 September 2019 amounted to MSEK 2,535 (2,577). The increase compared to 30 June 2019 was MSEK 84.

Cash and cash equivalents as of 30 September 2019 amounted to MSEK 51 (118). Committed but not utilized credit facilities as of 30 September 2019 amounted to MSEK 320 (289).

Segment information

Sweden

MSEK	Q3 2019	Q3 2018[1)]	Change	9M 2019	9M 2018[1)]	Change	LTM	2018[1)]
Net sales	765	692	11%	2,172	2,002	9%	2,826	2,656
Adjusted EBITDA[2)]	67	64	5%	189	178	6%	250	238
Adjusted operating income (EBIT)[2)]	48	35	34%	132	95	39%	175	138
Non-comparable items[2)]	-	-11	-	-	-34	-	-8	-42
Operating income (EBIT)	48	24	97%	132	61	117%	168	96
Of which the effect of changes in estimated life of fixed assets	6	-	-	18	-	-	29	11
Adjusted EBITDA-margin[2)]	*8.8%*	*9.3%*	-	*8.7%*	*8.9%*	-	*8.8%*	*9.0%*
Adjusted operating margin (EBIT)[2)]	*6.2%*	*5.1%*	-	*6.1%*	*4.8%*	-	*6.2%*	*5.2%*

1) When applicable, adjusted for changed accounting principles according to IFRS 16 Leases, see Note 1 and Annual Report 2018, Note 31.
2) Adjusted for non-comparable items, see page 13.

Net sales in Sweden in the third quarter 2019 increased by 11 percent to MSEK 765 compared to MSEK 692 in the third quarter 2018.

Net sales increased mainly in Retail, driven by price increases as well as increased volume.

Adjusted operating income increased by 34 percent to MSEK 48 (35), corresponding to an adjusted operating margin of 6.2 (5.1) percent. Price increases have compensated for the higher raw material costs incurred over the last quarters. Increased volumes have further contributed to the improvement in adjusted operating profit and adjusted operating margin.

Denmark

MSEK	Q3 2019	Q3 2018[1)]	Change	9M 2019	9M 2018[1)]	Change	LTM	2018[1)]
Net sales	873	729	20%	2,559	2,052	25%	3,257	2,750
Adjusted EBITDA[2)]	50	48	4%	149	130	14%	181	163
Adjusted operating income (EBIT)[2)]	28	28	-2%	85	73	17%	104	92
Non-comparable items[2)]	-	-	-	-6	-	-	-8	-2
Operating income (EBIT)	28	28	-2%	79	73	8%	96	90
Of which the effect of changes in estimated life of fixed assets	0	-	-	1	-	-	10	9
Adjusted EBITDA-margin[2)]	*5.7%*	*6.6%*	-	*5.8%*	*6.4%*	-	*5.6%*	*5.9%*
Adjusted operating margin (EBIT)[2)]	*3.2%*	*3.9%*	-	*3.3%*	*3.5%*	-	*3.2%*	*3.3%*

1) When applicable, adjusted for changed accounting principles according to IFRS 16 Leases, see Note 1 and Annual Report 2018, Note 31.
2) Adjusted for non-comparable items, see page 13.

Net sales in Denmark in the third quarter 2019 increased by 20 percent to MSEK 873 compared to MSEK 729 in the third quarter 2018. The increase in local currency was 17 percent.

The increase in net sales was achieved through a strong development in Ready-to-eat products in Foodservice, the consolidation of Rokkedahl Food Aps, which was acquired in the third quarter 2018, but also a positive development of sales under the brand De Danske Familiegårde in Retail.

Adjusted operating income decreased by 2 percent to MSEK 28 (28), corresponding to a margin of 3.2 (3.9) percent. Adjusted operating income and adjusted operating margin was mainly affected negatively by increased production costs related to the volume increase.

Norway

MSEK	Q3 2019	Q3 2018[1)]	Change	9M 2019	9M 2018[1)]	Change	LTM	2018[1)]
Net sales	415	384	8%	1,234	1,139	8%	1,607	1,512
Adjusted EBITDA[2)]	58	53	11%	173	155	12%	227	208
Adjusted operating income (EBIT)[2)]	40	31	28%	118	94	26%	156	131
Non-comparable items[2)]	-	-	-	-	-	-	-	-
Operating income (EBIT)	40	31	28%	118	94	26%	156	131
Of which the effect of changes in estimated life of fixed assets	2	-	-	7	-	-	12	5
Adjusted EBITDA-margin[2)]	*14.1%*	*13.7%*	-	*14.0%*	*13.6%*	-	*14.1%*	*13.8%*
Adjusted operating margin (EBIT)[2)]	*9.7%*	*8.2%*	-	*9.6%*	*8.2%*	-	*9.7%*	*8.7%*

[1)] When applicable, adjusted for changed accounting principles according to IFRS 16 Leases, see Note 1 and Annual Report 2018, note 31.
[2)] Adjusted for non-comparable items, see page 13.

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Net sales in Norway in the third quarter 2019 increased by 8 percent to MSEK 415 compared to MSEK 384 in the third quarter 2018. The increase in local currency was 8 percent. The increase in net sales refers to a positive volume development.

Adjusted operating income increased by 28 percent to MSEK 40 (31), corresponding to an adjusted operating margin of 9.7 (8.2) percent. The improvement in both adjusted operating income and adjusted operating margin were mainly achieved by a positive sales development and volume driven efficiency improvements.

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Ireland

MSEK	Q3 2019	Q3 2018[1)]	Change	9M 2019	9M 2018[1)]	Change	LTM	2018[1)]
Net sales	496	479	3%	1,493	1,442	4%	1,944	1,894
Adjusted EBITDA[2)]	46	39	18%	126	117	7%	166	157
Adjusted operating income (EBIT)[2)]	30	23	30%	79	70	13%	105	96
Non-comparable items[2)]	-	-	-	-	-	-	-2	-2
Operating income (EBIT)	30	23	30%	79	70	13%	103	94
Adjusted EBITDA-margin[2)]	*9.3%*	*8.1%*	-	*8.4%*	*8.1%*	-	*8.5%*	*8.3%*
Adjusted operating margin (EBIT)[2)]	*6.1%*	*4.8%*	-	*5.3%*	*4.9%*	-	*5.4%*	*5.1%*

[1)] When applicable, adjusted for changed accounting principles according to IFRS 16 Leases, see Note 1 and Annual Report 2018, Note 31.
[2)] Adjusted for non-comparable items, see page 13.

Net sales in Ireland in the third quarter 2019 increased by 3 percent to MSEK 496 compared to MSEK 479 in the third quarter 2018. The increase in local currency was 1 percent.

Adjusted operating income increased with 30 percent to MSEK 30 (23), corresponding to an adjusted operating margin of 6.1 (4.8) percent. The increase in adjusted operating profit and adjusted operating margin was mainly an one-time effect of an adjustment in inventory valuations corresponding to spare parts.

Finland

MSEK	Q3 2019	Q3 2018[1)]	Change	9M 2019	9M 2018[1)]	Change	LTM	2018[1)]
Net sales	132	99	33%	373	319	17%	470	416
Adjusted EBITDA[2)]	7	4	96%	19	7	-	21	9
Adjusted operating income (EBIT)[2)]	2	-3	152%	3	-13	-	3	-13
Non-comparable items[2)]	-	-	-	-7	-	-	-7	-
Operating income (EBIT)	2	-3	151%	-4	-13	-	-4	-13
Of which the effect of changes in estimated life of fixed assets	1	-	-	2	-	-	6	4
Adjusted EBITDA-margin[2)]	*5.5%*	*3.7%*	-	*5.1%*	*2.3%*	-	*4.5%*	*2.2%*
Adjusted operating margin (EBIT)[2)]	*1.3%*	*-3.2%*	-	*0.7%*	*-4.0%*	-	*0.6%*	*-3.1%*

[1)] When applicable, adjusted for changed accounting principles according to IFRS 16 Leases, see Note 1 and Annual Report 2018, Note 31.
[2)] Adjusted for non-comparable items, see page 13.

Net sales in Finland in the third quarter 2019 increased by 33 percent to MSEK 132 compared to MSEK 99 in the third quarter 2018. The increase in local currency was 30 percent.

Adjusted operating income improved to MSEK 2 (-3), corresponding to a margin of 1.3 (-3.2) percent. The improvement in adjusted operating income and adjusted operating margin refers mainly to increased volumes with a more favorable sales mix and improved production efficiency.

Personnel

The average number of employees (FTE) in the third quarter 2019 was 3,161 (3,057) and 3,105 (3,024) in the first nine months of 2019.

The Group's sustainability work

The sustainability work of the Group has been co-ordinated under the heading "The Scandi Way" with the work streams People, Chicken and Planet. Cases are presented in the interim reports showing the sustainability work taking place in the Group.

For a comprehensive description of the sustainability work in the group, please see the Scandi Standard Annual Report 2018, which is available at www.scandistandard.com.

Scandi Standard supports chicken farmers in Haiti

Scandi Standards mission is to become better and make a difference, promoting health and well-being for the people, chickens and the planet. In line with that 20 Scandi Standard colleagues went on a volunteer trip to Haiti to help build strong, sustainable livelihoods and communities.

Haiti imports between 30 and 40 million eggs a month*. Owning a chicken farm opens life-changing opportunities for its people in meeting extremely high market demand. Considering this, Scandi Standard partnered up with Haven, to run chicken farming project which supports local people in Haiti to set up and run their own chicken farms.

–This is one of many initiatives where we want to live up to the mission and it goes in line with our new vision "Better Chicken for a Better Life". We want to share our knowledge of efficient chicken production and livestock farming and contribute by helping the local population out of poverty through self-sufficiency, says Leif Bergvall Hansen, CEO, Scandi Standard.

Manor Farm, one of Scandi Standards latest acquisitions, has been to Haiti several times before. The trip was arranged together with Irish non-governmental organization Haven.

Building chicken coops together

Based in the Cavaillon Valley the project works with local farmers, who each receive training in rearing chickens at the farm. After the training each farmer receives a chicken coop, which was built together with Scandi Standards 20 volunteers. The farmers also get 120 chickens and enough chicken feed to last for six weeks, enabling them to get their farms off the ground.

Each farmer takes out a very small loan from the organization Haven, to support their farm development. Paying this back from the profits they quickly make in small, manageable installments. Meanwhile, the interest on their loans is used to support more farmers in the area to join the program, generating a strong chicken farming industry in the area.

– This project aims to promote positive change by supporting people to grow their incomes and scale their businesses over time. The most rewarding thing is to know that we have started a process that will have to be continued for several years, to create self-sufficiency, says Justin Carton, Project Director and one of the Scandi Standard volunteers this year.

See the video and more photos from Haiti www.thescandiway.com.

About Haven:
Haven is an Irish non-governmental organization, strongly committed to empowering Haitians to build strong and sustainable livelihoods.

**www.havenpartnership.com/blog/portfolio/chicken-farming/*

Risks and uncertainties

Scandi Standards' risks and uncertainties are described on pages 51 – 55 and pages 81 – 84 in the Annual Report 2018, which is available at **www.scandistandard.com**.

United Kingdom has voted to leave the European Union (Brexit) and in March 2017 the formal process was triggered by the UK Government followed by a two-year period of negotiation with the EU on the terms of exit. As Scandi Standard's operations is partly based in Ireland, the Group has assessed the potential impact on its business and have taken steps to counter risks wherever possible. The assessment is that there will be a transition period of some length allowing us and the market to adapt. The Group continues to closely monitor the negotiations and will take steps to address risks and opportunities as and when they arise.

Stockholm, 6 November 2019

Leif Bergvall Hansen
Managing Director and CEO

This is a translation of the original Swedish version published on **www.scandistandard.com**

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 2019 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, 6 November 2019

Öhrlings PricewaterhouseCoopers AB

Bo Lagerström
Authorized Public Accountant

Segment information

Net sales by country

MSEK	Q3 2019	Q3 2018	Change	9M 2019	9M 2018	Change	LTM	2018
Sweden	765	692	11%	2,172	2,002	9%	2,826	2,656
of which internal sales	71	61	16%	187	168	11%	244	225
Denmark	873	729	20%	2,559	2,052	25%	3,257	2,750
of which internal sales	67	51	31%	168	143	17%	222	197
Norway	415	384	8%	1,234	1,139	8%	1,607	1,512
of which internal sales	-	-	-	1	-	-	1	-
Ireland	496	479	3%	1,493	1,442	4%	1,944	1,894
of which internal sales	-	-	-	-	-	-	-	-
Finland	132	99	33%	373	319	17%	470	416
of which internal sales	1	2	-	4	6	-31%	6	8
Intra-group eliminations	-139	-120	16%	-360	-323	12%	-467	-430
Total net sales	**2,541**	**2,263**	**12%**	**7,471**	**6,631**	**13%**	**9,637**	**8,797**

Net sales per product category

MSEK	Q3 2019	Q3 2018	Change	9M 2019	9M 2018	Change	LTM	2018
Ready-to-cook Chilled	1,329	1,177	13%	3,963	3,515	13%	5,063	4,616
Ready-to-cook Frozen	254	278	-9%	777	831	-6%	1,038	1,092
Ready-to-cook Export	148	148	1%	408	402	1%	558	552
Ready-to-eat	539	412	31%	1,498	1,146	31%	1,882	1,529
Ingredients	99	92	8%	279	273	2%	380	374
Other*	172	156	10%	546	465	18%	716	634
Total net sales	**2,541**	**2,263**	**12%**	**7,471**	**6,631**	**13%**	**9,637**	**8,797**

*) 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	Q3 2019	Q3 2018	Change	9M 2019	9M 2018	Change	LTM	2018
Sweden	765	692	11%	2,172	2,002	9%	2,826	2,656
Denmark	611	522	17%	1,808	1,494	21%	2,313	1,999
Norway	383	353	8%	1,141	1,067	7%	1,489	1,415
Ireland	46	46	1%	141	141	0%	185	185
Finland	12	10	30%	35	31	13%	45	41

Exchange rates*

	9M 2019	9M 2018	2018
DKK/SEK	1.42	1.37	1.38
NOK/SEK	1.08	1.07	1.07
EUR/SEK	10.57	10.23	10.26

*) Average exchange rates

Adjusted operating income (EBIT)

MSEK	Q3 2019	Q3 2018 [1)]	9M 2019	9M 2018 [1)]	LTM	2018 [1)]
Sweden	48	35	132	95	175	138
Denmark	28	28	85	73	104	92
Norway	40	31	118	94	156	131
Ireland	30	23	79	70	105	96
Finland	2	-3	3	-13	3	-13
Group	-22	-13	-67	-42	-88	-64
Total	**125**	**102**	**350**	**277**	**455**	**381**

Non-comparable items in operating income

MSEK	Q3 2019	Q3 2018	9M 2019	9M 2018	LTM	2018
Staff reduction costs[2)]	-	-	-6	-1	-6	-1
Restructuring of production[3)]	-	-11	-7	-33	-16	-42
Transaction costs[4)]	-	-1	-	-1	-9	-11
Effect of changes in estimated useful life of fixed assets[5)]	-	-	-	-	8	8
Other	-	-	-	-	-3	-3
Total	**-**	**-12**	**-13**	**-36**	**-26**	**-49**

Non-comparable items in operating income by segment

MSEK	Q3 2019	Q3 2018	9M 2019	9M 2018	LTM	2018
Sweden	-	-11	-	-34	-8	-42
Denmark	-	-	-6	-	-8	-2
Norway	-	-	-	-	-	-
Ireland	-	-	-	-	-2	-2
Finland	-	-	-7	-	-7	-
Koncernen	-	-1	-	-1	-2	-3
Total	**-**	**-12**	**-13**	**-36**	**-26**	**-49**

Operating income (EBIT)

MSEK	Q3 2019	Q3 2018 [1)]	9M 2019	9M 2018 [1)]	LTM	2018 [1)]
Sweden	48	24	132	61	168	96
Denmark	28	28	79	73	96	90
Norway	40	31	118	94	156	131
Ireland	30	23	79	70	103	94
Finland	2	-3	-4	-13	-4	-13
Koncernen	-22	-15	-67	-44	-90	-67
Total operating income (EBIT)	**125**	**89**	**337**	**241**	**428**	**333**
Finance net	-33	-22	-92	-82	-109	-99
Income tax expense	-20	-14	-50	-32	-51	-33
Income for the period	**72**	**52**	**194**	**127**	**268**	**200**

1) When applicable, adjusted for changed accounting principles according to IFRS 16 Leases, see Note 1 and Annual Report 2018, Note 31.
2) Staff reduction costs in Denmark in the second quarter 2019 and in Sweden in the second quarter 2018.
3) Closing of hatchery in Finland in the second quarter 2019 and restructuring of and changes in production in Sweden during 2018.
4) Deal fees mainly related to the acquisitions of Rokkedahl Food ApS in Denmark in 2018 and Carton Bros ULC in Ireland 2017.
5) The share of the effect of the analysis of applied depreciation rates in relation to estimated actual useful life that refers to previous periods.

Consolidated income statement

MSEK	Q3 2019	Q3 2018[1)]	9M 2019	9M 2018[1)]	LTM	2018[1)]
Net sales	2,541	2,263	7,471	6,631	9,637	8,797
Other operating revenues	6	11	15	43	14	42
Changes in inventories of finished goods and work in progress	60	-40	87	-53	130	-10
Raw materials and consumables	-1,571	-1,339	-4,570	-3,943	-5,918	-5,291
Cost of personnel	-511	-429	-1,504	-1,305	-1,962	-1,763
Depreciation, amortisation and impairment	-82	-100	-244	-278	-298	-331
Other operating expenses	-316	-280	-919	-856	-1,175	-1,113
Share of income of associates	0	2	1	2	1	2
Operating income	**125**	**89**	**337**	**241**	**428**	**333**
Finance income	0	0	0	1	1	1
Finance expenses	-34	-23	-93	-83	-110	-100
Income after finance net	**92**	**67**	**244**	**159**	**319**	**233**
Income tax expense	-20	-14	-50	-32	-51	-33
Income for the period	**72**	**52**	**194**	**127**	**268**	**200**
Whereof attributable to:						
Shareholders of the Parent Company	73	52	196	127	269	199
Non-controlling interests	-1	0	-2	0	-1	1
Average number of shares	65,383,603	65,318,465	65,349,483	65,273,978	65,341,665	65,285,191
Earnings per share before dilution, SEK	1.12	0.80	3.00	1.94	4.11	3.05
Earnings per share after dilution, SEK	1.12	0.80	3.00	1.94	4.11	3.05
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 2019	Q3 2018[1)]	9M 2019	9M 2018[1)]	LTM	2018[1)]
Income for the period	72	52	194	127	268	200
Other comprehensive income						
Items that will not be reclassified to the income statement						
Actuarial gains and losses in defined benefit pension plans	-4	7	-17	-3	-22	-7
Tax on actuarial gains and losses	1	-2	4	1	5	2
Total	**-3**	**6**	**-14**	**-2**	**-17**	**-6**
Items that will or may be reclassified to the income statement						
Cash flow hedges	-5	4	-11	1	-17	-5
Currency effects from conversion of foreign operations	32	-29	107	104	83	80
Income from currency hedging of foreign operations	0	5	6	1	-5	-10
Tax attributable to items that will be reclassified to the income statement	1	-1	2	0	4	2
Total	**27**	**-21**	**104**	**106**	**65**	**67**
Other comprehensive income for the period, net of tax	23	-15	91	104	48	61
Total comprehensive income for the period	**96**	**37**	**285**	**230**	**316**	**261**
Whereof attributable to:						
Shareholders of the Parent Company	97	37	287	230	317	260
Non-controlling interests	-1	0	-2	0	-1	1

[1)] When applicable, adjusted for changed accounting principles according to IFRS 16 Leases, see Note 1 and Annual Report 2018, Note 31.

Consolidated statement of financial position

MSEK	Note	September 30, 2019	September 30, 2018[1)]	December 31, 2018[1)]
ASSETS				
Non-current assets				
Goodwill		961	955[2)]	922
Other intangible assets		992	1,020	995
Property, plant and equipment		1,698	1,473	1,481
Right-of-use assets		413	515	486
Non-current leasing receivables		9	11	10
Participations in associated companies		44	45	41
Financial assets		5	4	5
Deferred tax assets		56	64	55
Total non-current assets		**4,178**	**4,087**	**3,996**
Current assets				
Biological assets	3	107	84	94
Inventory		752	608	655
Trade receivables		984	974	850
Other short term receivables		91	85	115
Prepaid expenses and accrued income		118	148	176
Current leasing receivables		2	2	2
Cash and cash equivalents		51	118	89
Total current assets		**2,105**	**2,018**	**1,980**
TOTAL ASSETS		**6,283**	**6,105**	**5,976**
EQUITY AND LIABILITIES				
Shareholder's equity				
Share capital		1	1	1
Other contributed equity		727	857	857
Reserves		239	176	134
Retained earnings		790	538[2)]	594
Capital and reserves attributable to owners		**1,755**	**1,572**	**1,586**
Non-controlling interests		-1	0[2)]	1
Total equity		**1,755**	**1,572**	**1,587**
Liabilities				
Non-current liabilities				
Non-current interest-bearing liabilities	3	2,085	2,000	1,949
Non-current leasing liabilities	3	404	446	421
Derivative instruments	3	19	7	11
Provisions for pensions		33	12	16
Other provisions		5	13	10
Deferred tax liabilities		144	156	169
Other non-current liabilities	4	102	240	218
Total non-current liabilities		**2,791**	**2,875**	**2,794**
Current liabilities				
Current interest-bearing liabilities	3	-	161	-
Current leasing liabilities	3	75	80	76
Derivative instruments	3	4	1	1
Trade payables		998	766	901
Tax payables		41	59	22
Other current liabilities		230	260	243
Accrued expenses and prepaid income		389	331	353
Total current liabilities		**1,737**	**1,658**	**1,595**
TOTAL EQUITY AND LIABILITIES		**6,283**	**6,105**	**5,976**

1) When applicable, adjusted for changed accounting principles according to IFRS 16 Leases, see Note 1 and Annual Report 2018, Note 31.
2) The amount is changed due to correction of the acquisition balance for Rokkedahl Food ApS during the fourth quarter of 2018.

Consolidated statement of changes in equity

MSEK	Note	Share capital	Other contributed equity	Reserves	Retained earnings	Equity attributable to shareholders of the Parent Company	Non-controlling interests	Total equity
		Equity attributable to shareholders of the Parent Company						
Closing balance Dec 31, 2017		1	975	70	409	1,455	-	1,455
Transition effect, IFRS 16	1				-16	-16	-	-16
Opening balance Jan 1, 2018		**1**	**975**	**70**	**393**	**1,439**	-	**1,439**
Income for the period					202	202	1	204
Income for the period, IFRS 16					-3	-3		-3
Other comprehensive income, net after tax				67	-6	61		61
Total comprehensive income		-	-	**67**	**193**	**260**	**1**	**261**
Dividend			-118			-118		-118
Long term incentive programme (LTIP)					5	5		5
Non-controlling interests on acquisition of subsidiary	1					-	0	0
Transactions with non-controlling interests						-	0	0
Total transactions with the owners		**0**	**-118**	**0**	**5**	**-113**	**0**	**-113**
Other changes				-3	3	-		-
Closing balance Dec 31, 2018		**1**	**857**	**134**	**594**	**1,586**	**1**	**1,587**
Opening balance Jan 1, 2019		**1**	**857**	**134**	**594**	**1,586**	**1**	**1,587**
Income for the period					196	196	-2	194
Other comprehensive income, net after tax				104	-14	91		91
Total comprehensive income		**0**	**0**	**104**	**183**	**287**	**-2**	**285**
Dividend			-131			-131		-131
Long term incentive programme (LTIP)					13	13	0	13
Total transactions with the owners		**-**	**-131**	**-**	**13**	**-117**	**0**	**-117**
Closing balance Sep 30, 2019		**1**	**727**	**239**	**790**	**1,755**	**-1**	**1,755**

Consolidated statement of cash flows

MSEK	Q3 2019	Q3 2018[1]	9M 2019	9M 2018[1]	LTM	2018[1]
OPERATING ACTIVITIES						
Operating income	125	89	337	241	428	333
Adjustment for non-cash items	84	75	251	286	298	333
Paid finance items net	-17	-22	-49	-59	-67	-78
Paid current income tax	-8	-6	-57	-59	-80	-83
Cash flows from operating activities before changes in working capital	**185**	**137**	**482**	**409**	**579**	**505**
Changes in inventories	-60	51	-87	62	-149	-1
Changes in operating receivables	10	-17	-32	-16	39	56
Changes in operating payables	11	-44	78	-21	202	103
Changes in working capital	**-39**	**-11**	**-41**	**25**	**92**	**157**
Cash flows from operating activities	**146**	**126**	**441**	**434**	**670**	**663**
INVESTING ACTIVITIES						
Business combinations	-133	-	-133	-4	-133	-4
Investments in right-of-use assets	-1	-1	-1	-1	-1	-1
Investment in property, plant and equipment	-75	-110	-257	-338	-296	-378
Sale of property, plant and equipment	0	1	8	1	14	7
Cash flows used in investing activities	**-208**	**-110**	**-382**	**-342**	**-416**	**-376**
FINANCING ACTIVITIES						
New loans	-	58	-	480	-334	146
Repayment of loans	-1	-38	-8	-470	305	-156
Change in overdraft facility	76	21	90	161	-95	-24
Payments for amortization of leasing liabilities	-21	-20	-64	-58	-86	-81
Dividend	-	-	-131	-118	-131	-118
Other	1	-	14	-	14	-
Cash flows in financing activities	**55**	**21**	**-99**	**-5**	**-326**	**-232**
Cash flows for the period	**-7**	**36**	**-40**	**87**	**-72**	**54**
Cash and cash equivalents at beginning of the period	**58**	**84**	**89**	**30**	**118**	**30**
Currency effect in cash and cash equivalents	1	-3	3	1	6	4
Cash flows for the period	-7	36	-40	87	-72	54
Cash and cash equivalents at the end of the period	**51**	**118**	**51**	**118**	**51**	**89**

[1] When applicable, adjusted for changed accounting principles according to IFRS 16 Leases, see Note 1 and Annual Report 2018, Note 31.

Parent Company income statement

MSEK	Q3 2019	Q3 2018	9M 2019	9M 2018	LTM	2018
Net sales	-	-	-	-	-	-
Operating expenses	0	0	0	0	0	0
Operating income	**0**	**0**	**0**	**0**	**0**	**0**
Finance net	7	3	24	11	44	31
Income after finance net	**7**	**3**	**24**	**11**	**44**	**31**
Group contribution	-	-	-	-	-15	-15
Tax expenses	-1	-1	-2	-2	0	-
Income for the period	**7**	**3**	**21**	**8**	**29**	**16**

Parent Company statement of comprehensive income

MSEK	Q3 2019	Q3 2018	9M 2019	9M 2018	LTM	2018
Income for the period	7	3	21	8	29	16
Other comprehensive income, net after tax	-	-	-	-	-	-
Total comprehensive income for the period	**7**	**3**	**21**	**8**	**29**	**16**

Parent Company Statement of financial position

MSEK	Note	September 30, 2019	September 30, 2018	December 31, 2018
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		20	5	16
Cash and cash equivalents		-	-	0
Total current assets		**20**	**5**	**16**
TOTAL ASSETS		**958**	**943**	**954**
EQUITY AND LIABILITIES				
Equity				
Restricted equity				
Share capital		1	1	1
Non-restricted equity				
Share premium account		727	857	857
Retained earnings		-37	-48	-53
Income for the period		21	8	16
Total equity		**712**	**818**	**821**
Non-current liabilities				
Non-current interest-bearing liabilities		20	-	-
Total non-current liabilities		**20**	**-**	**-**
Current liabilities				
Tax payables		2	2	-
Liabilities to Group entities	4	224	122	134
Accrued expenses and prepaid income		-	0	-
Total current liabilities		**227**	**125**	**134**
TOTAL EQUITY AND LIABILITIES		**958**	**943**	**954**

Parent Company statement of changes in equity

MSEK	
Opening balance Jan 1, 2018	**922**
Income for the period	16
Other comprehensive income, net after tax	-
Total comprehensive income	**16**
Dividend	-118
Total transactions with the owners	**-118**
Closing balance Dec 31, 2018	**821**
Opening balance Jan 1, 2019	**821**
Income for the period	21
Other comprehensive income, net after tax	-
Total comprehensive income	**21**
Dividend	-131
Total transactions with the owners	**-131**
Closing balance Sep 30, 2019	**712**

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.

IFRS 16, Leases, that supersedes IAS 17, Leases, is in effect as of 1 January 2019. It will result in that almost all leases being recognized on the balance sheet, as the distinction between operating and financial leases is removed. For Scandi Standard, this means that rental agreements for production facilities, offices, production equipment and for cars and other vehicles are reported in the statement of financial position, mainly classified as right-of-use assets and leasing liabilities.

The standard allows for several transition methods, and Scandi Standard has elected to use the full retrospective method where the accumulated effect of the transition is reported in the opening balance for 1 January 2018.

Consequences of the new standard are that the accounting, valuation and presentation of certain amounts in the financial statements are affected. The new accounting principles are disclosed in the Annual report for 2018, Note 31, which also shows the effects of the transition and the restatement of the comparison figures for the quarter and the full year 2018 that are applied in this interim report.

IFRIC 23, Uncertainty over income tax treatments, is in effect as of 1 January 2019. It clarifies the reporting and measurement requirements in accounting for uncertainties in income taxes. The interpretation has had no impact on the financial statements of the Group.

No other changes have been made in the Group's accounting and valuation principles compared to those described in Note 1 in the Annual Report for 2018.

Sometimes, the total amount in tables and statements do not add up due to rounding differences. The purpose is that each sub-line equals its source of origin and therefore rounding differences 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 for 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 2018.

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 IAS 39 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 and processing 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. AB Skånefågel slaughters and sells products for the Swedish market and export. Bosarpskyckling AB produces organic chicken and was the first producer in this field in Sweden.

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 and process 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, processing and sale of 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 in Ireland, acquired as of 28 August 2017. Operations include slaughtering, production and development of chilled chicken products for the Irish market. The segment also produces feed for its contracted farmers.

Segment Finland comprises Naapurin Maalaskaina Oy. Operations include slaughtering, production and development 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	
	Q3 2019	Q3 2018	Q3 2019	Q3 2018	Q3 2019	Q3 2018	Q3 2019	Q3 2018	Q3 2019	Q3 2018	Q3 2019	Q3 2018	Q3 2019	Q3 2018
RTC Chilled	318	283	260	202	202	186	447	427	103	78	-	-	1,329	1,177
RTC Frozen	183	187	25	40	33	39	5	8	8	3	-	-	254	278
RTC Export	9	4	113	123	-	-	26	21	-	0	-	-	148	148
RTE	98	79	360	264	77	66	-	-	3	3	-	-	539	412
Ingredients	20	17	51	45	6	2	17	22	6	6	-	-	99	92
Other	137	122	64	56	96	91	1	0	12	8	-139	-120	172	156
Total	**765**	**692**	**873**	**729**	**415**	**384**	**496**	**479**	**132**	**99**	**-139**	**-120**	**2,541**	**2,263**

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 2019 and for the comparison period, are shown in the tables below.

September 30, 2019, MSEK	Valued at amortized cost	Valued at fair value through profit and loss¹	Valued at fair value through other comprehensive income¹
Assets			
Other non-current financial assets	5	-	-
Leasing receivables	11	-	-
Biological assets	-	107	-
Trade and other receivables	984	-	-
Derivative 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	-	-
Derivative instruments	-	-	23
Current interest-bearing liabilities	-	-	-
Other current liabilities	-	134	-
Trade and other payables	998	-	-
Total financial liabilities	**3,561**	**236**	**23**

September 30, 2018, MSEK	Valued at amortized cost	Valued at fair value through profit and loss¹	Valued at fair value through other comprehensive income¹
Assets			
Other non-current financial assets	4	-	-
Leasing receivables	13	-	-
Biological assets	-	84	-
Trade and other receivables	974	-	-
Derivative instruments	-	-	-
Cash and cash equivalents	118	-	-
Total financial assets	**1,108**	**84**	**-**
Liabilities			
Non-current interest-bearing liabilities	2,000	-	-
Other non-current liabilities	-	240	-
Leasing liabilities	526	-	-
Derivative instruments	-	-	8
Current interest-bearing liabilities	161	-	-
Other current liabilities	-	103	-
Trade and other payables	766	-	-
Total financial liabilities	**3,454**	**344**	**8**

[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 2019, 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 2019, the derivatives amounted to MSEK -23 (-8). The biological assets (parent animals in the rearing of day-old chicks, as well as broilers) are measured in accordance with IAS 41 at fair value less selling costs and as of 30 September 2019 those amounted to MSEK 107 (84). For the Group's long-term borrowing, which as of 30 September 2019 amounted to MSEK 2,085 (2,000), 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 current liabilities and other non-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

Other non-current liabilities and other current liabilities for the Group as per 30 September 2019 amounting to MSEK 102 (240) and MSEK 134 (103) 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 2019 amounted to MSEK 224 (122).

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 fulfill its financial obligations.

From Income Statement, MSEK		Q3 2019	Q3 2018[1]	9M 2019	9M 2018[1]	LTM	2018[1]
Net sales	**A**	2,541	2,263	7,471	6,631	9,637	8,797
Income for the period	**B**	72	52	194	127	268	200
+ Reversal of tax on income for the year		20	14	50	32	51	33
Income after finance net	**C**	**92**	**67**	**244**	**159**	**319**	**233**
+ Reversal of financial expenses		34	23	93	83	110	100
+ Reversal of financial income		0	0	0	-1	-1	-1
Operating income (EBIT)	**D**	**125**	**89**	**337**	**241**	**428**	**333**
+ Reversal of depreciation, amortization and impairment		82	100	244	278	298	331
+ Reversal of share of income of associates		0	-2	-1	-2	-1	-2
EBITDA	**E**	**207**	**187**	**580**	**517**	**726**	**662**
Non-comparable items in income for the period (EBIT)	**F**	0	12	13	36	26	49
Adjusted income for the period (EBIT)	**D+F**	**125**	**102**	**350**	**277**	**455**	**381**
Adjusted operating margin (EBIT)	*(D+F)/A*	*4.9%*	*4.5%*	*4.7%*	*4.2%*	*4.7%*	*4.3%*
Non-comparable items in EBITDA	**G**	-	8	11	30	33	52
Adjusted EBITDA	**E+G**	**207**	**195**	**591**	**546**	**759**	**714**
Adjusted EBITDA-margin %	*(E+G)/A*	*8.2%*	*8.6%*	*7.9%*	*8.2%*	*7.9%*	*8.1%*

[1] When applicable, adjusted for changed accounting principles according to IFRS 16 Leases, see Note 1 and Annual Report 2018, Note 31.

From Statement of Cash Flow, MSEK		Q3 2019	Q3 2018[1]	9M 2019	9M 2018[1]	LTM	2018[1]
OPERATING ACTIVITIES							
Operating income (EBIT)		125	89	337	241	428	333
Adjustment for non-cash items							
Depreciation, amortization and impairment		82	100	244	278	298	331
Share of income of associates		0	-2	-1	-2	-1	-2
EBITDA		**207**	**187**	**580**	**517**	**726**	**662**
Non-comparable items in EBITDA	**G**	-	8	11	30	33	52
Adjusted EBITDA		**207**	**195**	**591**	**546**	**759**	**714**

[1] When applicable, adjusted for changed accounting principles according to IFRS 16 Leases, see Note 1 and Annual Report 2018, Note 31.

From Statement of financial position, MSEK		September 30, 2019	September 30, 2018[1]	December 31, 2018[1]
Total assets		**6,283**	**6,105**	**5,976**
Non-current non-interest-bearing liabilities				
- Deferred tax liabilities		-144	-156	-169
- Other non-current liabilities		-102	-240	-218
Total non-current non-interest-bearing liabilites		**-246**	**-397**	**-387**
Current non-interest-bearing liabilities				
Trade payables		-998	-766	-901
Tax payables		-41	-59	-22
Other current liabilities		-230	-260	-243
Accrued expenses and prepaid income		-389	-331	-353
Total current non-interest-bearing liabilities		**-1,658**	**-1,417**	**-1,518**
Capital employed		**4,379**	**4,291**	**4,071**
Less: Cash and cash equivalents		**-51**	**-118**	**-89**
Operating capital		**4,328**	**4,173**	**3,982**
Average capital employed	**H**	**4,335**	**4,078**	**3,943**
Average operating capital	**I**	**4,251**	**4,002**	**3,884**
Operating income, LTM		428	334	333
Adjusted operating income, LTM	**J**	455	394	381
Financial income	**K**	0	1	1
Adjusted return on capital employed	**(J+K)/H**	**10.5%**	**9.7%**	**9.7%**
Adjusted return on operating capital	**J/I**	**10.7%**	**9.9%**	**9.8%**

Interest bearing liabitities			
Non-current interest-bearing liabilities	2,085	2,000	1,949
Non-current leasing liabilities	404	446	421
Derivate instruments	23	8	12
Current interest-bearing liabilities	-	161	-
Current leasing liabilities	75	80	76
Total interest-bearing liabilities	**2,586**	**2,695**	**2,458**
Less: Cash and cash equivalents	-51	-118	-89
Net interest-bearing debt	**2,535**	**2,577**	**2,370**

[1] When applicable, adjusted for changed accounting principles according to IFRS 16 Leases, see Note 1 and Annual Report 2018, Note 31.

Definitions

EBIT
Operating income.

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

Operating margin
Operating income (EBIT) as a percent of net sales.

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

Adjusted EBITDA margin
Adjusted EBITDA as a percent 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.

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 average number of shares.

Adjusted earnings per share (EPS)
Adjusted income for the period, attributable to the shareholders, divided by 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 6 November 2019 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 2019 — February 7, 2020
- Interim report for the first quarter 2020 — May 12, 2020

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 6 November 2019.

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 and major customer credit losses.

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)
Franzéngatan 5
104 25 Stockholm
Reg no. 556921-0627
www.scandistandard.com