



Idavang A/S, CVR no. 20956143
Floating rate senior secured EUR 75,000,000 bonds 2021/2025

ISIN DK0030472618
Issue Price: 100 per cent.

This prospectus (the "**Prospectus**") has been prepared by Idavang A/S, a public limited liability company incorporated under the laws of Denmark (the "**Issuer**" or "**Idavang**", and together with its subsidiaries, the "**Group**") for official listing of the EUR 75,000,000 in aggregate principal amount of its floating rate senior secured bonds due 2025 (the "**Bonds**") and admittance to trading on Nasdaq Copenhagen's regulated market. This Prospectus has been prepared as a prospectus issued in compliance with Danish legislation and regulation, including the Danish Act on Capital Markets, the Prospectus Regulation, Commission Delegated Regulation (EU) no. 2019/980 of 14 March 2019, as amended, as well as Commission Delegated Regulation (EU) 2019/979 of 14 March 2019, as amended. This Prospectus has been prepared in accordance with Prospectus Regulation and Annex 7 and Annex 15 to the Commission Delegated Regulation (EU) no. 2019/980 of 14 March 2019, as amended.

This Prospectus has been prepared on the basis that any offer of the Bonds in any member state of the European Economic Area where the Prospectus Regulation applies (each a "**Relevant Member State**"), will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of the Bonds. For these purposes, the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129 (and any amendments thereto). Accordingly, any person making or intending to make an offer in that Relevant Member State of Bonds which are the subject of the offering contemplated in this Prospectus may only do so in circumstances in which no obligation arises for the Group or the Managers to publish a prospectus pursuant to Article 3 of the Prospectus Regulation in relation to such offer. Neither the Group nor the Managers has or have authorized, nor does it or do they authorize, the making of any offer of the Bonds in circumstances in which an obligation arises for the Group or the Managers to publish a prospectus for such offer.

No person has been authorized by the Issuer, the Managers or any other person to give any information or to make any representation other than those contained in this Prospectus in connection with the issue or sale of the Bonds and, if given or made, such information or representation must not be relied upon as having been authorized by the Issuer, the Managers or any other person.

The distribution of this Prospectus and the offering or sale of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer to inform themselves about and to observe any such restriction. The Managers have not authorized the whole or any part of this Prospectus and make no representation or warranty and accept no responsibility as the accuracy or completeness of the information contained in this Prospectus.

The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or the securities laws of any other jurisdiction. The Bonds may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

This Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Managers to subscribe for or purchase, any Bonds.

Investing in the Bonds involves a high degree of risk. See the section headed "*Risk Factors*" in this Prospectus.

Pursuant to the terms of the Bonds entered into prior to the Issue Date (as defined below) between the Issuer, the Original Guarantors (as defined below) and Nordic Trustee A/S as bond trustee on behalf of the Bondholders (the "**Bond Terms**"), the Issuer may redeem all or part (however in a minimum amount equal to 10 per cent. of the outstanding Bonds if in part) of the outstanding Bonds (i.e. the Call Option as defined below under section 17.1.8 (*Call Option*)) on any Business Day from and including (i) the Issue Date to, but not including, the Interest Payment Date falling 30 months after the Issue Date, at a price equal to the Make Whole Amount (as defined below), (ii) the Interest Payment Date falling 30 months after the Issue Date to, but not including, the Interest Payment Date falling 36 months after the Issue Date at a price equal to 103.625 per cent. of the Nominal Amount redeemed, (iii) the Interest Payment Date falling 36 months after the Issue Date to, but not including, the Interest Payment Date falling 42 months after the Issue Date at a price equal to 102.3952 per cent. of the Nominal Amount redeemed, (iv) the Interest Payment Date falling 42 months after the Issue Date to, but not including, the Interest Payment Date falling 48 months after the Issue Date at a price equal to 101.8125 per cent. of the Nominal Amount redeemed, (v) the Interest Payment Date falling 48 months after the Issue Date to the Maturity Date, but not including, the Interest Payment Date falling 57 months after the Issue Date, at a price equal to 100.725 per cent. of the Nominal Amount redeemed, and (vi) the Interest Payment Date falling 57 months after the Issue Date to the Maturity Date at a price equal to the Nominal Amount redeemed, in each case plus accrued but unpaid interest, provided in the case of any redemption in part that Bonds corresponding to at least 60 per cent. of the Issue Amount remain outstanding after such redemption.

1 Upon the occurrence of certain events constituting a change of control or a Listing Failure Event (as defined
2 below), each Bondholder may require that the Issuer purchases all, but not only some, of the Bonds held by that
3 Bondholder at a price equal to 101 per cent. of the nominal amount thereof. In the event of certain developments
4 affecting taxation, the Issuer may redeem all, but not only some, of the outstanding Bonds at a price equal to
5 100 per cent. of the nominal amount together with accrued but unpaid interest. The outstanding Bonds will
6 mature in full on the maturity date and shall be redeemed by the Issuer on such date at a price equal to 100 per
7 cent. of the nominal amount.

8
9 The Bonds are the Issuer's senior secured obligations and will rank *pari passu* in right of payment to all of the
10 Issuer's existing and future senior indebtedness that is not subordinated in right of payment to the Bonds,
11 including the obligations of the Issuer under the Super Senior Revolving Credit Facility (as defined below) and
12 certain hedging obligations, and will be senior in right of payment to all existing and future indebtedness of the
13 Issuer that is subordinated in right of payment to the Bonds. The Bonds will be effectively subordinated to any
14 existing or future indebtedness or obligation of the Issuer and its subsidiaries that is mandatorily preferred by
15 law.

16
17 The Bonds are secured on a first-ranking basis by (i) a pledge of the escrow account to which the proceeds of
18 the Bonds (net of costs and expenses) were transferred, (ii) a pledge of the shares owned by the Group in each
19 of Rus Invest ApS (a company incorporated under the laws of Denmark), Rurik A/S (a company incorporated
20 under the laws of Denmark), Pskov Invest ApS (a company incorporated under the laws of Denmark), Idavang
21 Russia A/S (a company incorporated under the laws of Denmark), UAB IDAVANG (a company incorporated
22 under the laws of Lithuania), (each, an "**Original Guarantor**" and together the "**Original Guarantors**"), Idavang
23 Agro LLC (a company incorporated under the laws of Russia) and Idavang Luga LLC (a company incorporated
24 under the laws of Russia), (iii) negative pledges registered in the Danish Personal Register in respect of the
25 Issuer and each Original Guarantor incorporated in Denmark, (iv) a pledge of custody account(s), (v) an
26 assignment of the Issuer's rights under intra-group loan(s) made by the Issuer to Idavang Agro LLC in an
27 aggregate amount of RUB 907,900,465 million and (vi) mortgages over substantially all of the Group's real
28 estate at the time of the Bond Issue located in Lithuania.

29
30 The Original Guarantors, subject to contractual limitations that reflect limitations under applicable law, jointly
31 and severally guarantee the Bonds (the "**Guarantees**"). The Guarantees are senior secured obligations of the
32 Original Guarantors.

33
34 The Bondholders will receive proceeds from the enforcement of the above transaction security and Guarantees
35 and any proceeds in insolvency only after the lenders under the Super Senior Revolving Credit Facility and
36 counterparties to certain hedging agreements have been repaid in full, except for the pledge of the escrow
37 account which shall only secure liabilities in respect of, or associated with, the Bonds.

38
39 This Prospectus includes information on the terms of the Bonds and the Guarantees, including redemption and
40 repurchase prices, covenants, events of default and transfer restrictions.

41
42 The Bonds have been issued in dematerialised book entry form and settled through VP Securities A/S.

43
44 Managers

45 Pareto Securities AS and Pareto Securities AS, Copenhagen Branch

46 **The date of this Prospectus is 28 April 2021**

1. IMPORTANT INFORMATION

Interested parties should rely only on, and base their decision to invest in the Bonds solely on, the information contained in this Prospectus. None of the Issuer, the Original Guarantors or the Managers have authorised anyone to provide prospective investors with different information, and interested parties should not rely on any such information. All data in this Prospectus is provided as at the date of this Prospectus and is subject to change without notice.

This Prospectus does not constitute an offer to sell or an invitation to subscribe for or purchase any of the Bonds in any jurisdiction in which such offer or invitation is not authorised or to any person to whom it is unlawful to make such an offer or invitation. No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Bonds may not be offered or sold, directly or indirectly, and this Prospectus may not be distributed, in any jurisdiction except in accordance with the legal requirements applicable in such jurisdiction. Interested parties must comply with all applicable laws in any place in which any Bond is bought, offered or sold or where this Prospectus is possessed. All necessary consents or approvals in order to purchase any Bonds must be obtained by the interested parties. Neither the Issuer nor the Managers are responsible for compliance with these legal requirements.

The Issuer has offered the Bonds, and the Original Guarantors have issued the Guarantees, in reliance on (i) an exemption from registration under the U.S. Securities Act for an offer and sale of securities that does not involve a public offering and (ii) a transaction pursuant to Regulation S that is not subject to the registration requirements of the U.S. Securities Act. Any purchaser of the Bonds will be deemed to have made certain acknowledgments, representations and warranties as detailed in this section. The Bonds are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the U.S. Securities Act and applicable securities laws of any other jurisdiction pursuant to registration or exemption therefrom.

The Bonds are subject to restrictions on transferability and resale, which are described in this section. By possessing this Prospectus or purchasing any Bond, you will be deemed to have represented and agreed to all of the provisions contained in this section of this Prospectus. Each interested party should be aware that it may be required to bear the financial risks of this investment for an indefinite period of time. None of the Issuer, the Original Guarantors or the Managers are making an offer to sell the Bonds in any jurisdiction where the offer and sale of the Bonds is prohibited. Neither the Issuer nor any Original Guarantor makes any representation to you that the Bonds are a legal investment for any party. No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose.

Neither the Issuer nor the Managers nor any of their respective representatives are providing any legal, business, tax or other advice in this Prospectus. Interested parties should consult with their own advisors as needed to assist in making any investment decision and to advise on whether it is legally permitted to purchase the Bonds.

Any decision to invest in the Bonds should be based solely on information contained in this Prospectus. This Prospectus contains summaries believed to be accurate with respect to certain documents, but reference is made to the actual documents for complete information. All such summaries are qualified in their entirety by such reference. Copies of certain of the documents referred to herein will be made available to prospective investors upon request to us or set forth under section 15 (*Documents on Display*).

The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the Issuer's knowledge, except as otherwise noted, the information contained in this Prospectus is true and accurate in all material respects and the Issuer is not aware of any other facts, the omission of which would make this Prospectus or any statement contained herein misleading in any material respect.

By purchasing the Bonds, each interested party will be deemed to have acknowledged having reviewed this Prospectus and have had an opportunity to request, and have received all additional information that it needs from the Issuer. No person is authorised in connection with any offering made pursuant to this Prospectus to give any information or to make any representation not contained in this Prospectus and, if given or made, any other information or representation must not be relied upon as having been authorised by the Issuer or the Managers.

The information contained in this Prospectus is accurate as of the date hereof. The Issuer's and the Original Guarantors' business, financial condition or other information contained in this Prospectus may change after the date hereof. Neither the delivery of this Prospectus at any time after the date of publication nor any subsequent commitment to purchase the Bonds shall, under any circumstances, create an implication that there has been no change in the information set out in this Prospectus or in the Issuer's business since the date of this Prospectus.

The Managers, the Bond Trustee (as defined herein) and any other agents acting with respect to the Bonds accept no responsibility for and make no representation or warranty, express or implied, as to the accuracy or completeness of the

information set out in this Prospectus, and nothing contained in this Prospectus is, or should be relied upon as, a promise or representation by the Managers, the Bond Trustee, or any other agents acting with respect to the Bonds as to the past or the future. By receiving this Prospectus, you acknowledge that you have not relied on the Managers or their respective directors, affiliates, advisers and agents in connection with your investigation of the accuracy of this information or the decision whether to invest in the Bonds.

By accepting delivery of this Prospectus, you agree to the foregoing and agree not to use any information herein for any purpose other than considering an investment in the Bonds. This Prospectus may be used only for the purpose for which it was published.

The information set out in relation to sections of this Prospectus describing clearing and settlement arrangements, including section 18.2 (*Clearing Information*), is subject to any change in or reinterpretation of the rules, regulations and procedures of VP Securities A/S currently in effect. The Issuer will not, nor will any of the Issuer's agents, have responsibility for the performance of the obligations of VP Securities A/S or its participants under the rules and procedures governing its operations, nor will the Issuer or the Issuer's agents have any responsibility or liability for any aspect of the records relating to, or payments made on account of, book-entry interests held through the facilities of any clearing system or for maintaining, supervising or reviewing any records relating to these book-entry interests. Investors wishing to use these clearing systems are advised to confirm the continued applicability of their rules, regulations and procedures.

1.1. Restrictions on prospective investors

This Prospectus is not an offer for sale or a solicitation of an offer to purchase the Bonds in any jurisdiction where the offer or sale is not permitted. Where the sale or offer is not permitted, this Prospectus may not be distributed in or into any country where such distribution would require any additional prospectus, registration or additional measures or contrary to the rules and regulations of such jurisdiction. Persons into whose possession this Prospectus comes or persons who acquire the Bonds are therefore required to inform themselves about, and to observe, such restrictions.

1.2. U.S. Restrictions

The Bonds have not been and will not be registered under the U.S. Securities Act of 1933 (the "**U.S. Securities Act**"), and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. In addition, until 40 days after the later of the commencement of the offering and the closing date, an offer or sale of the Bonds within the United States by a dealer may violate the registration requirements of the U.S. Securities Act if such offer or sale of the Bonds within the United States by a dealer may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than pursuant to an exemption from registration under the U.S. Securities Act.

1.3. Notice to certain European investors

1.3.1. European Economic Area

This Prospectus has been prepared on the basis that any offer of the Bonds in any Relevant Member State where the Prospectus Regulation applies, will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of the Bonds. For these purposes the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129 (and amendments thereto). Accordingly, any person making or intending to make an offer in that Relevant Member State of Bonds which are the subject of the offering contemplated in this Prospectus may only do so in circumstances in which no obligation arises for the Group or the Managers to publish a prospectus pursuant to Article 3 of the Prospectus Regulation in relation to such offer. Neither the Group nor the Managers has or have authorised, nor does it or do they authorise, the making of any offer of the Bonds in circumstances in which an obligation arises for the Group or the Managers to publish a prospectus for such offer.

For the purposes of this section, the expression an "offer of the Bonds to the public" in relation to any of the Bonds in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offering and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Bonds, as the same may be varied in that member state.

1.3.2. Denmark

The Bonds may not be offered, sold or delivered directly or indirectly in the Kingdom of Denmark by way of a public offering, and any subscription or purchase of Bonds may only be made in compliance with the Danish Act on Capital Markets, the Danish Financial Business Act and executive orders issued thereunder, including in compliance with Executive Order no. 2092 of 14 December 2020 to the extent applicable.

1.4. Notice to other investors

The offering may not be made to individuals domiciled in Australia, Japan, Canada, or in any other country where the offering, sale and delivery of the Bonds may be restricted by law.

1.5. Forward-looking statements

This Prospectus includes forward-looking statements. All statements other than statements of historical facts included in this Prospectus, including those regarding the Group's financial position, business strategy, plans and objectives of management for future operations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the Group, or industry results, to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. Please see section 4 (*Risk Factors*) for a description of some of the risks that may affect any forward-looking statements. The Group expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein, except as may be required by law.

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2. STATEMENT OF RESPONSIBILITY

2.1. *The Company's responsibility*

Idavang A/S is responsible for this Prospectus in accordance with Danish law. Idavang A/S is a public liability company registered with the Danish Business Authority under CVR no. 20956143 and has its registered office at Tofthøjvej 41, Tofthøj, 7321 Gadbjerg, Vejle Municipality, Denmark.

2.2. *Statement*

We hereby declare that we have taken all reasonable care to ensure that, to the best of our knowledge, the information contained in this Prospectus is in accordance with the facts and contains no omissions likely to affect its import.

We furthermore declare that the Prospectus has been approved by the Danish Financial Supervisory Authority as competent authority under the Prospectus Regulation. The Danish Financial Supervisory only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer that is the subject of this Prospectus.

Gadbjerg, 28 April 2021

Idavang A/S

Board of directors

Niels Hermansen
Chairman

Jytte Rosenmaj

Claus Baltersen

Carsten Lund Thomsen

Ole Bjerremand Hansen

Niels Hermansen is a professional board member.

Jytte Rosenmaj is a professional board member.

Claus Baltersen is a professional board member and CEO of Idavang A/S and the Group.

Carsten Lund Thomsen is a professional board member.

Ole Bjerremand Hansen is a professional board member.

1 Executive Board

Claus Baltersen
CEO

Michael Thuesen Henriksen
CFO

2

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Michael Thuesen Henriksen

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IP: 78.60.xxx.xxx

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NEM ID 

Carsten Lund Thomsen

Underskriver

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2021-04-26 14:37:41Z

NEM ID 

Jytte Rosenmaj

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Serienummer: PID:9208-2002-2-484771589297

IP: 80.161.xxx.xxx

2021-04-26 16:05:36Z

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Niels Hermansen

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Serienummer: PID:9208-2002-2-230384101386

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2021-04-27 06:26:51Z

NEM ID 

Ole Bjerremand Hansen

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3. INDEPENDENT AUDITORS

The auditor of the Issuer is Pricewaterhousecoopers Statsautoriseret Revisionspartnerselskab, Esbjerg Brygge 28, 6700 Esbjerg, Denmark, authorized by the Danish Business Authority and regulated by the Danish Act on State Authorized Public Accountants and otherwise by the law of Denmark, and who has audited in accordance with international standards on auditing and additional requirements applicable in Denmark the Issuer's consolidated financial statements for the financial years ended 31 December 2020 and issued an auditor's report on such consolidated financial reports without any qualifications.

3.1. *Issuer's financial statements for 2020*

The auditor of the Issuer is Pricewaterhousecoopers Statsautoriseret Revisionspartnerselskab, Esbjerg Brygge 28, 6700 Esbjerg, Denmark, authorized by the Danish Business Authority and regulated by the Danish Act on State Authorized Public Accountants and otherwise by the law of Denmark, and who has audited in accordance with international standards on auditing and additional requirements applicable in Denmark the Issuer's consolidated financial statements for the financial years ended 31 December 2020 and issued an auditor's report on such consolidated financial reports without any qualifications.

The Issuer's consolidated financial statements and the Issuer's parent financial statements for the financial years ended 31 December 2020 have been audited by Pricewaterhousecoopers Statsautoriseret Revisionspartnerselskab, represented by State Authorized Public Accountant Palle H. Jensen, who is a member (MNE no. : mne32115) of FSR Danish Auditors (The Institute of State Authorised Public Accountants in Denmark) and State Authorized Public Accountant Henrik Forthoft Lind, who is a member (MNE no.: mne34169) of FSR Danish Auditors (The Institute of State Authorised Public Accountants in Denmark).

3.2. *Issuer's financial statements for 2019*

The previous auditor of the Issuer is Ernst & Young Godkendt Revisionspartnerselskab, Værkmestergade 25, 8000 Aarhus C, Denmark, authorized by the Danish Business Authority and regulated by the Danish Act on State Authorized Public Accountants and otherwise by the law of Denmark, and who has audited in accordance with international standards on auditing and additional requirements applicable in Denmark the Issuer's consolidated financial statements for the financial years ended 31 December 2019 and issued an auditor's report on such consolidated financial reports without any qualifications.

The Issuer's consolidated financial statements and the Issuer's parent financial statements for the financial years ended 31 December 2019 have been audited by Ernst & Young Godkendt Revisionspartnerselskab, represented by State Authorized Public Accountant Søren Jensen, who is a member (MNE no. : mne34132) of FSR Danish Auditors (The Institute of State Authorised Public Accountants in Denmark) and State Authorized Public Accountant Jes Lauritzen, who is a member (MNE no.: mne10121) of FSR Danish Auditors (The Institute of State Authorised Public Accountants in Denmark).

3.3. *Original Guarantors' financial statements*

The local statutory financial statements of the Original Guarantors incorporated in Lithuania for the financial years ended 31 December 2019 have been audited by UAB ERNST & YOUNG Baltic (Audit company's licence No. 001335), Subaciaus g. 7, LT-01302 Vilnius, Lithuania, in 2019 represented by Asta Streimikiene (Auditor's licence No. 000382), who also is a member of The Lithuanian Chamber of Auditors (LCA).

The local statutory financial statements of the Original Guarantors incorporated in Lithuania for the financial years ended 31 December 2020 have been audited by PricewaterhouseCoopers, UAB (Audit company's licence No. 001273), J.Jasinskio g. 16B, LT- 01112 Vilnius, Lithuania, in 2020 represented by Rasa Radzevičienė (Auditor's licence No. 000377), who is a member of The Lithuanian Chamber of Auditors (LCA).

3.4. *Use of financial information*

The consolidated income and cash flow statement information for the financial years 2019 and 2020, and the consolidated balance sheets information at 31 December 2019 and 2020, respectively, included in section 11 (*Financial information concerning the issuer's assets and liabilities*) have been extracted from the audited consolidated financial statements for the financial years ended 31 December 2019 and 2020, respectively.

Except as stated in this paragraph, no other information in this Prospectus has been audited.

4. RISK FACTORS

An investment in the Bonds involves a high degree of financial risk. You should carefully consider all information in this Prospectus, including the risks described below, before you decide to buy the Bonds. This section addresses both general risks associated with the industry in which the Group operates and the specific risks associated with its business. If any such risks were to materialize, the Group's business, results of operations, financial condition and/or prospects could be materially and adversely affected, resulting in a decline in the value of the Bonds and a loss of part or all of your investment. Further, this section describes certain risks relating to the Bonds which could also adversely impact the value of the Bonds.

The risks and uncertainties discussed below are those that the Issuer's management currently views as material, but these risks and uncertainties are not the only ones that it faces. Additional risks and uncertainties, including risks that are not known to the Issuer at present or that its management currently deems immaterial, may also arise or become material in the future, which could lead to a decline in the value of the Bonds and a loss of part or all of your investment. The most material risks, as currently assessed by the Issuer, taking into account the expected magnitude of their negative impact on the Issuer and the Issuer's business and the probability of their occurrence are set out first in each category of risk factors below.

References to the Issuer in the Risk Factors include, where the context requires, the Issuer and its Subsidiaries.

4.1. OPERATIONAL RISKS

4.1.1. Biosecurity risk and other risks affecting the food industry

The Issuer takes precautions to ensure that its pigs are healthy and that its pig farms and other facilities operate in a sanitary manner. Nevertheless, the Issuer is subject to risks relating to the ability to maintain animal health and control diseases. Animal health problems can materially adversely impact the production, the supply of raw materials and consumer confidence in all of the Issuer's operating segments. For several years, there has been a presence of African Swine Fever ("ASF") in some countries in Eastern Europe, namely Russia, Ukraine, Baltics, Poland, Czech Republic and Romania and recently also in Western Europe countries, namely Germany and Belgium. An occurrence of swine diseases, such as ASF or Porcine Epidemic Diarrhea Virus ("PEDV"), or any outbreak of other serious animal diseases or epidemics might materially adversely impact the production, the supply of raw materials and consumer confidence in all of the Issuer's operating divisions. From time to time, the Issuer has experienced outbreaks of animal diseases and the Issuer may experience additional occurrences of disease in the future. Animal diseases can reduce the number of pigs produced, hamper the growth of pigs to finishing size, result in expensive medication and vaccination costs, require the quarantine or disposal of infected pigs and, in extreme cases, exterminate large quantities of pigs and temporarily suspend the Issuer's business operations in the affected facilities, any of which could materially adversely affect the production or ability to sell products. In addition, adverse publicity concerning any disease or health concern could also cause customers to lose confidence in the safety and quality of pork products. There is no assurance that there will be no recurrence of outbreaks of animal diseases in Russia or Lithuania. If the Issuer experiences any outbreaks of animal diseases, its business, results of operations, financial condition and/or prospects may be materially adversely affected.

4.1.2. Risk related to the Issuer's major customers

The Issuer's business could suffer significant setbacks in sales and operating income if its major customers' business plans or markets change significantly or if it loses one or more of the largest customers within a short period of time. Moreover, consolidation is likely to continue, which would result in the Issuer having an increased credit exposure to certain customers. To the extent the Issuer provides concessions or trade terms that are more favourable to its customers, the margins would be reduced. The simultaneous loss of one or more a significant customer or a material reduction in sales to, or adverse change to trade terms with, a significant customer could materially adversely affect the business, results of operations, financial condition and/or prospects of the Issuer.

The Issuer's top 10 customers equal 73% of its revenue (see further overview in section 6.4.5 (*Sales and customers*) below). If sales to one or more of these are discontinued within a short period of time, sales of products to new customers would involve significant discounts which would adversely affect the financial condition and/or prospects of the Issuer.

4.1.3. Risk of mechanical failures, utility shortages/stoppages, Acts of God, etc.

The operations of the Issuer may be subject to Acts of God beyond its control. Fire, earthquakes, natural disasters, pandemics or extreme weather (including droughts, floods, excessive cold or heat, typhoons or other storms) could cause power outages, fuel shortages, water shortages, damage to the production facilities or disruption of transportation channels, any of which could impair or interfere with its operations. The Issuer has a relatively high exposure towards Acts of God as it solely works with biological products. As an example, the Issuer's yield on its field activities in 2018 was negatively affected with approximately 40% (approximately EUR 2.6m) due to extreme weather conditions. There can be

no assurance that similar or other serious events will not happen in the future or that the Issuer will take adequate steps to mitigate the likelihood or potential impact of similar events, or to effectively respond to such events if they occur, which could materially adversely affect the business, results of operations, financial condition and/or prospects of the Issuer.

4.1.4. Public health epidemics – COVID-19

At the date hereof, a wide-spread global pandemic of the infectious disease COVID-19 is taking place. As the diseases is relatively new, effective cure and vaccines are yet to be developed.

While COVID-19 is still spreading, it is clear that it will affect the lives of a large portion of the global population and cause significant effects. At this time, the pandemic has caused state of emergencies being declared in various countries, travel restrictions being imposed, quarantines been established and various institutions and companies being closed.

The Group may be adversely affected by the wider macroeconomic effect of the ongoing COVID-19 pandemic and any possible future outbreaks (examples being decreased export possibilities of pork to China from EU or close down of slaughterhouse capacity in EU due to infection breakout).

While the final effects of the COVID-19 pandemic are at this stage difficult to assess, it is possible that it will have substantial negative effect on the economies where the Group operates.

These effects may also take place in case of any possible future outbreaks. Any of the factors above could have a material adverse effect on the Group's business, earnings or financial position.

4.1.5. Risk of non-satisfactory relations with employees

The Issuer faces risks relating to its employee relations. The operations in Russia and Lithuania depend on the availability, retention and relative costs of labour and maintaining satisfactory relations with employees. Any shortages in the availability of labour, any material increases in the cost of labour or any deterioration in employee relations may have a material adverse effect on the business, results of operations, financial condition and/or prospects of the Issuer.

In addition, if the Issuer fails to maintain satisfactory relations with its employees or with the labour unions, the Issuer may experience labour strikes, work stoppages or other labour disputes.

Finally, the discovery by the Issuer or governmental authorities of undocumented workers could result in the Issuer having to attempt to replace those workers, which could be disruptive to the operations or may be difficult to do.

4.1.6. Risk of insurance policies being insufficient to cover losses

The Group has a customary insurance that includes property insurance, liability insurance and directors' and officers' liability insurance. Although the Group maintains insurance to the extent it considers to be adequate based on professional insurance advice, there can be circumstances in which the insurance would not cover, partially or fully, the consequences of a loss event. Further, there may be extended periods of uncertainty as to payment, or delays in receiving payment, for a loss event under the Group's insurance policies and such delay in payment could compound such losses and materially affect the Group's business, financial condition and results of operations. In addition, the Group could face claims on other liability events or incidents for which it either cannot obtain insurance, or has elected not to obtain insurance (whether on account of premium costs, significant risk retention or for other reasons).

In the future, the Group may not be able to continue or obtain insurance coverage at current levels, or at all, and premiums may increase significantly on the coverage that is maintained. The occurrence of any of the above could have a material adverse effect on the Group's business, financial condition and results of operations. Current insurance policies cover all Russian farms with livestock (book value of EUR 17m pursuant to 2020 annual accounts) with an annually renewal process. Historically, the Issuer has twice during the last decade received insurance payments around EUR 2m relating to ASF outbreaks in Lithuania.

Currently, the Group is not able to get insurance coverage at historical levels covering ASF/CSF outbreaks in Lithuania. The Lithuanian government has a support program that partially covers losses from ASF/CSF outbreaks instead (see section **Error! Reference source not found.** (*Risk of introduction of new, or changes to existing, laws and regulations*)).

4.1.7. Risk of failure to attract and retain key personnel

The performance of the Issuer depends in part on the continued services and employment of executive management and management team, many of whom have significant senior executive and relevant industry experience and would be difficult to replace. If any member of the executive management or management team were to terminate their services or

employment with the Issuer, it may have to incur significant costs in attracting, hiring, training and retaining replacements as competition in the agricultural industry for suitably qualified senior managers is significant. It has previously proved difficult to attract and hire qualified production managers in Russia and Lithuania or persuade Danish production managers to take a secondment in Russia or Lithuania in order to train local staff to become production managers. The loss of other executive officers or key employees, the inability to recruit sufficient, qualified personnel, or the inability to replace departing employees in a timely manner may have a material adverse effect on the business, results of operations, financial condition and/or prospects of the Issuer.

In addition, the Issuer depends on its ability to attract, hire, train and retain qualified employees. A higher turnover rate among employees would increase recruiting and training costs and could require the Issuer to offer higher wages, which may have a material adverse effect on the business, results of operations, financial condition and/or prospects of the Issuer.

4.1.8. Risk of changes in consumer demand and consumption patterns

The Issuer's business depends substantially on consumer demand and consumption patterns, which are affected by a number of factors, many of which are beyond its control. These factors include consumer preferences, tastes and spending habits, consumer perception of safety and quality of meat products generally and the Issuer's products in particular, shifts in discretionary spending toward other goods, consumer purchasing power, prices of the products and competing or substitute products, general and local economic conditions, and uncertainties about future economic prospects. A decline in the demand for products could occur as a result of a change in any of the factors described above at any time.

In addition, the success of the Issuer's operations depends on its ability to identify market trends and introduce new or enhanced products in a timely manner that satisfy the tastes and preferences of customers. Customer preferences differ across and within each of the Issuer's operating countries and shift over time in response to changes in culinary, demographic and social trends, economic circumstances and the marketing efforts of competitors of the Issuer. There can be no assurance that the Issuer's existing products will continue to be accepted by its customers or that the Issuer will be able to anticipate or respond to changes in consumer tastes and preferences in a timely manner. Failure to anticipate, identify or react to these particular tastes or changes could materially adversely affect the sales performance and profitability of the Issuer. Further, demand for many of the consumer products is closely linked to consumers' purchasing power and disposable income levels, which may be materially adversely affected by unfavourable economic development in the countries in which the Issuer operates. Moreover, the Issuer may not be successful in developing innovative new products, and new products may not be commercially successful. To the extent the Issuer is not able to effectively gauge the direction of key markets and successfully identify, develop and manufacture new or improved products in these changing markets, the financial results and competitive position will suffer.

The Issuer produces a semi-commodity product and, consequently, even small changes in general demand/supply may have relatively large impact on its revenue. As an example, if consumption patterns change from traditional livestock towards non-livestock protein and livestock demand decrease 1-2% annually, this would result in a significant and continuously price pressure which would reduce demand significantly and disproportionately.

4.1.9. Risk of failures of IT-systems and security breaches

IT is an important part of the Issuer's business operations and the Issuer increasingly rely on IT-systems to monitor and track the production process and biological and logistics assets, manage business data and increase efficiencies in the production and distribution facilities and inventory management processes. The Issuer also uses IT to process financial information and results of operations for internal reporting purposes and to comply with legal and regulatory requirements as well as applicable tax laws and regulations. In addition, the Issuer depends on IT for electronic communications between the facilities, personnel, customers and suppliers. IT-systems may be vulnerable to a variety of interruptions, including during the process of upgrading or replacing software, databases or components thereof, natural disasters, terrorist attacks, telecommunications failures, computer viruses, cyber-attacks, hackers, organized unauthorized access attempts and other security issues. The IT-security initiatives and disaster recovery plans implemented by the Issuer to address these concerns may not be adequate. Any significant failure of the IT-systems, including failures that prevent IT-systems from functioning as intended, could cause transaction errors, processing inefficiencies, loss of customers and sales, have negative consequences on the employees and business partners of the Issuer and have a negative impact on the operations or business reputation of the Issuer.

In addition, if the Issuer is unable to prevent security breaches, the Issuer may suffer financial and reputational damage or penalties because of the unauthorized disclosure of confidential information belonging to it or to its partners, customers, consumers or suppliers.

4.1.10. Risk of increased competition

Operating in the pork industry, which is a highly fragmented market, the Issuer faces competition mostly in terms of the price, but also quality of its products as well as availability and distribution, brand recognition and product positioning. Current and future competitors may develop products of a comparable or superior quality to the Issuer's or adapt more quickly than the Issuer does to evolving consumer preferences or market trends, and the resources of competitors may increase due to mergers, consolidations or alliances, thus achieving scales of operations or sales networks that would make it more difficult for the Issuer to compete.

In addition, increased competition may result in price wars or may force the Issuer to reduce selling prices in order to compete, all of which may materially adversely affect the market share and profit margin of the Issuer. To expand market share or enter into new markets, some competitors may use aggressive pricing strategies. The Issuer may not be able to compete effectively with current and future competitors, and the inability to compete successfully against competitors could result in loss of market share or reduced profit margins, either of which could materially adversely impact the business, results of operations, financial condition and/or prospects of the Issuer.

4.1.11. Risk of reputational damage

The Issuer's reputation could be harmed by product defects, ineffective customer service, product liability claims, consumer complaints or negative publicity or media reports.

In addition, any claim against the Issuer, even if meritless or unsuccessful, could divert the management's attention and resources from other business concerns, which may materially adversely affect the business, results of operations, financial condition and/or prospects of the Issuer. Negative media coverage regarding the safety, quality or nutritional value of the Issuer's products and the resulting negative publicity could materially adversely affect consumers' recognition of and trust in the Issuer and its brands and products. Further, adverse publicity about any legal or regulatory action against the Issuer could damage its reputation and brand image, undermine the customers' confidence in the Issuer and reduce long-term demand for the products, even if the regulatory or legal action is unfounded or immaterial to the operations.

Finally, negative publicity relating to the products of the Issuer or operations or to the pork or meat industry in general may materially adversely affect consumer perceptions of the products and result in decreased demand for the products. In particular, negative publicity relating to any one of the Issuer's brands may be particularly harmful as the Issuer uses a limited number of brands to sell its products, and therefore face risks from brand concentration. Adverse publicity concerning any perceived or real health risks associated with the brands or products could also cause customers to lose confidence in the safety and quality of the Issuer's food products, which could materially adversely affect the reputation, business, financial condition, results of operations and prospects of the Issuer, particularly as the Issuer expands its branded products business. The Issuer could also be materially adversely affected by perceived or real health risks associated with similar products produced by others to the extent such risks cause consumers to lose confidence in the safety and quality of such products generally and, therefore, lead consumers to opt for other meat options that are perceived as safe.

4.1.12. Risk of fraud or other misconduct by the employees, customers or other third parties

The Issuer has previously experienced and is potentially exposed to fraud or other misconduct committed by employees, customers or other third parties, which could subject the Issuer to financial losses, third-party claims, regulatory investigations and/or reputational damages. Despite the internal control measures in place, the Issuer cannot assure that internal control policies and procedures are sufficient to prevent, or that the Issuer could properly manage the conduct of its employees or customers, or that the Issuer can otherwise fully detect or deter, all incidents of fraud, legal, tax or other regulatory non-compliance, violations of relevant laws and regulations and other misconduct. Any such conduct committed by employees, customers or other third parties could have a material adverse effect on the business, results of operations, financial condition and/or prospects of the Issuer.

4.1.13. Risk of personal injury, damage to property or fatal accidents

The Issuer uses machinery and equipment in the production processes, which are potentially dangerous and may cause personal injuries to its employees or others.

In addition, the employees may violate safety measures or other related rules and regulations, which may cause industrial accidents. Any significant accident could interrupt production and result in personal injuries, damages to properties, fatal accidents and legal and regulatory liabilities.

Finally, potential industrial accidents leading to significant property loss or personal injury may subject the Issuer to claims and legal proceedings, and the Issuer may be liable for medical expenses and other payments to employees and their

families as well as fines or penalties. As a result, reputation, brand, business, results of operations, financial condition and/or prospects of the Issuer may be materially adversely affected.

4.2. FINANCIAL RISKS

4.2.1. Risk of fluctuations in the prices of pigs and substitute products

The Issuer is significantly affected by the selling prices of pigs and pork meat, which is the main product, and the purchase prices of feed ingredients, which are the main raw materials, all of which are determined by constantly changing and volatile market forces of supply and demand as well as other factors over which the Issuer has little or no control. These other factors include:

- environmental and conservation regulations;
- import and export restrictions such as trade barriers resulting from, among other things, food safety concerns and developments in international relations;
- the agricultural policies of various countries;
- government actions and regulations;
- economic conditions;
- weather, including the impact of weather on water supply and the availability and pricing of grains;
- energy prices, including the effect of changes in energy prices on the transportation costs and the cost of feed;
- competing demand for corn for use in the manufacture of ethanol or other alternative fuels; and
- crop and livestock diseases.

The Issuer cannot assure that all or part of any increased costs experienced by it from time to time can be passed along to consumers of the products, neither in a timely manner nor at all. Pig prices and commodity pork prices demonstrate a cyclical nature over periods of years, reflecting changes in the supply and demand. These fluctuations can be significant as shown in recent years. The Issuer may have difficulties passing increases in its raw material costs on to customers in a timely manner or at all. Further, pig raising costs are tied to the prices of commodities like corn, soybean meal and other feed ingredients, which are in turn subject to significant volatility.

In addition, the most significant effect on the Issuer's earnings is attributable to changes in the price of pig meat and price changes relating to pig feed, which makes up 65% of the pig production costs (FY2020). For instance, a change in the pig meat price of ten per cent. (10 %) would, on an isolated basis, affect profit for the year 2020 before tax relating to the pig production by approximately EUR 10.2 million, while a ten per cent. (10 %) change in the feed price will, on an isolated basis, affect profit for the year 2019 before tax relating to the pig production by approximately EUR 6.2 million.

Fluctuations in the market prices of substitutes for the Issuer's products, especially decreases in the prices of substitute meat products (such as beef, lamb, mutton, poultry and seafood) relative to pork, affect the prices of pork products. As a result of decreases in the prices of substitute meat products relative to pork, consumers may purchase less pork. For example, past outbreaks of avian influenza in various parts of the world reduced the global demand for poultry and thus created temporary surpluses of poultry. These poultry surpluses placed downward pressure on poultry prices, which in turn reduced meat prices including pork prices. Even where the Issuer is able to adjust its selling prices in relation to decreases in the prices of substitute products, the Issuer's profit margin may experience contraction, which in turn may have a material adverse effect on the business, results of operations, financial condition and/or prospects of the Issuer.

4.2.2. Currency risk

As the Issuer operates in multiple jurisdictions, including Russia and Lithuania, and no financial instruments are used to hedge positions in foreign currencies, the Issuer is exposed to currency risk. In particular, certain of the Issuer's Subsidiaries report their results of operations in their local currency (primarily RUB), which are then converted into euro at the applicable exchange rates for inclusion in the Group's financial statements. Accordingly, any significant currency depreciations or exchange rate fluctuations with respect to RUB may materially adversely affect the business, results of operations, financial condition and/or prospects of the Issuer.

Any significant currency depreciations or exchange rate fluctuations with respect to RUB may materially adversely affect the Issuer's ability to honour its EUR denominated obligations, including under the contemplated issue of the Bonds.

4.2.3. Interest rate risk

The Issuer's Bonds and credit facilities are floating-rate credits, thus exposing it to interest rate fluctuations. According to internal policy, all financing of working capital and investments in fixed assets are made on floating-rate terms. As variable interest-bearing debt post transaction will only be the Bonds, an increase in the market rate of one per cent. (1 %) would

affect profit for the year before tax by approximately EUR 0.8 million, but due to EURIBOR being negative, initial increase up to floor of 0% will be without cost. No financial instruments are used to hedge interest rate risks.

If, for any reason or at any time, the interest rate on the Bonds or any of the credit facilities of the Issuer increases significantly, the business, results of operations, financial condition and/or prospects of the Issuer may be materially adversely affected.

4.2.4. Customer credit risks

The Issuer is exposed to credit risks on its receivables, although it considers such risk to be low. The maximum credit risk is the sum of receivables recognised, and outstanding receivables are followed-up upon on a recurring basis in accordance with internal procedures. If it is uncertain whether a customer is able or willing to pay, and the receivable is deemed doubtful, the receivable is written down.

If, for any reason or at any time, one large customer or several minor customers are not able or willing to pay on the respective receivables, the business, results of operations, financial condition and/or prospects of the Issuer may be materially adversely affected. The Group has taken out customary insurances relating to account receivables and prepayment policy (see section 4.1.6 (*Risk of insurance policies being insufficient to cover losses*)).

4.2.5. Liquidity risk

In order to be able to continue as a going concern, finance its operations and mitigate the effects of fluctuations in cash flows, the Issuer ensures that adequate cash resources (i.e. cash and cash equivalents) are readily available by entering into loan agreements. Prior to their planned maturity, the existing loan agreements are irrevocable on the part of the lender, unless there is a breach of the terms and conditions of a loan (e.g. a breach of the financial covenants, which has previously been recorded in respect of certain loan agreements). In case of a breach of the terms and conditions of a loan, the Issuer has a right to remediate causes of breach without undue delay, and failing that, the lender is entitled to cancel the entire or part of the commitment.

The Issuer has short revolving loans with duration of less than 12 months of approx. RUB 1.2bn as 31 December 2020 (approx. EUR 13m) , which the Issuer expects to continuously refinance.

If, for any reason or at any time, the Issuer cannot get access to liquidity on commercially acceptable terms and conditions or at all, the business, results of operations, financial condition and/or prospects of the Issuer may be materially adversely affected.

4.2.6. Risk of fluctuations in the fair value of pigs

The Issuer has significant biological assets, primarily consisting of live pigs, which are required to be measured at fair value less the estimated cost to sell such assets at each reporting date in accordance with the International Financial Reporting Standards (IFRS). Fair value gains or losses with respect to these assets consist of changes due to changes in the physical characteristics of the pigs (e.g. growth from suckling pigs to finishing pigs) or changes in market prices for pigs or feed grains. Further, the fair value of the biological assets is determined pursuant to various assumptions that may vary from time to time. Market prices for pigs and feed grains are highly volatile and susceptible to significant fluctuation from period to period. As a result of remeasurement of the biological assets of the Issuer from period to period, the financial position and results of operations of the Issuer may change significantly from period to period.

4.3. LEGAL RISKS

4.3.1. There are risks with respect to the Environmental Impact Assessment in Lithuania

It is uncertain under Lithuanian law whether the Lithuanian Subsidiaries may be required to obtain an environmental impact assessment in respect of their 12 farms. Such assessment may be costly and, if required, failure to obtain a satisfactory assessment may lead to a subsidiary losing required permits to operate its business.

4.3.2. Risk related to Danish and foreign direct or indirect tax laws

The Group is subject to various Danish and foreign taxes, including direct and indirect taxes, imposed on its global activities, such as corporate income tax, withholding tax, customs duty, value added tax and other taxes and the Group's effective tax rate is impacted by the composition of the Group's taxable income in the countries in which the Group has activities. Due to the complexity of international tax rules, the provisions for direct and indirect taxes in the Group accounts are subject to a certain degree of judgement, and there are many transactions and calculations where the ultimate direct and indirect tax determination is uncertain. Governmental authorities could question the Group's tax policies and judgements

and seek to impose additional or increased taxes or penalties on the Group, and the final determination of tax audits and any related litigation could be materially different from the Group's historical direct and indirect tax provisions and accruals.

Local tax rules and interpretations of tax rules in different jurisdictions change from time to time, and any changes may be implemented with retroactive effect. A change in tax rules or interpretation of tax rules in one or more jurisdictions could increase the Group's tax liabilities. Furthermore, inter alia taking into account the frequent changes to tax regulations, the Group could be subject to claims for breach of such regulations, including for late or incorrect filings or for misinterpretation of rules.

Any additional or increased taxes, including interest and penalties, imposed on the Group, as well as challenging any adverse determinations of tax authorities, could require significant management attention, lead to significant liabilities and otherwise have a material adverse effect on the Group's business, financial condition and results of operations.

4.3.3. Risk of failure to comply with legal and regulatory requirements

The Issuer's production facilities, mainly pig farming, are subject to extensive legal and regulatory requirements, including, amongst other things, with respect to animal welfare and environmental protection. If the Issuer is found not to be in compliance with applicable legal and regulatory requirements, particularly if it relates to environmental protection, it could be subject to civil remedies, including fines, injunctions, recalls or asset seizures, as well as potential criminal sanctions, any of which could have a material adverse effect on the business, results of operations, financial condition and/or prospects of the Issuer.

4.3.4. Risk of conducting business with entities which are situated or registered in countries subject to economic and trade sanction regimes

The Group currently operates in Russia which is a country that is and have been subject to economic or trade sanctions. The Group assesses each trade relation against the relevant criteria for legal trading and endeavours to comply with relevant rules and regulations. However, sanctions regimes are subject to frequent changes, which could deprive the Group of access to or limit its involvement with, or require it to stop, limit or reconfigure its business or products in affected markets.

Sanctions laws are complex and their application to a given circumstance can often be subject to interpretation and difficult to determine with certainty. Any violation of sanction regimes could lead to severe fines, compliance costs, reputational harm and direct or indirect losses (e.g. costs associated with recalling products).

Any new sanctions, changes to the current sanctions regimes, or violations of sanctions could have a material adverse effect on the Group's business, financial condition and results of operations.

4.3.5. Litigation risk

In the ordinary course of business, the Issuer has been and may become involved in litigation, arbitration, legal proceedings and other types of disputes that may (i) have a material adverse effect on its business, results of operations, financial condition and/or prospects of the Issuer or (ii) otherwise result in negative publicity.

As of the date hereof, the Issuer (including each member of the Group) are not involved in any significant litigation, arbitration, legal proceedings and other types of disputes that may have a material adverse effect on the business, results of operations, financial condition and/or prospects of the Issuer.

4.3.6. There are risks relating to the sanitary protection zoning in Lithuania

According to Lithuanian laws, pig farms are considered as stationary pollution sources, around which potential adverse effects to human health may occur. Therefore, around the pig farms, sanitary protection zones ("SPZ") should be established and registered.

The SPZs around the farms which are significant for the business of the Lithuanian Subsidiary are established and registered. The SPZs contain certain restrictions (e.g. prohibition to construct residential houses, hospitals, schools, etc.) over the neighbouring land plots which falls in the respective established SPZ. In this respect, there are few court cases pending in which the owners of the neighbouring land plots are challenging SPZs registration. The Lithuanian Subsidiary may also face more disputes with the owners of the neighbouring land plots.

4.4. POLITICAL RISKS

4.4.1. Risk of deterioration of economic conditions

The business, results of operations, financial condition and/or prospects of the Issuer may be materially adversely affected by changes in national or global economic conditions and local economic conditions in the countries in, and markets on, which it operates, including growth in the Gross Domestic Product (GDP), inflation, interest rates, availability of and access to capital markets, consumer spending rates, energy availability and costs (including fuel surcharges) and the effects of governmental initiatives to manage economic conditions. Any such changes could materially adversely affect the demand for the products of the Issuer or the cost and availability of needed raw materials, thereby negatively affecting the business, results of operations, financial condition and/or prospects of the Issuer.

Disruptions and instability in credit and other financial markets and deterioration of global and local economic conditions, could, among other things:

- make it more difficult or costly to obtain financing for the operations or investments of the Issuer or to refinance its debt;
- cause lenders to depart from prior credit industry practice and make the granting of any technical or other waivers under the credit agreements of the Issuer more difficult or expensive;
- impair the financial condition of some of the customers or suppliers, thereby increasing customer bad debts or non-performance by suppliers, negatively impacting the treasury operations of the Issuer; and
- negatively impact global demand for the Issuer's products, which could result in a reduction of sales, operating income and cash flows.

4.4.2. Country and market risk

The Issuer operates in countries and on markets that are, or have recently been, characterized by economic downturn, political instability and/or armed conflicts. Russia, for instance, has been subject to sanctions. The EU and the United States of America imposed sanctions on certain Russian persons and entities in response to its perceived role in events in Ukraine and Crimea, which, combined with the oil prices remaining at a relatively low level, has led to an economic downturn. Although Russia's response to the sanctions imposed by the EU and the United States, which among other things, led to the introduction of an embargo on food from the European Union and the United States with the aim of becoming self-supplying, particularly in the food-sector – has paid off, the economic downturn in Russia has had a very negative impact on the country's economies as well as on its population's purchasing power and living standards.

Finally, in Russia, legislation does not allow foreign entities or Russian entities in which more than 50% of the share capital is owned by foreign entities or individuals to own agricultural land.

The Russian agricultural land of the Issuer is currently owned by three Russian operating companies, two of which are approx. 97% owned by companies incorporated in Russia, and the third one being 100% owned directly by Rurik A/S and Idavang A/S. Hence, no assurance can be given that this ownership structure could not be challenged on the basis that it possibly violates the purpose and/or spirit of Russian law. The Russian courts and legal system tend to adopt a formal approach to legislative interpretation, but no assurance can be given as to how a Russian court would treat each particular situation or as to future developments in the Russian legal system, which may give greater weight to substance over form.

Idavang Agro LLC directly owns a number of agricultural land plots, a larger part of which is occupied by facilities owned by Idavang Agro LLC and biological ponds. This formally makes them exempt from the foreign ownership prohibition.

If the Russian agricultural land holding structure of the Issuer is found to be in breach of Russian law, Idavang Agro LLC could be forced to either sell its land, return it to the previous owner or introduce Russian shareholders to the Issuer's subsidiaries.

4.4.3. Risk of increased protectionism

In recent years, the political agenda has for various reasons been characterised by increased protectionism and calls for restrictions on the free movement of goods and labour, both internally within the European Union (particularly France, Holland, Poland and the United Kingdom) and globally (e.g. Russia and the United States of America). If this trend continues, the business, results of operations, financial condition and/or prospects of the Issuer may be materially adversely affected.

As an example, if China or other major non-European markets impose restrictions on import of meat into such country/territory such restrictions would have a significant adverse effect on the Issuers business, operations and/or prospects.

1 Additionally, if EU or other government bodies impose restrictions on financing to groups with Russian operations, such as
2 the Issuer, or restrictions on transfer of funds to and from Russia, such restrictions may impair the Issuer's ability to
3 refinance the Bonds (see section 4.5.2 (*Risk in relation to refinancing*) below).

4 **4.4.4. Risk of corruption**

5 Despite operating in countries that are characterised by a high degree of corruption, lack of transparency, contradictory
6 legislation and political interference in business, it is the policy of the Issuer not to offer or accept bribery in any form. In
7 certain cases, this may give rise to a risk of not getting necessary authorisations, licences or similar that are required in a
8 given situation, which potentially can have a material adverse effect on the business, results of operations, financial
9 condition and/or prospects of the Issuer.

10 **4.4.5. Risk related to international operations**

11 The Issuer's international sales, operations and investments are subject to various risks related to economic or political
12 uncertainties, in particular:

- 13 • the closing of borders by foreign countries to the import of products due to, among other things, animal diseases or
14 other perceived health or safety issues, which would restrict the markets of the Issuer's products;
- 15 • import or export licensing requirements imposed by various foreign countries - e.g. in relation vaccines which are
16 not produced in Russia in which case operations in Russia would be impacted significantly without such vaccines;
17 and
- 18 • different regulatory structures and unexpected changes in regulatory environments - e.g. which periodically can
19 disrupt supply and demand of the Issuer's sales or require additional investments (which competitors may not be
20 required to make).

21 Negative consequences relating to these risks and uncertainties could jeopardise or limit the ability of the Issuer to transact
22 business in one or more of the markets where it operates or in other developing markets and could materially adversely
23 affect the business, results of operations, financial condition and/or prospects of the Issuer.

24 **4.5. RISKS RELATED TO THE BONDS**

25 **4.5.1. Credit risk - Issuer**

26 Investment in the Bonds involve a credit risk relating to the Group. The investor's ability to receive payment under the
27 Bonds is therefore dependent on the Group's ability to meet its payment obligations, which in turn is largely dependent
28 upon the performance of the Group's operations and financial position. The Group's financial position is affected by several
29 factors, some of which have been mentioned above. An increased credit risk may cause the market to charge the Bonds
30 a higher risk premium, which would affect the Bonds' value negatively.

31 **4.5.2. Risk in relation to refinancing**

32 The Issuer will be required to refinance certain or all of its outstanding debt, including the Bonds. The Issuer's ability to
33 successfully refinance its debts is dependent on the conditions of the debt capital and loan markets and its financial
34 condition at such time. Even if the debt capital and loan markets improve, the Issuer's access to financing sources may
35 not be available on favourable terms, or at all. The Issuer's inability to refinance its debt obligations on favourable terms,
36 or at all, could have a material adverse effect on the Group's business, financial condition and results of operations and on
37 the Bondholders' recovery under the Bonds.

38 Another aspect of the credit risk is that a deteriorating financial position of the Group may reduce the Group's ability to take
39 out debt refinancing upon the maturity of the Bonds at their expiry.

40 **4.5.3. There may be no public market for the Bonds and the price of Bonds is volatile**

41 The liquidity of any market for the Bonds will depend on the number of holders of those Bonds, investor interest at large
42 and relative to the Issuer and its business segment in particular, and the interest of securities dealers in making a market
43 in those securities and other factors. Accordingly, there can be no assurance as to:

- 44 • the liquidity of any such market that may develop;
- 45 • the Bondholders' ability to sell the Bonds; or
- 46 • the price at which Bondholders would be able to sell the Bonds.

If such a market were to exist, the Bonds could trade at prices that may be lower than the principal amount or purchase price, depending on many factors, including prevailing interest rates, the market for similar Bonds and the Issuer's financial performance and outlook. If an active market does not develop or is not maintained, the price and liquidity of the Bonds may be adversely affected.

In addition, the Bonds have not been, and will not be, registered under the U.S. Securities Act, or under the securities laws of any other jurisdiction. The Bonds may not be transferred, offered or resold in the United States or to U.S. persons (as defined in the U.S. Securities Act) nor may they be transferred, offered or resold in any other jurisdiction in which the registration of the Bonds is required but has not taken place, unless an exemption from the applicable registration requirement is available or the transfer, offer or resale of the Bonds occurs in connection with a transaction that is not subject to these provisions.

The market value of the Bonds could be subject to significant fluctuations in response to actual or anticipated variations in the Group's operating results and those of their competitors, adverse business developments, changes to the regulatory environment in which the Group operates, changes in financial estimates by securities analysts and the actual or expected sale of a large number of Bonds, as well as other factors. In addition, in recent years, the global financial markets have experienced significant price and volume fluctuations, which, if repeated in the future, could adversely affect the market value of the Bonds without regard to the Issuer's operating results, financial condition or prospects.

The market value of the Bonds also depends on the level of market interest rate, and increases in market interest rates may adversely affect the value of the Bonds.

4.5.4. The Bonds may not become or remain listed on a listing exchange

Although the Issuer will agree in the Bond Terms to procure that the Bonds are listed on Nasdaq Copenhagen (or another listing exchange in the Nordic countries within 6 months of the Issue Date), and to maintain such listing as long as the Bonds are outstanding, the Issuer cannot guarantee that the Bonds will become or remain listed. Although no assurance is made as to the liquidity of the Bonds as a result of listing on such exchange, failure to be approved for listing or the delisting of the Bonds from such exchange may have an adverse effect on a holder's ability to resell Bonds in the secondary market.

4.5.5. The Issuer depends to a certain extent on its Subsidiaries, associates and joint ventures

The Issuer's ability to pay any amounts due on the Bonds is, to a significant extent, dependent on the financial performance of its Subsidiaries and will depend upon the level of distributions, interest payments and loan repayments, if any, received from its operating Subsidiaries and associated undertakings, any amounts received on disposals of assets and equity holdings and the level of cash balances. Certain of the Group's operating Subsidiaries and associated undertakings are and may, from time to time, be subject to restrictions on their ability to make distributions and loans including as a result of restrictive covenants in loan agreements, foreign exchange and other regulatory restrictions and agreements with the other shareholders of such Subsidiaries or associated undertakings.

4.5.6. Bonds will be guaranteed only by certain members of the Group and may be structurally subordinated

The Guarantees for the Bond are not granted by all members of the Group. Pursuant to the Bond Terms, Guarantees shall be granted by members of the Group (i) who individually represent 10% or more of the consolidated gross assets, revenues and/or EBITDA of the Group and (ii) who combined represent at least 95% of the consolidated gross assets, revenues and/or EBITDA of the Group. Members of the Group characterised as Restricted Subsidiaries are excluded when calculating these percentages (in both the numerator and denominator) and Restricted Subsidiaries will not be required to provide Guarantees.

As a consequence thereof, at the Issue Date, Guarantees are only granted by members of the Group representing approximately 45%, 60% and 53% of the combined gross assets, revenues and/or EBITDA (FHP) of the Group, respectively (FY2020).

Depending on the relative development of the gross assets, revenues and/or EBITDA of the Group, the Guarantors may during the tenor of the Bonds de facto represent more or less than the percentages of the Group's combined gross assets, revenues and/or EBITDA set out above.

In the event of insolvency, liquidation or a similar event relating to one of the Issuer's Subsidiaries which has not granted a Guarantee or whose Guarantee is limited by contract or by law, all creditors of such subsidiary would be entitled to payment in full out of the assets of such company before the Issuer, as a shareholder, would be entitled to any payments.

Further, defaults by, or the insolvency of, Subsidiaries of the Issuer may result in the obligation of the Issuer to make payments under financial or performance guarantees in respect of such companies' obligations or the occurrence of cross

defaults on certain borrowings of the Group. The Issuer and its assets would not be protected from any actions by the creditors of a subsidiary, whether under bankruptcy law, by contract or otherwise.

4.5.7. The value of the security will be limited to the secured assets and the Bonds rank after the Super Senior Revolving Credit Facility and certain hedging obligations

All of the Collateral is pledged for the benefit of the lenders under the Super Senior Revolving Credit Facility and the counterparties under certain hedging agreements represented by the Security Agent in addition to being pledged for the benefit of Bondholders represented by the Security Agent. Under the Intercreditor Agreement and the Security Documents, the Super Senior Revolving Credit Facility and certain hedging agreements are secured by the Collateral and the proceeds of any sale of such assets on enforcement will be applied to repay claims of the lenders under the Super Senior Revolving Credit Facility and counterparties of certain hedging agreements in priority to the Bondholders and other secured obligations. Consequently, the Bondholders may not be able to recover from the proceeds of the Collateral in an enforcement or insolvency scenario because the lenders under the Super Senior Revolving Credit Facility and the counterparties under certain hedging agreements will have a prior claim on all proceeds realised from any enforcement of such Collateral.

Accordingly, if an event of default occurs in relation to the Bonds, the Bondholders will be secured only to the extent of the value of the Collateral less the then outstanding obligations under the Super Senior Revolving Credit Facility and Hedging Agreements and any other obligations which share in the security interest. If the value of the Collateral is less than the value of the claims of the Bondholders together with the claims of the other secured creditors, those claims may not be satisfied in full.

No valuation of the Collateral has been prepared in connection with the offering of the Bonds. The fair market value of the Collateral is subject to fluctuations based on factors that include, among others, the Issuer's ability to implement its business strategy, the ability to sell the Collateral in an orderly sale, general economic and political conditions, the availability of buyers and similar factors. The amount to be received upon a sale of the Collateral would be dependent on numerous factors, including, but not limited to, the actual fair market value of the Collateral in question at such time, general, market and economic conditions, legal restrictions and the timing and the manner of the sale. There can be no assurance that the Collateral can be sold. To the extent that liens, rights or easements granted to third parties encumber the Collateral, such third parties have or may exercise rights and remedies with respect to such assets subject to such liens that could adversely affect the value of the Collateral and the ability of the Security Agent to enforce the Security Interests.

4.5.8. Each Guarantee and Security Interest will be subject to certain limitations on enforcement and may be limited by applicable law or subject to certain defenses that may limit its validity and enforceability

The Guarantors will guarantee the payment of the Bonds on a senior secured basis. Each Guarantee will provide the Bondholders with a direct claim against the relevant Guarantor. However, the Bond Terms will provide for general limitation language to the effect that the Guarantees are limited to an extent required under Danish, Lithuanian and Russian laws respectively. Further, certain security documents governing security interests granted by the Guarantors will provide that the amounts guaranteed by such security interests will be limited to the extent of the amount guaranteed by such Guarantor. Therefore, limitations in the Guarantees will also serve to limit the amounts secured under the Transaction Security. Enforcement of each Guarantee or Transaction Security Document may be subject to certain generally available defenses. These laws and defenses include those that relate to corporate benefit, fraudulent trading, conveyance or transfer, voidable or unfair preference, financial assistance, corporate purpose, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally. Enforcement of any of the Guarantees or the Transaction Security Documents against any Guarantor or any grantor of Security Interests will also be subject to certain defenses available to guarantors and grantors of security interests generally.

Although laws differ among various jurisdictions, in general, under fraudulent conveyance, voidable transaction, corporate law, contract law and other laws, a court could subordinate or void the Guarantees or the security interest granted under the Security Documents and, if payment had already been made under a Guarantee or enforcement proceeds applied under a Security Document, require that the recipient return the payment to the relevant Guarantor or security provider, if the court found that:

- the amount paid or payable under the relevant Guarantee or the enforcement proceeds under the relevant Security Document was in excess of the maximum amount permitted under applicable law;
- the relevant Guarantee or Security Interest was incurred with intent to hinder, delay or defraud creditors of the Guarantor or security provider or for fraudulent purposes or, in certain jurisdictions, even solely because the relevant Guarantee was incurred or the security interest was granted without sufficient compensation or the recipient was simply aware or should have been aware that the Guarantor or security grantor was insolvent or in distress when it granted the relevant Guarantee or security, or such grant was made within a certain statutory period before insolvency or distress occurred;

- the Guarantor or security provider did not receive fair consideration or reasonably equivalent value for the relevant Guarantee or security interest and the Guarantor or security provider was (i) insolvent or rendered insolvent because of the relevant Guarantee or security interest, (ii) undercapitalised or became undercapitalised because of the relevant Guarantee or Security Interest or (iii) intended to incur, or believed that it would incur, indebtedness beyond its ability to pay at maturity;
- the relevant Guarantees or Security Interest were held to exceed the corporate objects or corporate purposes of the Guarantor or security provider or not to be in the best interests or for the corporate benefit of the Guarantor or security provider;
- the relevant Guarantees or Security Interest were held in contravention of applicable restrictions on financial assistance.
- In an insolvency proceeding, it is possible that creditors of the Guarantor or provider of Security Interests or an appointed insolvency administrator may void the Guarantees and Security Interests as fraudulent transfers or conveyances, unfair preferences or on other grounds, including where the relevant Guarantee or Security Interest has been granted after the Bond proceeds have been paid out and/or was granted within a certain period before the insolvency proceedings. In certain situations the relevant bankruptcy court may also act ex officio and declare the Guarantees or Security Interests to be ineffective, unenforceable or void. If so, such laws may permit the court, if it makes certain findings, to:
 - void or invalidate all or a portion of the obligations under the Guarantees or Security Interests;
 - direct that Bondholders return any amounts paid under a Guarantee or any Transaction Security Document to the relevant Guarantor or provider of Security Interests or to a fund for the benefit of the relevant creditors; or
 - take other action that is detrimental to Bondholders.
- Different jurisdictions evaluate insolvency on various criteria. Generally, however, a Guarantor or security grantor may be considered insolvent if at the time it incurred indebtedness:
 - the sum of its liabilities, including contingent liabilities, is greater than the fair value of all its assets;
 - the present fair saleable value of its assets is less than the amount required to pay the probable liability on its existing debts and liabilities, including contingent liabilities, as they become due; or
 - it cannot pay its debts as they become due.

If a court determined that a Guarantor or provider of Security Interests was insolvent as of the date the Guarantees were issued or Security Interests were created or found that the issuance of the Bonds or a Guarantee of the Bonds was a fraudulent conveyance or an unfair preference or other voidable transaction or held it ineffective or unenforceable for any other reason including those referred to above, the court could hold that the payment obligations under the Bonds or such Guarantee or Security Interests are ineffective, or require the Bondholders to repay any amounts received with respect to the Bonds, such Guarantee or Security Interests. In the event of a finding that a fraudulent conveyance or other voidable transaction occurred, the Bondholders may cease to have any claim in respect of the relevant Guarantor and would be a creditor solely of the Issuer and, if applicable, of the other Guarantors under any guarantees which have not been declared void.

Additionally, any future security interest granted in favour of the Security Agent, including pursuant to security documents delivered or perfected after the Issue Date, might be voidable if certain events or circumstances exist or occur, including, among others, if the security provider is insolvent at the time the security interest is granted or a bankruptcy proceeding in respect of the security provider is commenced within a certain period of time specified in each jurisdiction following the granting or perfection of the security interest, or in certain circumstances, a longer period.

The Guarantees and the Security Interests, or the enforcement thereof, will be subject to certain contractual or other limitations under applicable law. In particular, contractual limits may be applicable to certain Guarantees or Security Interests to the extent the granting of such Guarantee or enforcement of relevant Security Interests would result in a breach of capital maintenance rules or other statutory laws or would cause the directors of any Guarantor or provider of Security Interests to contravene their duties to incur civil or criminal liability or to contravene any legal prohibition.

In addition to the above, Lithuanian law establishes specific requirements for the content of the Transaction Security Documents that shall be complied with and, in most cases, provide for certification of the Transaction Security Documents by the notary public followed by registration in Mortgage Register of the Republic of Lithuania. If certified by the notary and duly registered with the Mortgage Register of the Republic of Lithuania, the risk of invocation of invalidity of the Transaction Security Documents or hindering of their enforcement is lowered substantially. A party may challenge the validity and enforcement of the Transaction Security Documents governed by Lithuanian law based on general legal grounds, violation of mandatory provisions of law, public order, counterparty acting in a knowingly abusive way, and general principles of law. Certain procedural grounds in case of enforcement may also be invoked, seeking to prolong the term of the recovery.

In addition to the above, Russian law provides specific defences and restrictions of Security Interests, i.e. Security Interests may be enforced only upon a substantial breach of the Issuer's obligations. Substantiality of breach is subject to review by the court. There is, however, a statutory presumption that the breach is substantial if the overdue amount is at least 5% of

the value of Collateral or if the breach lasts for at least three months. The pledgor may challenge the value of the Collateral set forth in the Transaction Security Documents if it does not reflect market value as of the date of seizure.

A summary description of certain limitations on the validity and enforceability of the Guarantees and Security Interests in respect of the laws of certain jurisdictions where the Guarantors and grantors of Security Interests are organised is set forth in section 4.7 (*Certain Insolvency Considerations and Limitations on Validity and Enforceability of the Guarantees and the Security Interests*).

4.5.9. There are risks related to the enforcement of the rights of the Bondholders under the Bond Terms across multiple jurisdictions

The Bond Terms and the Intercreditor Agreement will be governed by Danish law, and the Transaction Security Documents will be governed by the laws of Denmark, Lithuania and Russia. Furthermore, the Issuer and the Original Guarantors are incorporated under the laws of Denmark and Lithuania, and the strategic headquarters is located in Denmark. In the event of enforcement, bankruptcy, insolvency or a similar event, proceedings could be initiated in these and other applicable jurisdictions. Accordingly, the rights of the Bondholders under the Bond Terms may be subject to the laws of a number of jurisdictions, and it may be difficult and costly to enforce such rights in multiple enforcement, bankruptcy, insolvency and other similar proceedings.

Such multi-jurisdictional proceedings are typically complex and costly for creditors and often result in substantial uncertainty and delay in the enforcement of creditors' rights. In addition, the bankruptcy, insolvency, administration and other laws of the jurisdiction of incorporation of the Issuer and the Guarantors may be materially different from, or in conflict with, one another, including creditors' rights, priority of creditors, the ability to obtain post-petition interest and the duration of the insolvency proceeding.

As a general matter, the Issuer's liabilities in respect of the Bonds may, in the event of a bankruptcy or insolvency proceeding or similar proceeding, rank junior to certain of such Issuer's debts that may be entitled to priority under the laws of the relevant jurisdiction. A bankruptcy may, depending on which jurisdiction the proceedings are opened in, stay or temporarily prevent any enforcement proceedings of the Bondholders.

A summary description of certain aspects of the insolvency laws of certain jurisdictions where the providers of Security Interests are organised are set forth in section 4.7 (*Certain Insolvency Considerations and Limitations on Validity and Enforceability of the Guarantees and the Security Interests*).

The independence of the judicial system in Russia and its immunity from economic and political influences is developing. Not all court decisions are readily available to the public and enforcement of court judgments can in practice be difficult. Russia is not a party to treaties for the mutual enforcement of court judgments with most Western countries. Consequently, if a judgment is obtained from a court in any such jurisdiction, it is highly unlikely to be given direct effect in Russian courts.

4.5.10. Rights in the Collateral may be adversely affected by the failure to perfect Security Interests

A security interest in certain assets will only be properly perfected, and its priority retained, through certain actions undertaken by the secured party or the grantor of the security. The Security Interests securing the Bonds may not be perfected with respect to the claims under the Bonds if the Security Agent or the Issuer fails or is unable to take (or cause to be taken) the actions required to be taken to perfect any of these Security Interests, including any failure to register the Mortgages and the share pledges in respect of Lithuanian and Russian Subsidiaries.

Under the Assignment Agreement, the Issuer is entitled to receive interest payments under the Structural Intra-Group Loan and, consequently, the assignment of interest thereunder is not properly perfected under Danish law and may be voidable.

Pursuant to the Bond Terms, the Share Pledges over the Russian Pledged Companies shall be granted as soon as possible, but no later than 30 days after the Issue Date. Accordingly, such Share Pledges may be granted after the release of the proceeds of the Bonds to the Issuer and, as a consequence, may be voidable in certain scenarios, as further described in section 4.7 (*Certain Insolvency Considerations and Limitations on Validity and Enforceability of the Guarantees and the Security Interests*).

If the Security Interests granted in favour of the Bondholders are not perfected, the Security Interests may be voidable in the event of insolvency proceedings and/or the holder of the Security Interest may have difficulties in enforcing or be entirely unable to enforce such holder's rights in the assets subject to such Security Interest in competition with third parties, including a trustee (administrator) in bankruptcy and other creditors who claim a security interest in the same assets.

In certain jurisdictions, the ranking of Security Interests is determined by the date on which they were perfected. A security interest created on a later date in favour of a third party over the same assets which are securing the Bonds, but which

was perfected earlier (by way of registration in the appropriate register or by notification) may have priority over the Security Interests for the Bonds.

See section 4.7 (*Certain Insolvency Considerations and Limitations on Validity and Enforceability of the Guarantees and the Security Interests*).

4.5.11. Change of control and Listing Failure Event – the Issuer’s ability to redeem the Bonds with cash may be limited

Upon the occurrence of a Change of Control Event or a Listing Failure Event (each as defined in the Bond Terms), each individual Bondholder shall have a right of pre-payment of the Bonds at a price of 101% of the nominal amount plus all accrued and unpaid interest to the date of redemption. However, it is possible that the Issuer may not have sufficient funds at the time of the Change of Control Event or the Listing Failure Event to make the required redemption of Bonds. The Issuer’s failure to redeem tendered Bonds would constitute an event of default under the Bond Terms.

4.5.12. Mandatory prepayment events may lead to a prepayment of the Bonds in circumstances where an investor may not be able to reinvest the prepayment proceeds at an equivalent rate of interest

In accordance with the Bond Terms, the Bonds are subject to mandatory prepayment by the Issuer on the occurrence of certain specified events. Following any early redemption after the occurrence of a mandatory prepayment event, it may not be possible for Bondholders to reinvest such proceeds at an effective interest rate as high as the interest rate on the Bonds and may only be able to do so at a significantly lower rate. It is further possible that the Issuer will not have sufficient funds at the time of the mandatory prepayment event to make the required redemption of Bonds.

4.5.13. The Bonds may be subject to optional redemption by the Issuer, which may have a material adverse effect on the value of the Bonds, and in such circumstances an investor may not be able to reinvest the redemption proceeds at an equivalent rate of interest

In accordance with the Bond Terms, the Bonds are subject to optional redemption by the Issuer at an amount calculated in accordance with the Bond Terms. This feature is likely to limit the market value of the Bonds. During any period when the Issuer may elect to redeem the Bonds, the market value of the Bonds generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period.

4.5.14. The Security Interests will be granted to the Security Agent rather than directly to the Bondholders

The Security Interests that will secure the obligations of the Issuer under the Bonds and the obligations of the Guarantors under the Guarantees will not be granted directly to the Bondholders but will be granted only in favour of the Security Agent acting as their agent and representative. The Bond Terms and the Intercreditor Agreement will provide that only the Security Agent has the right to enforce the Security Interests. As a consequence, Bondholders will not have direct security interests and will not be entitled to take enforcement action in respect of the Security Interests securing the Bonds, except through the Bond Trustee who will (subject to the provisions of the Bond Terms) provide instructions to the Security Agent in respect of the Security Interests.

As regards the Security Documents governed by Danish law, the Security Agent’s ability to hold the relevant Security Interests on behalf of the Bondholders require that the Security Agent is registered with the Danish Financial Supervisory Authority (in Danish: *Finanstilsynet*) in accordance with the rules set out in Chapter 4 of the Danish Act on Capital Markets (in Danish: *lov om kapitalmarkeder*). No assurance can be given that the Security Agent or the Bond Terms and other documents meet the eligibility criteria for the Security Agent to be registered with the Danish Financial Supervisory Authority, that such registration will be maintained.

In addition, Bondholders bear some risk associated with a possible insolvency or bankruptcy of the Security Agent which could in particular result in a delay in enforcement, diminishing value or even loss of the Security Interests or Guarantees in those jurisdictions, where the guarantee is not created in favour of Bondholders but rather in favour of the Security Agent.

4.5.15. Security Agent may not be granted with such legal status in certain jurisdictions

The ability of the Security Agent to enforce the Security Interests is subject to mandatory provisions of the laws of each jurisdiction in which the Security Interests are taken.

In Lithuania, the Security Agent will only be considered as representative of the Bondholders under the Transaction Security Documents governed by Lithuanian law and registered as representative in the Mortgage Register of the Republic of Lithuania. A change of the Security Agent shall also be duly reflected in the Transaction Security Documents and registered with the Mortgage Register of the Republic of Lithuania.

Lithuanian law entitles the Bondholders as holders of the Security Interests to be represented by another person. Since the Issuer is not incorporated in Lithuania, such a representative would neither have creditor status (that is granted to the Bondholders of issuers incorporated in Lithuania), nor specific legal status as the security agent under local law, but would be merely considered as representative or agent based on the general rules on representation or agency. In case of challenges of the Transaction Security Documents or during their enforcement process, the Security Agent may be required to identify Bondholders and observe other local law requirements, which may be cumbersome and/or cause delays.

Pursuant to the terms of the Intercreditor Agreement, it is agreed to grant the Security Agent joint and several creditor status of the relevant secured obligations for the purposes of acting as the pledgee under the Security Documents governed by Russian law. This arrangement, although used in practice in bonds issuances secured by Russian assets, entails the following risks:

- There is little case law applicable to such type of arrangements, there is a risk that Russian courts could challenge and render the Share Pledges over the Russian Pledged Companies unenforceable.
- As the Security Agent will be a party to the pledge agreement, it may be complicated to change the Security Agent as a pledgee. The resigning Security Agent would in such case have to make a voluntary termination of pledge with subsequent registration of a new pledge for the benefit of the new Security Agent.

See section 4.7 (*Certain Insolvency Considerations and Limitations on Validity and Enforceability of the Guarantees and the Security Interests*).

4.5.16. There are circumstances other than repayment or discharge of the Bonds under which the Security Interests securing the Bonds and the Guarantees will be released automatically, without Bondholder consent or the consent of the Bond Trustee

Under various circumstances, the Security Interests securing the Bonds and the Guarantees will be released automatically, including:

- in connection with any sale, assignment, transfer, conveyance or other disposal of assets being subject to the Security Interests if such sale, assignment, transfer, conveyance or other disposal does not violate the Bond Terms;
- in the case of an Additional Guarantor that is released from its Guarantee pursuant to the Bond Terms, the release of the property, assets and shares of such Additional Guarantor;
- as described under the provisions concerning amendments and waivers in the Bond Terms;
- as a result of a transaction permitted by the Bond Terms as described under the general undertaking in respect of mergers and demergers; or
- as otherwise permitted in accordance with the Bond Terms and the Intercreditor Agreement.

In addition, any Guarantors will be released automatically under various circumstances, including:

- in accordance with an enforcement action pursuant to the provisions of the Intercreditor Agreement;
- as described under the provisions concerning amendments and waivers in the Bond Terms;
- as a result of a transaction permitted by the Bond Terms as described under the general undertaking in respect of mergers and demergers; or
- as otherwise permitted in accordance with the Bond Terms and the Intercreditor Agreement.

4.5.17. Enforcement may be subjected to specific requirements stemming from local currency regulations

Official currency in Lithuania is euro, therefore all the recoveries under the Transaction Security Documents governed by Lithuanian law would be made and accounted in euro. The Transaction Security Documents subject to Lithuanian law may indicate the value of the obligation in euro or other currency. If, following the term of the recovery procedures, certain claim amounts would have to be converted into other currencies than euro, holders of Security Interest may suffer from currency fluctuation related risks arising from exchange rate applicable at the moment of conversion of claim to euro and vice versa.

Although the Transaction Security Documents governed by Russian law may indicate the value of the Collateral in euro or another currency, there shall be a mandatory currency clause stating that such value is attached to RUB exchange rate as of the date of the agreement or the date of seizure. The Security Interests would be enforced in RUB based at the agreed exchange rate. This restriction includes all stages of enforcement, including court hearings and assessment of the Collateral, public sale and transfer of seized amounts to the Security Agent.

4.5.18. Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i)

the Bonds are legal investments for it, (ii) the Bonds can be used as security for various types of borrowing and (iii) other restrictions apply to its purchase or use of the Bonds. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of the Bonds under any applicable risk-based capital or similar rules.

4.5.19. All trades in the Bonds shall be in a minimum nominal amount of EUR 100,000

Pursuant to the Bond Terms, all trades in the Bonds shall be in a minimum nominal amount of EUR 100,000. Following a sale of Bonds by a Bondholder, the Bondholder may hold less than a nominal amount of EUR 100,000, and in such case, the Bondholder cannot sell the remaining Bonds without purchasing Bonds to increase its holding above EUR 100,000. Since all trades in the Bonds must be in a minimum nominal amount of EUR 100,000, the Bondholder must then purchase Bonds in a nominal amount of at least EUR 100,000. Accordingly, an investment in the Bonds is only suitable for investors who can bear the risks associated with the restriction on selling and/or buying the Bonds in nominal amounts less than EUR 100,000.

4.5.20. Bondholders may not control certain decisions regarding the Security Interests

The Bonds will be secured by the Collateral which will also secure the obligations under the Super Senior Revolving Credit Facility and under the certain hedging agreements. The Intercreditor Agreement will provide that a common security agent, who will serve as the agent for the secured parties with respect to the Security Interests, will act only as provided for in the Intercreditor Agreement (see the Intercreditor Agreement for the full provisions).

In Lithuania, the Collateral will be created with different statutory priorities, securing the obligations as follows: (i) Super Senior Revolving Credit Facility as a first priority; (ii) certain hedging agreements as a second priority and (iii) the Bonds as the third priority. The Security Agent will be responsible to redistribute the enforcement proceeds as stipulated in the Intercreditor Agreement, however, it may not always be able to do so because each secured creditor will have direct access rights to the Collateral, even if this would be in contravention of the Intercreditor Agreement. Furthermore, by operation of Lithuanian law, secured creditors with higher ranking priority may effectively prevent the subsequent priority secured creditors from taking enforcement action with respect to the Collateral.

4.5.21. The Bond Terms will allow for modification of the Bonds or waivers or authorisations of breaches and substitution of the Issuer which, in certain circumstances, may be affected without the consent of Bondholders

The Bond Terms will contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Bondholders, including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.

The Bond Trustee may, without the consent of the Bondholders, agree to certain modifications of the Bond Terms and other Bond Finance Documents which, in the opinion of the Bond Trustee, are proper to make. Such modifications which will be binding upon the Bondholders will be further described in the Bond Terms.

4.5.22. The rights of Bondholders depend on the Agent's actions and financial standing

By subscribing for, or purchasing, any Bond, each Bondholder will accept the appointment of the Bond Trustee (to be on the Issue Date, Nordic Trustee A/S) to act on its behalf and to perform administrative functions relating to the Bonds (to act as "*obligationsejer repræsentant*"). The Bond Trustee shall have, among other things, the right to represent the Bondholders in all court and administrative proceedings in respect of the Bonds. However, the rights, duties and obligations of the Bond Trustee as the representative of the Bondholders will be subject to the provisions of the Bond Terms. A failure by the Bond Trustee to perform its duties and obligations properly or at all may adversely affect the enforcement of the rights of the Bondholders. Under the Bond Terms and pursuant to Danish law, the funds collected by the Bond Trustee as the representative of the Bondholders must be held separately from the funds of the Agent and be treated as escrow funds to ensure that in the event of the Bond Trustee's bankruptcy, such funds can be separated for the benefit of the Bondholders. In the event the Bond Trustee would fail to separate the funds in an appropriate manner, the funds could be included in the Bond Trustee's bankruptcy estate.

The Bond Trustee may be replaced by a successor in accordance with the Bond Terms. Generally, the successor Bond Trustee has the same rights and obligations as the retired Bond Trustee. It may be difficult to find a successor Bond Trustee with commercially acceptable terms or at all. Further, it cannot be excluded that the successor Bond Trustee would not breach its obligations under the above documents or that insolvency proceedings would not be initiated against it.

Materialization of any of the above risks may have a material adverse effect on the enforcement of the rights of the Bondholders and the rights of the Bondholders to receive payments under the Bonds.

4.6. CERTAIN INSOLVENCY CONSIDERATIONS AND LIMITATIONS ON THE VALIDITY AND ENFORCEABILITY OF THE GUARANTEES AND THE SECURITY INTERESTS

Set forth below is a summary of certain limitations on the enforceability of the Guarantees and the Security Interests in the jurisdictions in which Guarantees or Security Interests are being provided. It is a summary only, and proceedings of bankruptcy, insolvency or a similar event could be initiated in any of these jurisdictions and in the jurisdiction organisation of a future guarantor of the Bonds. The application of these various laws in multiple jurisdictions could trigger disputes over which jurisdiction's law should apply and could adversely affect the ability to enforce rights and to collect payment in full under the Bonds, the Guarantees and the Security Interests. Also set forth below is a brief description of certain aspects of insolvency laws in Denmark, Lithuania and Russia.

4.6.1. Denmark

4.6.1.1. Insolvency Proceedings under Danish Law

The Issuer is organised under the laws of Denmark. Accordingly, any insolvency proceedings with respect to the Issuer may proceed under, and be governed by, the insolvency laws of Denmark. These laws may adversely affect the enforcement of the Bondholders' rights under the Bonds and may not be as favourable to their interests as a creditor as the laws of other jurisdictions.

In a Danish bankruptcy, the debtor's assets are liquidated and the proceeds are distributed to the creditors based on a priority of claims. Such liquidation may not yield the same value to the creditors as a reorganisation and sale of a going concern.

As a general rule, the debtor or any creditor may present a petition for bankruptcy. A bankruptcy requires the bankruptcy court to be satisfied that the debtor is insolvent based on a statement of the debtor's liquidity status and that the insolvency is not of a purely temporary nature. A bankruptcy petition by a creditor is barred if the creditor is adequately protected in the event of the debtor's insolvency by means of good and valid security.

If bankruptcy proceedings are commenced, payments under the Bonds may be delayed and may not be made in full. Provisions on avoidance and set off may adversely affect the enforcement of rights under the Bonds. Enforcement of Security Interests is restricted under Danish bankruptcy laws. Certain assets may only be enforced by the bankruptcy trustee, however, mortgagees and execution creditors may demand enforcement of such security interests six months after the declaration of bankruptcy and pledged assets (in Danish: *håndpansatte aktiver*) may be enforced by the secured party directly (subject to the Danish Administration of Justice Act (in Danish: *Retsplejeloven*)).

Danish insolvency law also includes a scheme for reconstruction of insolvent companies. In broad terms, this scheme provides for reconstruction of an insolvent company by transfer of the business in full or in part, by a compulsory composition/moratorium or by a combination of both. During the reconstruction procedure, creditors are restricted in their ability to enforce their claims, but valid and binding security may be enforced under certain conditions. If a restructuring procedure fails, bankruptcy proceedings will be initiated automatically against the debtor.

The Danish bankruptcy scheme is based on the fundamental principle of *pari passu* satisfaction of the debtor's unsecured creditors. However, claims against the debtor are subject to priority ranking, giving first priority to costs incurred during the bankruptcy proceedings, including the fee for the bankruptcy trustee. Second rank is given to claims incurred during preceding restructuring proceedings and other costs incurred with the approval of the reconstructor. Third rank, "privileged claims," are mainly salary claims, including salary income taxes (relating to salary claims being filed) but excluding salary claims from the top management (in Danish: *direktører*), who are not salaried employees (in Danish: *funktionærer*). Fourth rank is given to suppliers to the debtor who have, within 12 months of the onset of insolvency, delivered goods to the debtor with the applicable duties prepaid by the relevant supplier, but only (i) as regards certain specifically listed duties, and (ii) to the extent of the supplier's claim for reimbursement of the duties prepaid.

After fulfilment, if any, of these priority ranking claims, in the above order, any excess proceeds will be distributed among all ordinary, unsecured creditors. Interest accrued on ordinary, unsecured claims will rank as ordinary claims up to the date of the bankruptcy order, after which date the accrued interest will rank as a deferred claim. Deferred claims include, among others, subordinated loans and penalties.

In the event of bankruptcy, claims in foreign currencies will be converted into Danish kroner using the relevant currency rate as of the date of the bankruptcy order.

The status of a claim is dependent upon express statutory authority (except for subordinated loans).

4.6.1.2. Voidable Transactions

Danish bankruptcy law contains several provisions enabling the bankruptcy trustee to initiate proceedings to have certain transactions prior to the bankruptcy avoided. Some avoidance provisions require the payment or security to be granted within three months before the date of the bankruptcy petition being filed. In some cases, however, avoidance can be claimed for payments or security granted within two years or more before the date of the bankruptcy petition being filed and under certain circumstances for an indefinite period.

Under Danish bankruptcy law, payments made by a Danish group company could be void if, among other things (i) payments are made before they are due or with an amount that has a distinctly impairing effect on such Danish group company's ability to pay its debts, provided the payment does not appear to be ordinary; (ii) payments are made after the date when a petition for bankruptcy was filed, or (iii) payments are made in an improper way that favors a creditor to the detriment of the other creditors, provided that such Danish group company was or became insolvent by the payment and the beneficiary knew or ought to have known about the insolvency and the circumstances that made the payment improper.

Granting of security can be voidable under Danish bankruptcy law if, among other things, (i) the security was granted to the creditor after the time the debt was incurred or (ii) security was not perfected without undue delay after the time the debt was incurred. The timing requirements in respect of granting of security and perfection are interpreted very strictly under Danish law and should be considered carefully by the creditor. As stated in the risk factor under section 5.10 (Rights in the Collateral may be adversely affected by the failure to perfect Security Interests), the Share Pledges over the Russian Pledged Companies may be granted after the release of the proceeds of the Bonds to the Issuer and may accordingly be subject to such voidability.

Under Danish bankruptcy law the issuance of guarantees may be subject to avoidance if, among other things (i) the issuance was made at a time when the issuer was insolvent, (ii) the issuance is without due consideration and/or (iii) between closely related parties.

A claim for avoidance can be made against the main debtor or against the beneficiary. Any proceeds relating to a voidable claim are considered an asset of the bankruptcy estate and are to be distributed to the creditors in accordance with the rules governing priority of debts in bankruptcy.

4.6.1.3. Limitations on the Validity and Enforceability of the Guarantees and Security Interests

It is a requirement under Danish law that a guarantor or security provider obtains an adequate corporate benefit from the issuance of a guarantee or granting of security. This is due to a requirement under Danish law that the management of a company must always ensure a proper management of the company's assets.

Further, the management of the company is obliged to act in accordance with the company's individual interests, including consideration of the company's financial position, the benefits the company will obtain through and the risks related to the granting of security, assessment of the debtor, securing that the arrangement is on market terms, etc. If such benefit is not obtained, the directors of a Danish guarantor or security provider may be subject to civil liability and/or the guarantee or security interest may be null and void. The question of corporate benefit arises inter alia when a subsidiary guarantees and secures debt of a direct or indirect parent company.

The Danish Companies Act furthermore contains restrictions on financial assistance by Danish limited companies. Danish companies are generally prohibited from granting loans, guarantees or security in connection with the financing or refinancing of the acquisition of, or subscription for, their own shares or shares in their direct or indirect parent companies and any such loan, guarantee or security will be invalid and unenforceable. To the extent that any such acquisition debt cannot be separated from other debt, such other debt may be deemed acquisition debt and any loans, guarantees or security granted by Danish companies for such other debt may then also be invalid or unenforceable. The prohibition on financial assistance also extends to non-Danish subsidiaries of Danish companies even if, under the local financial assistance and other laws otherwise applicable to such non-Danish subsidiaries, the relevant guarantee or security could validly be granted.

If loans, guarantees or security are granted in violation of the prohibitions above, such loans, guarantees or security will be invalid and unenforceable and must be repaid with interests. The directors may be subject to liability for losses suffered in this regard.

4.6.1.4. Enforcement of Security Interests outside bankruptcy

The parties to a security agreement can include contractually agreed enforcement procedures and, if there are no bankruptcy proceedings, the agreed procedures will be binding on the parties. However, sales of assets may be voidable in a later bankruptcy proceeding if the assets were transferred below market value.

The agreed enforcement procedures are not binding on third parties such as creditors that have registered an attachment or valid security against the encumbered assets.

Such third-party attachments and rights can only be cleared through a court administered public auction.

In the absence of specifically agreed enforcement procedures, Danish law requires conduct of a public auction in accordance with the Danish Administration of Justice Act (in Danish: *Retsplejeloven*).

Pledges of shares and accounts as well as security assignments of receivables may be enforced without an execution order. However, at least eight days prior notice requesting the debtor to pay the secured debt must be given to the pledgor by registered mail unless a sale is necessary to avoid or reduce a loss.

4.6.1.5. Perfection of Security Interests

The collateral governed by Danish law will be granted and perfected, inter alia, in favour of the Bondholders represented by the Security Agent. Rules have been enacted in the Danish Act on Capital Markets (in Danish: *lov om kapitalmarkeder*) allowing representatives to hold security on behalf of bondholders and the Security Agent may be appointed as representative pursuant to the Danish Act on Capital Markets. There is not yet any case law relating to this legislation confirming the right of the representative to enforce on behalf of the holders of the Bonds so there is a risk that enforcement may be delayed.

The collateral governed by Danish law will be perfected by the Issuer in favor of the Security Agent and some of the collateral may only be perfected after the occurrence of certain events having occurred.

Absent perfection, the holder of the security interest may not be able to enforce its rights in the collateral against third parties, including a bankruptcy administrator and other creditors who claim a security interest in the same collateral. Moreover, if perfection occurs only after the occurrence of certain events of default it will entail a hardening period.

Under Danish law, the ranking of security rights is determined by the date on which the relevant act of perfection has been taken, and if a security interest created later in time over that same collateral, but in respect of which the act of perfection is completed prior to perfection of the pre-existing security interest then the security interest created later will have priority.

4.6.2. LITHUANIA

4.6.2.1. Insolvency Proceedings under Lithuanian Law

Certain Transaction Security Documents are governed by Lithuanian law and are granted by the Subsidiary of the Issuer incorporated in Lithuania. Also, the Subsidiary provides Guarantees under the Bond Terms. If such a Subsidiary starts facing financial difficulties, Lithuanian laws protecting interests of creditors will become effective. This may adversely affect the enforcement of the Bondholders' rights under the Bond Terms and Transaction Security Documents governed by Lithuanian law. The insolvency proceedings (restructuring and bankruptcy) in Lithuania are regulated by the Law on Insolvency of Legal Entities of the Republic of Lithuania.

4.6.2.2. Restructuring Proceedings

Restructuring proceedings may be initiated against a Lithuanian Subsidiary that is facing financial difficulties, i.e. is unable to settle with its creditors on time or its obligations are in excess of its assets (i.e. is insolvent) or most likely will become insolvent within the next three months and at the same it is conducting economic activities that could allow to fulfil its obligations in the future. A chief executive officer of the Subsidiary and creditors to whom Subsidiary's default is in excess of EUR 6,007 would be entitled to initiate restructuring proceedings. The application to initiate restructuring proceedings shall be lodged within a competent court. If the application is accepted by the court, performance of obligations of the Subsidiary, recovery from the Subsidiary and calculation of interest and default interest will be suspended. If the court decides to institute restructuring proceedings, a restructuring plan shall be drafted. The draft plan shall be approved by the majority of Subsidiary's shareholders and majority of secured and unsecured creditors, prior to its approval by the court.

During the restructuring proceedings, recovery of debts to holders of Security Interests under Transaction Security Documents may be suspended and performed only in accordance with the restructuring plan. Calculation of default interest and interest for all the liabilities of the Subsidiary shall be also suspended during the whole restructuring proceedings. This means that holders of Security Interests under Transaction Security Documents could be exposed to loss of income due to suspension of calculation of interest and default interest under Transaction Documents. In case of sale of Collateral during restructuring proceedings, proceeds received from disposal of assets shall be attributed to holders of Security Interest in the ordinary course.

Following the law, implementation of the restructuring plan shall not extend over 4 years. The court is entitled to extend this term for not more than a year. Therefore, holders of Security Interests could be exposed to 5 years of restructuring proceedings. Existing practice shows that that the proceedings extend even longer. This could have a significant negative effect on their return and recovery of amounts invested.

4.6.2.3. *Bankruptcy Proceedings*

Bankruptcy proceedings may be initiated against the Subsidiary that is insolvent, i.e. is unable to settle with its creditors or its obligations are in excess of its assets, and the restructuring proceedings may not be initiated. Bankruptcy proceedings may be initiated by a chief executive officer or creditor of the Subsidiary, as well as liquidator of the Subsidiary. Bankruptcy proceedings may be judicial and extrajudicial. Extrajudicial bankruptcy proceedings may be initiated provided that there are no disputes (judicial and extrajudicial) raised against the Subsidiary, no execution is levied on the Subsidiary under the writs of execution issued by the courts or other institutions

or no tax inspections or investigations are initiated against the Subsidiary. Decision to carry out extrajudicial bankruptcy proceedings may be adopted only by a meeting of creditors having together a claim against the Subsidiary

in amount of at least $\frac{3}{4}$ of the amount of all liabilities the Subsidiary. If instituted, the extrajudicial bankruptcy proceedings are managed by the creditors' meeting.

Institution of bankruptcy proceedings would lead to transfer of the capacity of the management of the Subsidiary to an insolvency administrator, who would take over control over the Subsidiary's activities and assets. If bankruptcy proceedings are instituted in court, insolvency administrator is appointed by the court that selects the insolvency administrator randomly from the public list following established rules. Creditors of the Subsidiary would not be able to offer, nor influence such appointment. Chances of removal the insolvency administrator appointed are limited. In extrajudicial bankruptcy proceedings, the insolvency administrator can be suggested by a creditor and is appointed by the decision of a creditors' meeting taken with majority of votes in favour.

The control over major decisions in the bankruptcy proceedings is usually in the hands of majority creditors', i.e.

those having more than 50% of creditor claims. It is important to note, that creditors' meeting has a quorum, provided creditors' having more than 50% of approved claims at the creditors' meeting are present. Creditors' meeting, among other things, approves the expenses of the bankruptcy proceedings, may influence the timelines of the bankruptcy proceedings, manner of disposal of assets and adopts other important decisions in the bankruptcy proceedings. No assurance can be given that holders of Security Interest would have a casting vote in the meeting of creditors of Subsidiary undergoing bankruptcy, provided, the holders of Security Interest would have less than 50% of approved claims at the creditors' meeting or would not duly attend such a meeting(s) (i.e. quorum requirement is not applied during repeated meeting convoked following absence of quorum). It is also possible that creditors' meeting would form a creditors' committee and entrust it with the functions of the creditors' meeting. Decisions in the creditors' committee are adopted with a majority of committee members voting in favour of the decision (regardless of amount of credit claims they represent). Therefore, risk that other creditors would take over control over process of decision making in the bankruptcy proceedings and could abuse it to force Security Interest holders to unfavourable compromises, shall be taken into account.

Upon initiation of bankruptcy proceedings, the Subsidiary would be prohibited from performing its financial obligations (including payment of interest, default interest, taxes, etc.), therefore, the Subsidiary would most likely not make any payments to any creditor, including holders of the Security interest. All ongoing recovery procedures from the Subsidiary should be frozen, during the bankruptcy process; consequently, any enforcements that are not completed, should be terminated. Default interest and interest shall cease to be calculated for all the payments of the Subsidiary that are due. All payment terms shall be considered due, regardless of their maturity term. Operations of the Subsidiary could only be continued, provided this would reduce the amount of creditor claims in comparison to sale/transfer of assets of the Subsidiary. In most cases this could mean that a recovery under Transaction Security Documents would be frozen and/or delayed until the Collateral is disposed of in accordance with procedural requirements. Recovery from the Subsidiary may be reopened as well as calculation of interest and default interest re-established, provided bankruptcy proceedings are terminated (this, does not apply, however, in case bankruptcy proceedings are substituted by restructuring process).

4.6.2.4. *Secured creditors*

During the bankruptcy proceedings the assets and funds of the Subsidiary, encumbered following Transaction Security Documents, could only be recovered following the Law on Insolvency of Legal Entities the Republic of Lithuania. Decision over time and way of disposal of Collateral of the Subsidiary in bankruptcy is in the hands of the creditor meeting, even if such Collateral is mortgaged under certain Transaction Security Document. Disposal shall be conducted following public auction under typical procedure and price/other terms approved by the creditor meeting. If such disposal is unsuccessful, mortgaged Collateral can be taken over by the holder of Security Interest under such Transaction Security Documents or

disposed of in the manner decided by the creditor meeting. In case holder of Security Interest would not have majority of votes in the creditor meeting, it may not be able to control/influence the sale of the Collateral mortgaged (i.e. dictate timelines, valuation process, sales price, manner of disposal). This means that recovery from the mortgaged Collateral may be subject to substantial delays and discounts.

If such Collateral would have no value without the equipment installed therein or other items required for its operation, that are not subjected to Transaction Security Documents, it is likely that such Collateral could be very hard to dispose of at reasonable terms. Practice shows that there is substantial risk of loss of substantial part of mortgaged Collateral value in case it is not disposed of together with items required for its operation (i.e. equipment, etc.). In case mortgaged Collateral is not sold together with such equipment, recovery from it may be without any substantial economic value. Proceeds received from the sale of such Collateral, after salary and expenses of the insolvency administrator are covered, should be directed to cover the claims of the holder of the Security Interests secured under Transaction Security Documents.

In case of bankruptcy of the Subsidiary, its shares, even if encumbered under Transaction Security Documents, would most likely lose a lot if not all of their value. In such a case, holders of Security Interest may be not able to receive proper recovery of their claims from the pledged shares of Lithuanian Subsidiary under Transaction Security Documents.

4.6.2.5. Unsecured creditors

During the bankruptcy proceedings, disposal of movable and immovable assets of a Lithuanian Subsidiary that are not pledged/mortgaged in favour of particular creditor, are disposed of following the Law on Insolvency of Legal Entities the Republic of Lithuania. Disposal of such assets as animals and production with limited shelf life is in the hands of insolvency administrator. Real estate and assets of material value are subject to auction, other assets and assets that were not sold during two auctions, may be disposed of following a decision of creditors' meeting.

During the bankruptcy proceedings, proceeds received from the sale of assets not subject to Security are distributed to creditors according to their ranks. Firstly, the following claims are satisfied: claims of creditors that have provided bridge financing that was not repaid according to financing terms; employee claims relating to labour relationship; claims in respect to contributions to social security, mandatory health insurance and employee guarantee fund; claims from obligations in respect of economic activities performed during the bankruptcy process that were not fulfilled. Secondly all the claims of all other creditors are satisfied. Claims of the creditors of the same rank are satisfied pro rata. Following satisfaction of principal claim of a higher rank creditor, lower rank creditors can seek satisfaction. In case principal claims of all creditors are satisfied, interest and default interest/forfeiture accrued is subject to recovery in the same rank-based manner.

4.6.2.6. Voidable Transactions

Insolvency administrator is in charge of review of all the transactions concluded by a company at least 3 years prior to entry into force of the court ruling to institute the bankruptcy proceedings against the company. The term

for the review of such transactions is 6 months as of entry into force of court's ruling to initiate bankruptcy proceedings. Among other things, within the same period of 6 months the insolvency administrator shall apply to the

court with a request to declare bankruptcy as intentional, provided features of intentional bankruptcy are identified

by the insolvency administrator. Transactions that are contrary to the purposes of the company and could have

led to company's inability to settle with its creditors or that were not mandatory and violate the rights of the creditors are subject to judicial challenge and declaration of invalidity.

Based on Law on Insolvency of Legal Entities the Republic of Lithuania, the following features may lead to declaration of intentional bankruptcy:

- transactions/decisions that caused losses or were economically unreasonable when concluded/adopted;
- assets were disposed of below market price or gratuitously, with excessive payment terms that were not favourable to the company, or payments being made in the form of shares of shell entities, or entities that did not submit their financial statements to the Register of Legal Entities of the Republic of Lithuania or submitted misleading financial statements to the Register of Legal Entities of the Republic of Lithuania;
- rights of the creditors of the company to recovery from the assets of the company were restricted because of violation of the order for the settlement with creditors prescribed in the law;
- fraudulent or negligent accounting, or tax evasion is identified, financial statements were not submitted to the Register of Legal Entities of the Republic of Lithuania or they were misleading;
- transfer of assets and/or business activities to another entity, by leaving obligations in the entity in bankruptcy, were performed.

4.6.2.7. Enforcement of Security Interests outside bankruptcy

If there are no bankruptcy proceedings against the Subsidiary, for the purposes of recovery, the holder of Security Interest under the Transaction Security Documents must submit a request to a notary public to make an executive inscription following a breach of an obligation that is secured. It is noteworthy, that the recovery of subsequently registered Security Interest will only be possible in case of having prior written consent of a holder of a prior ranking registered Security or full recovery under prior ranking registered Security Interests over the same Collateral. Before issuing the executive inscription, the notary public shall give the Subsidiary a grace period of 20 days during which the Subsidiary is entitled fulfil its obligations or present clear evidence to the notary public that the obligation has been settled. Following executive inscription, enforcement may be transferred to a bailiff, who is in charge of recovery following valuation, by way of public auction procedures on the terms of the relevant Security Document. The parties are free to agree contractually on the enforcement procedures in the security agreement. Such procedures shall be followed if no restructuring or bankruptcy proceedings are initiated, provided it is in accordance with mandatory provisions of laws.

4.6.2.8. Perfection of Security Interests

The Transaction Security Documents governed by Lithuanian law will be granted when signed by the parties in front of Lithuanian notary public and certified by the latter. The Security Interest will be perfected towards third parties following its registration with the Mortgage Register of the Republic of Lithuania.

Security rights are ranked (prior and subsequent status) on the basis of the date on which the relevant act of registration was made. The recovery of lower ranking registered Security Interest will only be possible in case of full recovery under prior ranking registered Security Interests over the same Collateral.

Lithuanian law allows the holder of Security Interest (creditors) under Transaction Security Documents to be represented by one representative, however, the creditors' representative would most likely have no special security agent status (see the risk factor in section 4.5.15 (*Security Agent may not be granted with such a legal status in certain jurisdictions*)).

If conditions for perfection of Security Interests described above are not met, the Security Interests may not be given the rank they purport to have.

Whereas currently a number of assets of the Subsidiary are encumbered to existing creditors, there is a risk that following settlement with these creditors, the existing creditors will not issue release letters on time or will not deregister existing encumbrances from the Mortgage Register of the Republic of Lithuania within the timelines prescribed in the Bond Terms.

Absent perfection, the holder of the Security Interest may not be able to enforce its rights in the Collateral against third parties, including the insolvency administrator and other creditors.

4.6.3. RUSSIA

4.6.3.1. Insolvency Proceedings under Russian Law

Certain Subsidiaries are organized under the laws of Russia. Accordingly, any insolvency proceedings with respect to these Subsidiaries will be conducted in accordance with and be governed by, the insolvency law of Russia. As the shares in the charter capital of the Russian Pledged Companies constitute Collateral subject to Security Interest, any insolvency proceedings with respect to the Russian Pledged Companies may adversely affect the Bondholders' interests.

Russian bankruptcy proceedings include collection and seizure of the debtor's assets, public sale thereof and distribution of the proceeds therefrom to the creditors based on priority of claims. Generally, if the procedures under the Russian insolvency law aimed at restoration of the company's financial standing are not applied or do not result in restoration of the debtor's solvency, bankruptcy ends with mandatory dissolution of the debtor.

The debtor or any creditor may initiate insolvency proceeding by filing an insolvency petition with the relevant commercial court. The law provides several conditions for initiation of insolvency proceedings (so-called insolvency indicators), including that the creditors' claims are overdue for more than three months and that the total amount of such claims exceeds RUB 300,000.

Insolvency proceedings may be initiated only when the creditors' claims are duly proven (in order to prevent technical insolvency (where insolvency of a debtor is commenced without examination of legality and justification of its creditor's claims) and other similar abuses). Court allows liquidation stage if alternative measures to restore the debtor's solvency are impossible or do not result in restoration of the debtor's solvency. Although the law provides several alternatives to

1 liquidation, including financial reconstruction, external administration or amicable settlement, they are relatively rare in
2 Russia. The majority of insolvency proceedings end up with liquidation.

3 Once a Russian company is declared insolvent, the Security Interest with respect to a pledge over the shares in such
4 company would lose its commercial value, as all assets owned by the company will be seized for the benefit of its creditors.

5 During the liquidation stage, the current obligations (i.e. the obligations arising from activities of the debtor after filing the
6 insolvency petition) take priority and are satisfied before any other claims. The priority of claims is as follows:

7 1) personal injury claims;

8 2) salary, and other employment & copyright claims;

9 3) other claims, save for some claims under avoided transactions, which may still be satisfied after the satisfaction of all
10 priority claims.

11 Lower rank creditors may receive satisfaction of their claims only after the higher rank creditors receive full recovery. Claims
12 within the same rank are satisfied on proportional basis.

13 A creditor's claims secured by pledge are satisfied from the proceeds of sale of such pledged property. During insolvency
14 proceedings, a pledge must be enforced through court proceedings. As a general rule, upon the sale of the pledged
15 property through court proceedings, 70% of proceeds will be used to discharge the claims of the pledgee and 20% will be
16 kept on a special account to satisfy the claims of higher rank creditors in case the debtor's funds are insufficient to cover
17 their claims. The remaining assets (and no less than 10% of the total) will be used for the payment of court expenses,
18 bankruptcy administrator's fees.

19 Claims in foreign currencies shall be determined in RUB at the exchange rate set by the Central Bank of the Russian
20 Federation as of the date of commencement of insolvency proceeding and following the due date of a specific obligation.

21 **4.6.3.2. Voidable Transactions**

22 Russian bankruptcy law contains several provisions for initiating proceedings to have certain transactions avoided. The
23 bankruptcy administrator or a creditor may each file a petition to the commercial court.

24 Under Russian law, a transaction of the debtor may be invalidated if, *inter alia*, (i) a transaction made within one year
25 before accepting an insolvency petition involved unequal or undue consideration; (ii) a transaction entailed preference to
26 specific creditors compared to the others; or (iii) a transaction was intended to cause damages to the creditors' interests.

27 There are no specific statutory rules on avoidance of securities and guarantees during insolvency proceedings. However,
28 there are several criteria in case law based on the general requirements described above. In particular, the
29 security/guarantee may be declared void if, *inter alia*, (i) the debtor/guarantor/security provider did not meet solvency
30 criteria as of the date on which the security/guarantee was granted; (ii) the security/guarantee had no connection to
31 adequate economical interest of the debtor; (iii) the value of security/guarantee exceeded the debtor's net assets; or (iv)
32 other circumstances proving deliberately disadvantageous nature of the security/guarantee. Occurrence of any
33 circumstances from this list, if revealed in court, may potentially constitute sufficient grounds for avoidance of a transaction,
34 but in practice, courts tend to require more than one evidence of unfaithful nature of the transaction.

35 Any proceeds relating to a voidable claim shall be returned to the bankruptcy estate and subject to distribution among the
36 creditors, as described above.

37 **4.6.3.3. Subordination of claims**

38 Subordination of claims is a new concept of Russian bankruptcy law, which means that the claims of entities or persons
39 having corporate ties with the debtor shall be subordinated to claims of independent creditors. If the court identifies such
40 corporate ties and bad-faith actions, it will most likely remove the respective claims towards the Subsidiary from the register
41 of creditors, i.e. make them payable only after claims of independent creditors. De facto, this means that subordinated
42 claims will in most cases remain unpaid at all, as bankruptcy cases where the claims excluded from the register of creditors
43 were paid even partially are most likely non-existent.

44 In most cases, affiliation for the purposes of subordination means claims from: (1) a sole executive body (CEO, managing
45 company), a member of board of directors or another management body; or (2) a shareholder holding directly or indirectly
46 20% or more participatory interest or shares in the debtor; or (3) companies having common shareholder or sole executive

body with the debtor; or 4) individuals having family ties with management or shareholders of the companies. This list is not exhaustive and depends on court's views.

The claim is exposed to subordination if it qualifies "compensatory financing" test, i.e. provision of funds to the company, which is in pre-insolvency situation. The following actions are presumed as compensatory financing:

- Provision of loans, instead of equity or assets contributions;
- Failure to claim repaying loans provided before the pre-insolvency situation, if such repayment entails an insolvency of the debtor;
- Sales or lease agreements with deferred payments or payment in instalments;
- Repayment of the debtor's obligations against third-party creditors or purchase of third-party creditor's claim to the debtor.

The court can decide that other transactions or actions are compensatory financing by their nature and, therefore, it can subordinate claims arisen from such other transactions.

With this, there is a risk for Bondholders affiliated with the Issuer or Subsidiaries that the claim filed by such Bondholder will be subordinated if the Subsidiary falls into bankruptcy. This also means that such Bondholder will most likely be unable to enforce a claim under the Collateral Transactions as well.

4.6.3.4. Secondary liability

Secondary liability is a special bankruptcy remedy allowing creditors to pursue persons and entities exercising control over the debtor, provided that their harmful activity has caused insolvency.

In order to invoke secondary liability of shareholders, a twofold test shall be met:

- The respondent qualifies as a party controlling the debtor;
- The respondent's acts and omissions caused impossibility of complete recovery for the creditors ('harmful activities').

Generally, a controlling party is any person or entity, which is able to influence the course of a company's business, terms of contracts or make decisions are binding for the subsidiary. Absence of formal ties does not prevent a court to treat an entity as a controlling one.

A controlling party can be brought to secondary liability for performing harmful activity (i.e. guilty actions or omissions), which leads to subsidiary's insolvency. Harmful activity is presumed, unless the controlling party proves otherwise, if the court reveals that:

- Creditors suffer from substantial losses caused by a transaction, which is performed or approved by the controlling party or executed in favour thereof;
- The company's accounting books and records as well as other documentation, which shall be kept under Russian laws, are missing, altered or maintained in violation of applicable laws;
- Overdue taxes and duties constitute 50% or more of the company's aggregate debt;
- A controlling party fails to timely make an entry into the public registers containing information about bankruptcy proceedings, or such entry contains false information.

While secondary liability for delay in commencement of bankruptcy proceedings is rather applicable to management of the company, shareholders may still be held liable on that ground if they exercised their powers to prevent timely insolvency filing.

Upon commencing bankruptcy proceeding against the Subsidiaries, the Issuer might be exposed to secondary liability in case of bad management or harmful activities.

4.6.3.5. Limitations on the Validity and Enforceability of the Guarantees and Security Interests

Besides avoidance of guarantees and security in bankruptcy as described above, Russian law provides some specific defenses and restrictions of enforcement of the guarantees and Security Interests:

- the guarantor may reject the claim under a guarantee if it finds that the documents substantiating the claim are incompliant with a guarantee's terms;

- Security Interests may be enforced only upon a substantial breach of the secured obligations. Substantiality of a breach is subject to review by the court. There is, however, a statutory presumption that the breach is substantial if the overdue amount is at least 5% of the value of Collateral or if the breach lasts for at least three months;
- the pledgor may challenge the value of the Security Interest if it does not reflect market value as of the date of seizure.

Further, the management of the company providing the security or guarantee bears a general duty to act faithfully in the best interest of the company. The company's officers breaching this duty may be held liable to compensate damages caused to the company. However, there are no statutory restrictions on financial assistance or corporate benefit for Russian companies, hence the security or guarantee issued by the company's officers in breach of the duty of care is not voidable per se, unless special insolvency avoidance rules are applicable (as described above).

Under Russian law, the parties to a pledge agreement can select the procedure of enforcement. In absence of insolvency proceedings, the selected procedure will be mandatory. However, transfer of collateral on conditions deliberately unfavourable for other creditors (e.g. below fair market value) may be challenged in the course of bankruptcy.

In absence of a special agreement, under Russian law, pledge may be enforced on the basis of a court order by means of public auction held by the state enforcement service.

The parties may agree on enforcement of pledge without a court order but upon notarial endorsement. Such out-of-court enforcement may be made in the form of public auction, direct sale, or seizure of the pledge to the pledgee's property.

A pledge of shares in Russia shall be perfected by the Issuer in favour of the Secured Party/Security Agent through state registration with the Companies Register on the basis of a notarized share pledge agreement. The date of perfection will be deemed the date of the state registration, which takes five business days.

Under Russian law, the ranking of security interests depends on the date of the respective act of perfection. If otherwise not provided by an agreement between pledgees, the earlier perfected security interest will have priority, i.e. the lower rank pledgee will be satisfied after full recovery of the higher priority pledgee.

In Russia, the Security Agent will represent the Bondholders with respect to the Security Interests. The Security Agent will act as the pledgee on the basis of certain provisions contained in the Intercreditor Agreement granting the Security Agent a direct claim against the Issuer on a joint and several basis.

Such provisions are used in practice in bond issuances with Russian Security, but not much case law exists (see the risk factor section 5.15 (Security Agent may not be granted with such a legal status in certain jurisdictions)).

4.7. CERTAIN LIMITATIONS ON ENFORCEMENT AND CERTAIN DEFENSES THAT MAY LIMIT VALIDITY AND ENFORCEABILITY OF THE GUARANTEES AND TRANSACTION SECURITY DOCUMENTS

The Bond Terms provides for general limitation language to the effect that the Guarantees (and any Transaction Security created in relation thereto) are limited to an extent required under Danish, Lithuanian and Russian law. Similar limitations may be included for future Guarantees in other jurisdictions.

Although laws differ among various jurisdictions, in general, under fraudulent conveyance, voidable transaction and other laws, a court could subordinate or void the Guarantees or the security interest granted under the Transaction Security Documents and, if payment had already been made under a Guarantee or enforcement proceeds applied under a Security Document, require that the recipient returns the payment to the relevant Guarantor or security provider, if the court found that:

- the amount paid or payable under the relevant Guarantee or the enforcement proceeds under the relevant Security Document was in excess of the maximum amount permitted under applicable law;
- the relevant Guarantee or Security Interest was incurred with intent to hinder, delay or defraud creditors of the Guarantor or security provider or for fraudulent purposes or, in certain jurisdictions, even solely because the relevant Guarantee was incurred or the security interest was granted without sufficient compensation or the recipient was simply aware or should have been aware that the Guarantor or security grantor was insolvent or in distress when it granted the relevant Guarantee or security, or such grant was made within a certain statutory period before insolvency or distress occurred;
- the Guarantor or security provider did not receive fair consideration or reasonably equivalent value for the relevant Guarantee or security interest and the Guarantor or security provider was (i) insolvent or rendered insolvent because of the relevant Guarantee or security interest, (ii) undercapitalised or became undercapitalised because of the relevant Guarantee or Security Interest or (iii) intended to incur, or believed that it would incur, indebtedness beyond its ability to pay at maturity; or

- 1 • the relevant Guarantees or Security Interest were held to exceed the corporate objects or corporate purposes of the
2 Guarantor or security provider or not to be in the best interests or for the corporate benefit of the Guarantor or
3 security provider.
- 4 In an insolvency proceeding, it is possible that creditors of the Guarantor or provider of Security Interests or an appointed
5 insolvency administrator may void the Guarantees and Security Interests as fraudulent transfers or conveyances or on
6 other grounds. In certain situations, the relevant bankruptcy court may also act ex officio and declare the Guarantees or
7 Security Interests to be ineffective, unenforceable or void. If so, such laws may permit the court, if it makes certain findings,
8 to:
- 9 • void or invalidate all or a portion of the obligations under the Guarantees or Security Interests;
10 • direct that Bondholders return any amounts paid under a Guarantee or any Transaction Security Document to the
11 relevant Guarantor or provider of Security Interests or to a fund for the benefit of the relevant creditors; or
12 • take other action that is detrimental to Bondholders.
- 13 Different jurisdictions evaluate insolvency on various criteria. Generally, however, a Guarantor or provider of Security
14 Interests would be considered insolvent if at the time it incurred indebtedness:
- 15 • the sum of its liabilities, including contingent liabilities, is greater than the fair value of all its assets;
16 • the present fair saleable value of its assets is less than the amount required to pay the probable liability on its
17 existing debts and liabilities, including contingent liabilities, as they become due; or
18 • it cannot pay its debts as they become due.
- 19 If a court determined that a Guarantor or provider of Security Interests was insolvent as of the date the Guarantees were
20 issued or Security Interests were created or found that the issuance of the Bonds or a Guarantee of the Bonds was a
21 fraudulent conveyance or other voidable transaction or held it ineffective or unenforceable for any other reason, the court
22 could hold that the payment obligations under the Bonds or such Guarantee or Security Interests are ineffective, or require
23 the Bondholders to repay any amounts received with respect to the Bonds, such Guarantee or Security Interests. In the
24 event of a finding that a fraudulent conveyance or other voidable transaction occurred, the Bondholders may cease to have
25 any claim in respect of the relevant Guarantor and would be a creditor solely of the Issuer and, if applicable, of the other
26 Guarantors under any guarantees which have not been declared void.
- 27 Additionally, any future pledge of assets in favour of the Security Agent, including pursuant to security documents delivered
28 after the date of the Bond Terms, may be voidable if certain events or circumstances exist or occur, including, among
29 others, if the pledgor is insolvent at the time of the pledge, the pledge permits the Bondholders to receive a greater recovery
30 than if the pledge had not been given and a bankruptcy proceeding in respect of the pledgor is commenced within a certain
31 period of time specified in each jurisdiction following the pledge, or in certain circumstances, a longer period.
- 32 Further, certain Transaction Security Documents governing security interests granted by the Guarantors will provide that
33 the amounts guaranteed by such security interests will be limited to the extent of the amount guaranteed by such
34 Guarantor. Therefore, limitations in the Guarantees will also serve to limit the amounts guaranteed by the pledges of
35 Collateral.
- 36 The Guarantees and the Security Interests, or the enforcement thereof, will be subject to certain contractual or other
37 limitations under applicable law. In particular, contractual limits may be applicable to certain Guarantees or Security
38 Interests to the extent the granting of such Guarantee or enforcement of relevant Security Interests would result in a breach
39 of capital maintenance rules or other statutory laws or would cause the directors of any Guarantor or provider of Security
40 Interests to contravene their duties to incur civil or criminal liability or to contravene any legal prohibition.

5. INFORMATION ABOUT THE ISSUER

5.1. History and development of the Issuer

The name and address of the Issuer is:

Idavang A/S

Toftthøjvej 41

Toftthøj

7321 Gadbjerg

Vejle Municipality

Denmark

Tel: + 45 43584161

Website: www.idavang.com

The Company is registered with the Danish Business Authority under CVR no. 20956143 and has its registered office at the above address.

The Issuer has LEI number 5493000WVOJNMTISMP12.

The Issuer was incorporated in Denmark on 1 May 1998 as a private limited liability company governed by Danish law. The Issuer was as of 31 May 2002 converted into a public liability company.

The Issuer's secondary name is Danish Lithuanian Holding A/S.

To the Issuer's knowledge no events have occurred since 1 January 2021 which are material to the assessment of the Issuer's solvency and which are not described in the Prospectus, including in particular in section 11 (*Financial information concerning the Issuer's assets and liabilities*).

For further information on the history and development of the Issuer, see section 6 (*Business*).

5.2. Information about the Guarantors

Rus Invest ApS, a private limited liability company organised and existing under the laws of Denmark under CVR no. 31050626, and with its registered office at Toftthøjvej 41, Toftthøj, 7321 Gadbjerg, Vejle Municipality, Denmark. The purpose of the company is to own shares and other securities and to carry on investment activities and related business. Rus Invest ApS has a nominal share capital of DKK 1,500,000 which is fully paid.

Rurik A/S, a public limited liability company organised and existing under the laws of Denmark under CVR no. 30274857, and with its registered office at Toftthøjvej 41, Toftthøj, 7321 Gadbjerg, Vejle Municipality, Denmark. The purpose of the company is to, through Russian companies, carry on agricultural activities and to own Russian assets related thereto. Rurik A/S has a nominal share capital of DKK 7,250,000 which is fully paid.

Pskov Invest ApS, a private limited liability company organised and existing under the laws of Denmark under CVR no. 33044313, and with its registered office at Toftthøjvej 41, Toftthøj, 7321 Gadbjerg, Vejle Municipality, Denmark. The purpose of the company is to own shares and other securities and to carry on investment activities and related business. Pskov Invest ApS has a nominal share capital of DKK 4,200,000 which is fully paid.

Idavang Russia A/S, a public limited liability company organised and existing under the laws of Denmark under CVR no. 33044585, and with its registered office at Toftthøjvej 41, Toftthøj, 7321 Gadbjerg, Vejle Municipality, Denmark. The purpose of the company is to, through Russian companies, carry on agricultural activities and to own Russian assets related thereto. Idavang Russia A/S has a nominal share capital of DKK 6,000,000 which is fully paid.

UAB IDAVANG, a limited liability company organised and existing under the laws of Lithuania under legal entity's code 111657920, with its registered office at Veselkiškių village 1, Pakruojo district, the Republic of Lithuania. The purpose of the company is to engage in economic-commercial activities for the purpose of satisfying the interests of private shareholders and deriving economic benefit from the performed activities. The authorised capital of UAB IDAVANG is equal to EUR 798,288, which is divided into 49,893 ordinary registered shares with a par value of EUR 16 each. The authorised capital of UAB IDAVANG is fully paid.

6. BUSINESS

This Prospectus contains forecasts, statistics, data and other information relating to markets, market size, market share, market position and other industry data pertaining to the Issuer's business and markets.

Industry publications generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. The Issuer has not independently verified and cannot give any assurance as to the accuracy of market data and industry forecasts contained in this Prospectus that were taken or derived from these industry publications.

Market data and statistics are inherently predictive and speculative and are not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market. In addition, the value of comparisons of statistics for different markets is limited by many factors, including that (i) the markets are defined differently, (ii) the underlying information was gathered by different methods and (iii) different assumptions were applied in compiling the data. Accordingly, although as far as the Group is aware and able to ascertain, no facts have been omitted that would render the reproduced information inaccurate or misleading, the market statistics included in this Prospectus should be viewed with caution and no representation or warranty is given by any person as to their accuracy.

The Group has endeavored to reproduce such information accurately in the Prospectus. Such data, as well as internal surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified. In addition, in certain cases the Group has made statements in this Prospectus regarding its industry and its position in the industry based on its experience and its own investigation of market conditions.

As a result, prospective investors should be aware that forecasts, statistics, data and other information relating to the Issuer's markets, market size, market share, market positions and other industry data pertaining to the Issuer's business and markets in this Prospectus, may not be reliable indicators of the Issuer's future results of operations or business performance.

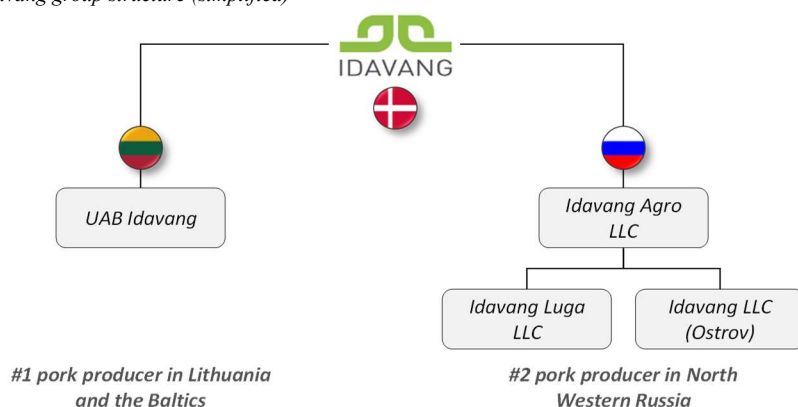
Unless a specific source is identified, all information regarding market and other operating and statistical data provided in this Prospectus is based on the Group's own estimates. In making estimates, the Group relies on data produced internally, and, where appropriate, external sources, including information made public by other market participants or associations.

Certain financial and other numerical information set forth in this Prospectus has been subject to rounding and, as a result, the numerical figures shown as totals in this Prospectus may vary slightly from the exact arithmetic aggregation of the figures that precede them.

6.1. Introduction

The Group was founded in 1998 with the acquisition of the first farm in Lithuania. Today, the Group has operations in Lithuania and Russia with a total of 16 pig farms, crop growing activities in Russia, as well as holding a 17.5% minority stake in 8 biogas plants, which are built next to the Lithuanian farms. As elaborated in section 6.5 (*Industry and Market Overview*), the Group enjoys the position as the largest pork producer in Lithuania and the second largest pork producer in North Western Russia, measured on sales of pigs. In 2020, the Group sold approximately 92.000 tonnes of pig meat, mainly due to 778,848 slaughter pigs.

1 Exhibit 1.1 Introduction: Idavang group structure (simplified)

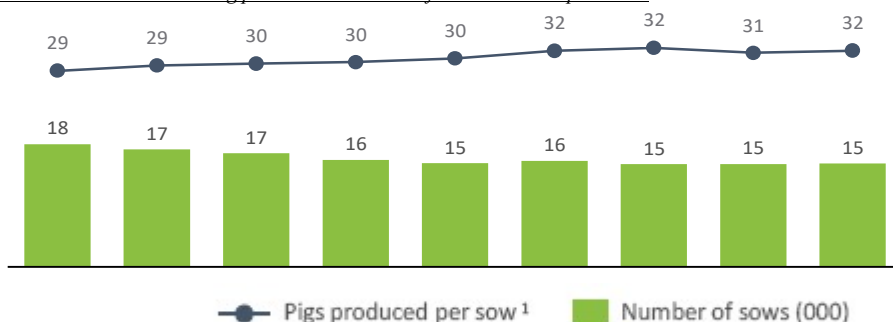


2
3 Source: Group information

4
5 **6.1.1. Introduction to the operations in Lithuania**

6 The Group operates 13 farms across Lithuania. The farms range from 4,910 sq. m. to 46,935 sq. m. and the total farm
7 area is 250,000 sq. m. all of the farms have 100% capacity utilization. Improving production efficiency has enabled fewer
8 sows to increase production output, which is illustrated in the below exhibit.

9 Exhibit 1.2 Introduction: Pig production measures for Lithuanian operations



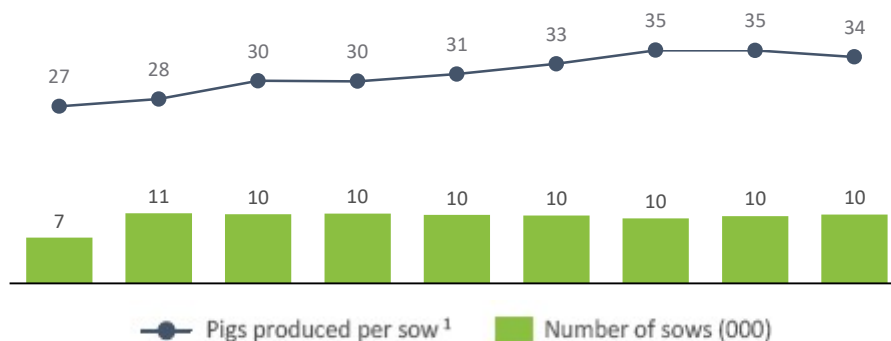
10
11 Source: Group information
12 Note (1): Pigs produced per sow in 2014 has been adjusted for the killing of 19,217 finishers at Rupinskai in 2014, note (2): Total number of pigs
13 produced per sow (finishers, sows and weaners sold incl. displacements)
14
15

16 Idavang employs approximately 397 in Lithuania. 260 work in pork production and 72 in maintenance and construction.
17 The majority of the employees are blue collar with a total of 48% male and 52% female workers.

18 **6.1.2. Introduction to the operations in Russia**

19 The Group operates 3 large-scale farms located close to Saint Petersburg in North Western Russia, which together
20 comprise approx. 10,500 sows, corresponding to around 40% of the Group total. All pig production farms have 100%
21 utilized capacity.

22 Idavang's pigs produced per sow metric has also been increasing in Russia and the number of sows has been increasing
23 since 2011.



2 Source: Group information

3 Note (1): Total number of pigs produced per sow (finishers, sows and weaners sold incl. displacements)

4

5 A total of 406 employees are affiliated to the Russian farms, in which 191 work in pork production, 66 in maintenance and
6 construction, and 83 within fields and environment. The majority of the employees are blue collar with a total of 64% male
7 and 34% female workers.

8 6.2. Background

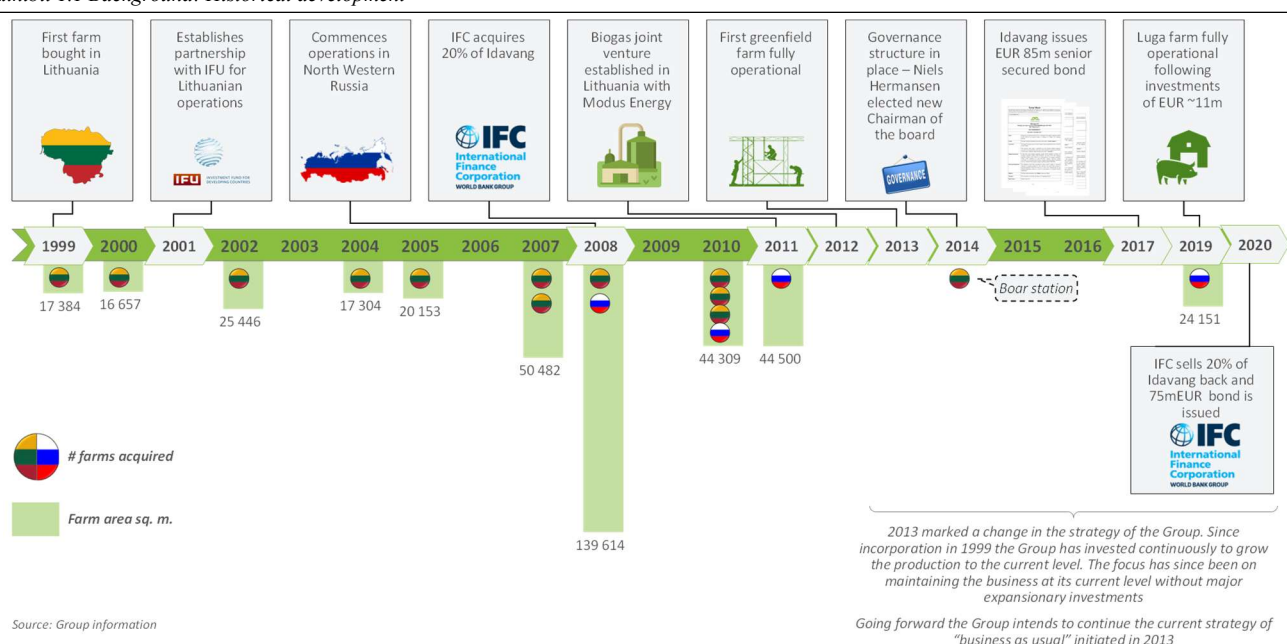
9 The Group was established in 1998 when four Danish farmers acquired the first farm in Lithuania. The four experienced
10 farmers assessed that Denmark was no longer the ideal place to produce pigs. Firstly, the Danish market was oversupplied,
11 hence lower sales prices. Secondly, the farms and the adjacent farmland in Denmark were considered expensive. Thirdly,
12 labor costs were high. Consequently, the farmers started to look for alternative locations in Eastern Europe to mitigate the
13 challenges they faced at home. In addition, the farms in Eastern Europe could be acquired in a much larger size, enabling
14 a higher degree of profitability. Further, at the time the four farmers looked into establishing a business in Eastern Europe,
15 the area experienced an increasing shortage of pork due to a growing demand, thus emphasizing the business
16 opportunities.

17 After establishment, the Group continued to grow in Lithuania through renovating existing farms (brownfield investments).

18 In 2008, Idavang started expanding in Russia. In connection with funding of the investment in the second Russian farm (in
19 Ostrov), IFC acquired a 20% stake in the Group in 2011. In 2012, a biogas joint venture was established in Lithuania in
20 collaboration with Modus Energy (www.modusgroup.lt/en/). 2013 marked a change in the strategy of the Group, changing
21 the focus has since been on maintaining the business at its current level without major expansionary investments.

22 Since 2013, only a minor boar station investment was made in 2014 and 2019 in 24.151 sqm. Finisher farm in Luga. In
23 2020, Idavang bought back IFC's shares following the issuance of the Bonds.

1 Exhibit 1.1 Background: Historical development



2 Source: Group information

3 6.3. Overview of the Group's strategy and strategic initiatives

4 The Group's strategy is to optimize the current farms and make no material investments.

5 To optimize the current operations, the Group focuses, among others, on genetics, TN70. TN70 has a range of advantages, including an expected improvement of feed conversion ratio. It is widely used in the Netherlands, a country known for its high-performing farms and Europe's lowest feed conversion ratios. The innovator of TN70 is Topigs Norsvin who is renowned for its innovative approach by implementing new technologies while focusing on cost-efficient pig production. This company has long and broad experience with making pig production more efficient. Idavang's feed conversion ratio is expected to improve through operational improvements and the introduction of TN70.

11 6.4. Business overview

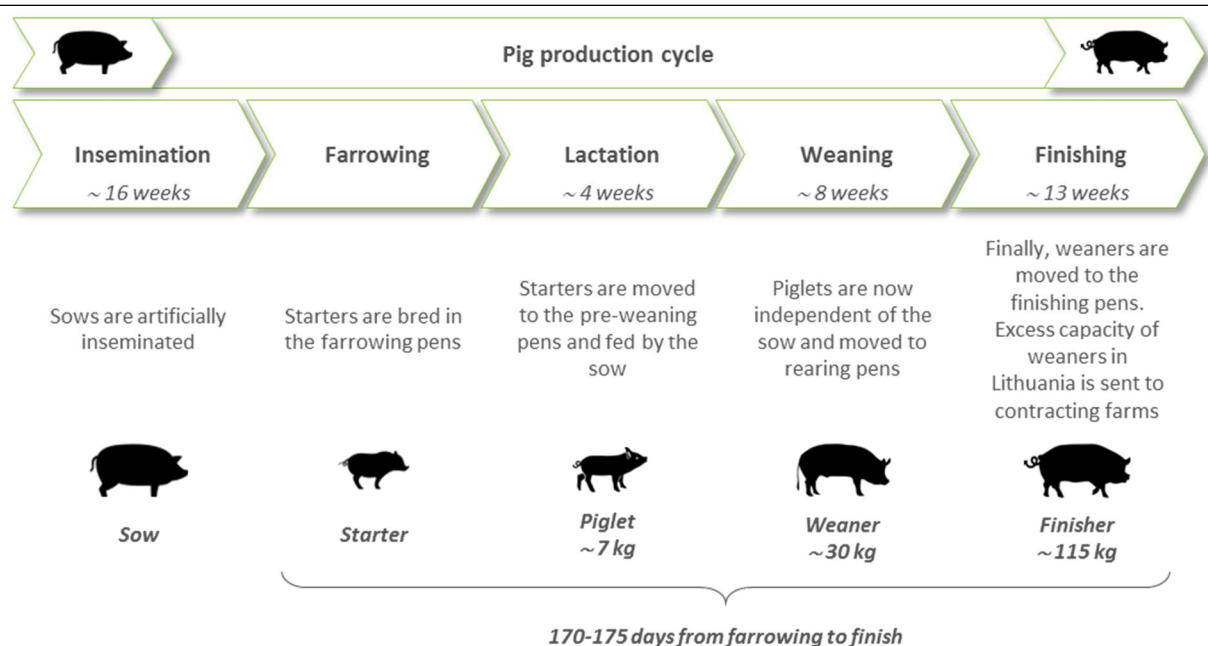
12 The Group's core business is pig production. While the core business is pig production, the Group owns 9,612 hectares of arable land (and rent additional) as well as a minority stake in 8 biogas plants in Lithuania. The Group has negative control over the biogas plants in Lithuania. As the arable land owned is limited and located in Russia (with relatively lower land prices), the Group has relatively little capital tied up in land ownings, which enables the Group to minimize cash tied up in arable business to a minimum. Further, viewing the minority stake in the 8 biogas plants as a secondary activity, the Group is able to focus on the core competency that is pig production.

18 Pig production

19 The Group's sow herd, as of end 2020, is 15,344 in Lithuania and 10,335 in Russia. To ensure an efficient production of pigs, Idavang monitors both the performance and the well-being of the pigs throughout the entire production cycle. The pig production cycle commences with sows being artificially inseminated. The timing of the insemination, and thus the gestation, is affected by the sows having seasonal infertility. After the insemination, the sows are in gestation for ~16 weeks. The farrowing piglets, or starters, are bred in farrowing pens, and afterwards moved to pre-weaning pens where they are fed by the sow. This process within the lactation period, lasts ~4 weeks. After the lactation period, the piglets have become independent and are thus removed from the sow. This initiates the weaning period which lasts ~8 weeks. The weaners gain weight to around ~30 kg. Finally, the weaners are moved to finishing pens, where they will stay for ~13 weeks.

28 The period from farrowing to finish lasts 170-175 days. Throughout the production cycle, a broad range of KPIs are tracked and analyzed. By continuously monitoring KPIs, the management is able to investigate how to improve operational performance.

Exhibit 1.1 Business overview: Pig production cycle



Source: Group information

All of starters go through the entire production cycle on farms operated by Idavang currently. Historical due to capacity constraints, a number of weaners have regularly been sold off, as Idavang did not have capacity to finish them.

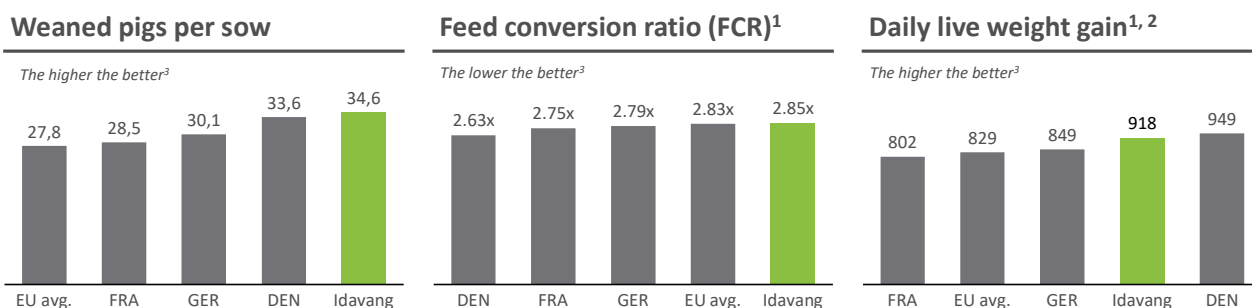
Idavang has some contracted weaners from Lithuanian farms to farmers in Poland and Lithuania. The contracting agreements involve Idavang delivering weaners from Lithuania, feed, and other relevant input to farms. By paying a fee, these farms provide the capacity to finish the weaners, but are never the owner of the pigs. After the pigs are fully bred, the contracting is terminated and it is up to Idavang to sell the pigs.

The finishers produced by Idavang in Lithuania are sold to slaughterhouses in Lithuania, Latvia, and Poland. The Russian finishers are sold to local slaughterhouses in North Western Russia.

6.4.1. Pig production metrics

There are a variety of key performance measures regarding pig production, in which some of the most important measures are (i) weaned pigs per sow, (ii) feed conversion ratio and (iii) daily live weight gain. In all three measurements, Idavang is generally showing outperforming results compared to peers not only locally but globally.

Exhibit 1.2 Business overview: Key performance measures benchmarked



Source: Group information, AHDB

Note (1): Standardized figures, note (2): g per day, and country average, note (3): Notice that all figures are from 2016

The higher number of weaned pigs per sow indicates a higher turnover rate per sow, with the sow being the production machine. This can be improved by maximizing the number of farrowings per sow per year and the size of the litter. The number of farrowing pigs can be maximized by working structured with the timing of the insemination since sows are in

heat every 3 weeks. The size of the litter is improved by introducing better genetics, as well as using professional feeding schedules and better feed. Idavang's performance is expected to improve further with the introduction of new genetics, which, among others, is expected to decrease the mortality in the litters.

The feed conversion ratio measures the efficiency in converting feed into meat and a low ratio is thus desirable. Through continuous optimization of the recipes and introduction of better genetics, the ratio has been driven down.

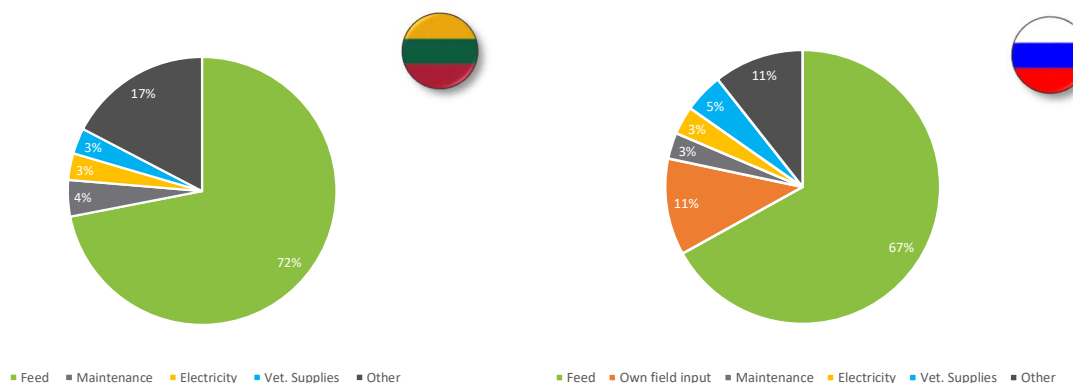
A higher daily live weight gain implies a shorter fattening process, and potentially a higher meat yield per sow. The combination of high average daily gain and low feed conversion ratio results in a more efficient finishing process, where the finishers are fattened quickly and less expensively.

To optimize the operational performance further, the Group has applied a range of different innovative solutions. The Group was involved in the development of "Cloudfarms" – an IT platform and smartphone app. It was implemented in 2015 on all the Group's farms, enabling real-time KPI performance tracking at any location. All employees are equipped with smartphones in order to report production incidents and operations instantly, as well as having constant access to real-time production data. Each sow is equipped with an individual QR-code, so the employees easily can access pregnancy history, farrowing results, and health.

6.4.2. Crops and feed

The main feed components used in the pig production are grain, protein, minerals, and oil, and these main components constitute the largest cost item for Idavang. In 2020, this cost amounted to 64% and 63% of the total expenses in Lithuania and Russia, respectively. In both countries the Group has managed to ensure a well-diversified group of feed suppliers with no supplier providing more than 13% of the total either country production input (based on 3-year average).

Exhibit 1.3 Business overview: Sourced supplies by type in 2020

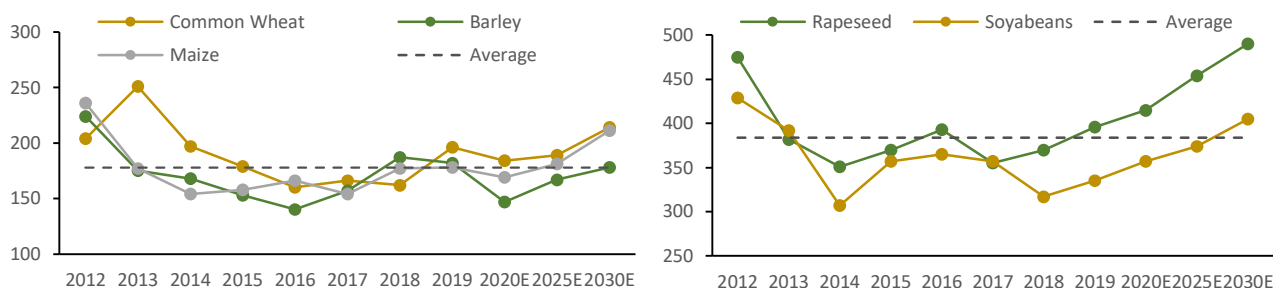


Source: Group information

One of the Group's main focusses is that all farms have the best possible feed readily available at reasonable prices. In Russia, part of the grain and protein is generated from Idavang's own field, while the remaining feed supply is sourced from fragmented suppliers, thus indicating an attractive bargaining position for the Group. All the feed components are sourced from various suppliers on hedged contracts of up to 18 months in Lithuania and shorter in Russia. An important note, however, is that the company's risk policy dictates that management needs approval from the board if the management desires to hedge more than 100% of 12 months consumption.

EU Agricultural Outlook prepared by the European Commission expects feed prices to remain stable towards 2030 and converge toward the historical average with a slight increasing trend.

Exhibit 1.4 Business overview: Key feed input outlook (EUR/ton)

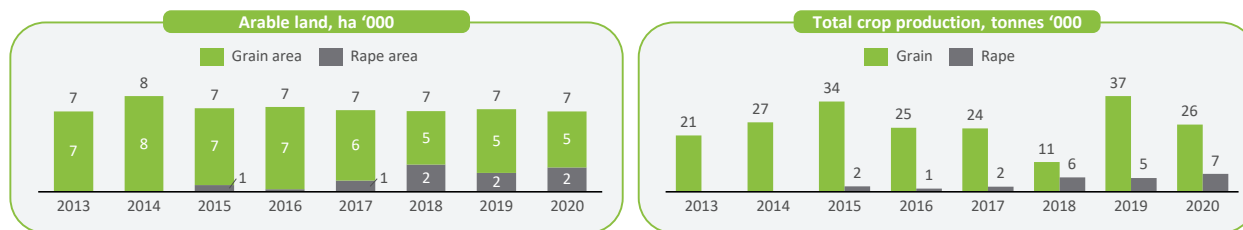


Source: EU Agricultural Outlook: Prospect for the EU agricultural markets and income 2019-2030

6.4.3. Arable land

The arable business is limited to Russia, with operations within driving distance to both pig farms. The crop growing segment ensures internal control of feed both in terms of quality and prices, which results in the Group being less exposed to volatility in crop prices. In 2020, the arable production contributed positive to Group EBITDA with EUR 3,9m (2019 EUR 3,8). In 2020, the Group owned 9,612 hectares of arable land (and rent additional, but only cropped 7,000 hectares due to crop rotation, which produced crops of 33,000 tons.

Exhibit 1.5 Business overview: Arable land and crop production



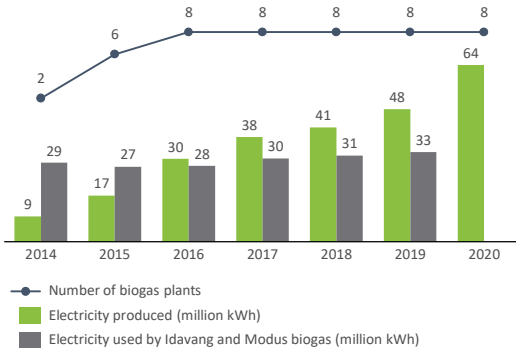
Source: Group information

6.4.4. Biogas

Idavang is a minority shareholder in 8 biogas plants constructed next to the Lithuanian farms and has negative control over these companies through veto rights in the boards on major business decisions. The lead investor, and majority shareholder, is Modus Group. The initial investment of EUR 26 million was primarily paid by Modus Group (and its banks). Biogas is produced from natural waste, i.e. slurry and plant material, which is a natural by-product of the core business. The biogas is utilized to generate electricity.

In 2020, the plants produced electricity of million 57.0 kWh corresponding to a total income of EUR 7.8 million. Electricity is sold to the national grid with a feed in tariff valid for 12 years from the beginning of the operations. This generated a minor profit to the Group, and the income is expected to be stable going forward. The biogas plants are a secondary activity compared to the core business of pig production and the Group has no intention of expansions. Idavang has not entered into any kind of supply contract committing to supply certain amounts of slurry.

Exhibit 1.6 Business overview: Biogas production



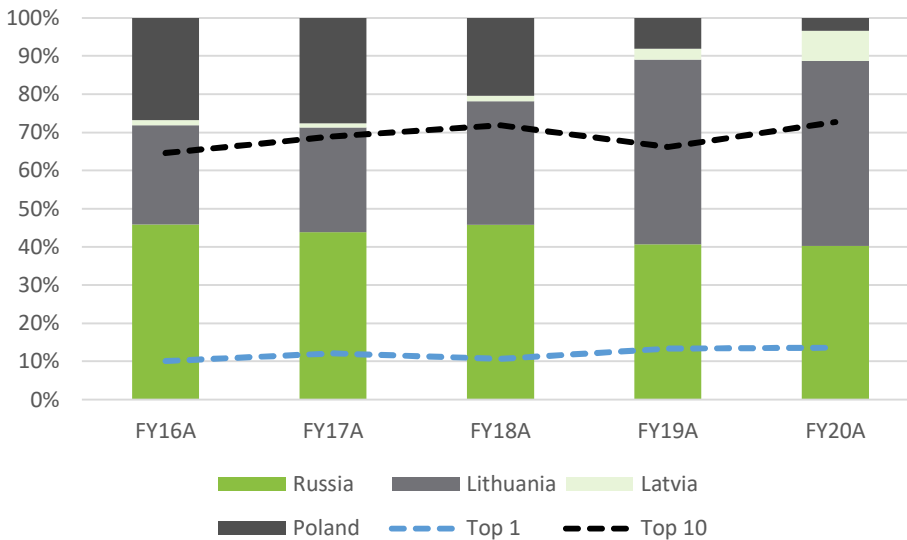
Source: Group information

6.4.5. Sales and customers

The Group has limited its customer dependency by only having a few large customers in both Lithuania and Russia but many smaller customers. This is especially the case in the North Western area of Russia which is highly undersupplied (according to figures from USDA). Pork production is a local market and thus attractive for the suppliers located in undersupplied regions. A more detailed description of the undersupply of pork can be found in section 6.5.4 (*Market situation in Russia*).

As elaborated in section 6.5.3 (*Market situation in Lithuania*), according to figures from ADHB, Lithuania is undersupplied in pork meat as well. However, Idavang sells pork to slaughterhouses in both Poland and Latvia. By having a customer base in countries outside of their production site in undersupplied Lithuania where demand is high, Idavang is keeping a significant customer bargaining power in Lithuania while still diversifying the revenue.

Exhibit 1.7 Business overview: Geographical split of sale of finishers



Source: Group information

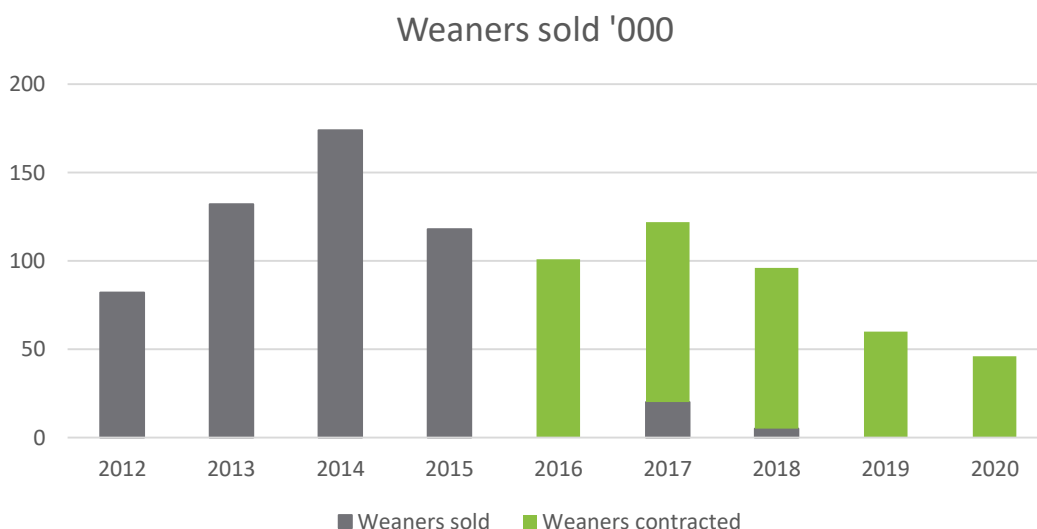
6.4.6. Contracting of weaners

The Lithuanian pig farms have until 2017 been selling excess weaners because of capacity constraints. In 2017, the Group commenced contracting arrangements of weaners from Lithuanian farms to Poland. Based on prevailing market conditions, the weaners are sent to contractors for finishing. The contracting of weaners involves two parties, Idavang and the farmer (contractor). Idavang provides the weaners, feed, and other variable inputs, and the farmer provides the buildings, labor, and utilities to finish the weaners. Therefore, the farmer never owns the pig, but is instead paid a fee per weaner converted to finisher. The contracting arrangement allows for both parties to diversify risk and reap the benefits from scale and

specialization. Idavang has in 2019 increased its capacity to finishing weaners internally by renting a farm, hence reduced volume on contracting.

A similar contracting market is not available in Russia.

Exhibit 1.8 Business overview: Excess weaner produced in Lithuania



Source: Group information

6.4.7. Biosecurity

The Group has implemented thorough biosecurity measures at all farms, and it is a highly prioritized aspect of the business. A thorough procedure and code of conduct is applied to all employees and visitors, which keep potential diseases at a minimum. Biosecurity is maintained by four focus areas:

Employees

- All employees are trained with respect to biosecurity protocols
- They cannot bring food and pork cannot be served in the cafeteria
- They are prohibited from having pigs at home which is checked by the Group's control squad

Security

- The production facilities are surrounded by warnings and each farm by three fences
- Video surveillance and alarm system
- 24-hour manned security
- Electronic key lock on all doors
- Insect nets on all window and gravel rim around production building

Transportation

- Strict loading and unloading procedure
- Disinfection gates for all trucks entering the facilities
- Transportation containers are washed, disinfected and quarantined between each use
- 48-hour quarantine room with UV light for spare parts and other things needed in production

Entering and exiting

- Mandatory visitor registration
- Shower and change of shoes and clothes
- Hand and foot disinfection

Avoidance/reduction of insects

- No lights at night time during insect season
- Poison in fly catchers around farms
- Spraying insecticide around the farms
- Paint insect poison around doors
- Installation of automatic sprayers or insect grills in all in/out delivery rooms
- Avoidance of materials liked by insects
- Steel nets around staff corridors and pig corridors

6.4.8. Environmental awareness, CSR and animal welfare

The Group operates after ten principles that emphasize the development of high-quality pig farming with a focus on surroundings, both in terms of nature, communities and employees. The ten principles are: (i) animal environmental responsibility; (ii) human and employee rights; (iii) safety and health at work; (iv) development of communities; (v) anti-corruption; (vi) climate change; (vii) active leadership; (viii) animal welfare; (ix) customer relationships; and (x) supervision of social responsible activities.

In order to reduce the negative environmental impact of operating large-scale professional protein production, the Group has implemented power and water saving initiatives. The Group utilizes the 8 biogas plants, stores manure in closed lagoons, and effectively use the manure on agricultural land as fertilizer. All lagoons are closed with top and double liners to secure no emission of smell, ammonia, nitrogen or greenhouse gasses.

The Group engages in support of the local communities by various initiatives and associations. The association with the local communities aims to create a positive and collaborative working environment. The Group values respect, transparency, and trust-based relationships which determines each decision in the company. A strict non-acceptance approach to bribery is shared among all employees, management, and the founders.

Animal welfare policy is implemented to ensure the optimal treatment of the pigs and that the treatment is in compliance with all EU regulations and requirements. The focus on animal welfare and optimal conditions is implemented throughout the entire production cycle. To consistently comply with EU regulations, the Group has implemented various initiatives:

- All farms are conforming to European standards and brownfield investments are instantly modernized to comply with these standards.
- Air temperature control is necessary because the Group operates in geographies with large temperature fluctuations.
- Heated floors for piglets reduces mortality, and lighting controls ensure optimal conditions for the development of the pigs throughout the production cycle.
- Strict hygiene and sanitary requirements ensure the health of both the personnel and animals.
- All animals have access to feed and water, and supplies are sourced from trusted suppliers. To ensure quality, the feed components are continuously tested, wherein regular toxins tests are conducted.
- The transportation of the animals conforms to European standards. Drivers are trained in order to ensure the safety and welfare of the transported animals. The personnel accompanying the animals during the transportation have further attained a 'animal supervisor certificate of competence'.
- Overall, the employees are trained to treat the animals with respect and care at all times and ensure optimal animal welfare at the farms.

6.5. Industry and market overview

6.5.1. Pig production is a global market

As it can be seen from the figure below, the sales prices of pig meat within the EU have not tracked inflation. In spite of this, production increased during the same period. This is a result of the response from large industrial EU farmers which increased efficiency, thereby increasing output instead of reducing production. A common reference point for the market price for pork is the German VEZG index.

Exhibit 1.1 Pig production is a global market: Yearly pork prices, German VEZG index

EUR/kg live weight VEZG



Source: VEZG

Note (1): Converted from slaughter weight using a live-to-slaughter ratio of 1.3

In contrast, the smaller farmers are typically not equipped with the scale or financial capacity to respond to falling prices with increasing efficiency. Thus, if low prices have been present over a longer period, the small farmers are forced to shut down.

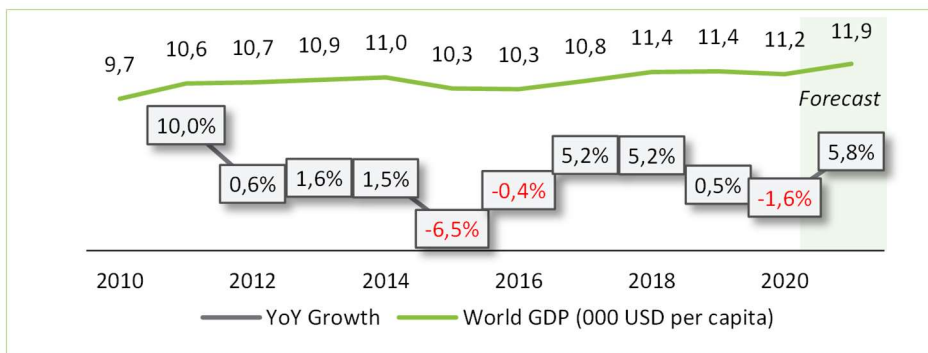
The prices of pork meat have started to increase since the second half of 2016, with the primary reason being increased imports by China. Since 2011, China's pork meat consumption has exceeded production, but in 2019 production drastically decreased due to outbreaks of ASF, and in 2020 the consumption exceeded production by more than 13% of total production, corresponding to 5.1 megaton of undersupply (according to figures from USDA).

In 2018 approximately 50% of the world's pork production takes place in China (which was reduced to 39% in 2020 after the ASF outbreak), but due to the high consumption, China is also the world's largest importer of pork. As a consequence of the growing demand in China,

Higher disposable income allows for increased meat consumption

- Improved financial conditions make meat relatively more affordable.
- Consumers are able to spend more money on meat and meat of higher quality
- A positive correlation between higher income per capita and demand for meat proteins

Exhibit 1.2 Pig production is a global market: The world's GDP per capita and its growth

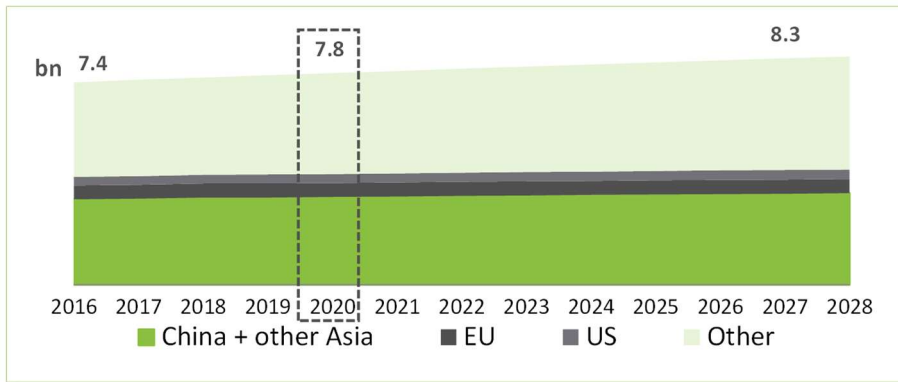


Source: IMF

World population growth, means more people to feed

- The total world population is constantly growing and creating increasing demand for food
- The world population is projected to grow by ~500 million people towards 2027. The EU and US population will remain relatively stable. Thus, population in Africa and Asia will grow significantly
- Especially the growing Chinese/Asian population will impact the meat consumption, where the people consume large amounts of meat compared to other regions

1 Exhibit 1.3 Pig production is a global market: The world population growth



Source: IMF

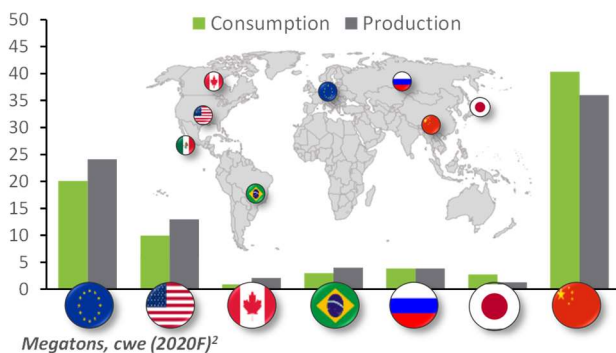
While (European) pork producers use the VEZG index as a reference point, they make adjustments according to regional factors, that either attributes a discount or a premium to the pork price reference point. Thus, some regional prices are tracking the VEZG index closely and other regional prices have either premiums or discounts. The main drivers of premiums and discounts are mentioned below,

- **The efficiency of local slaughterhouses.** E.g. Lithuanian slaughterhouses have high unit costs and therefore limit the ability to pay decent prices without being loss-making. This has a downward impact on the pork prices for Lithuanian producers
- **Biosecurity threats,** where the prevalence of various diseases may increase mortality or impose trade restriction. In Ukraine, outbreaks of African Swine Fever ("ASF") prevent export which increases the domestic supply and lowers the pork prices for Ukrainian producers. ASF can also shut down the smaller farmers which will have an offsetting effect
- **Transportation.** Distance from oversupplied areas (e.g. Germany, Denmark and the Netherlands) imply transportation costs in connection with the transport of meat from oversupplied areas to undersupplied areas in Lithuania. Therefore, Lithuanian producers charge a higher pork price
- **Local bias.** An increasing willingness among local customers to pay a premium for locally produced pork products. This is present in Lithuania where the pork price is higher for Lithuanian producers
- **Political environment.** Pork is a global commodity and trade restrictions, legislative issues, and government subsidies affect the price.

6.5.2. Global pork trades

In general, the market for pork is characterized by large regional discrepancies between supply and demand. Hence, large quantities of pork are being transported across the globe. Net export countries with net production surplus as EU, US, Canada, and Brazil, export to net production deficit countries as China, Japan, Mexico and Russia. The global trade is for processed meat, as live pigs can only be transported within relatively short distances.

Exhibit 1.1 Global pork trades: Production and consumption

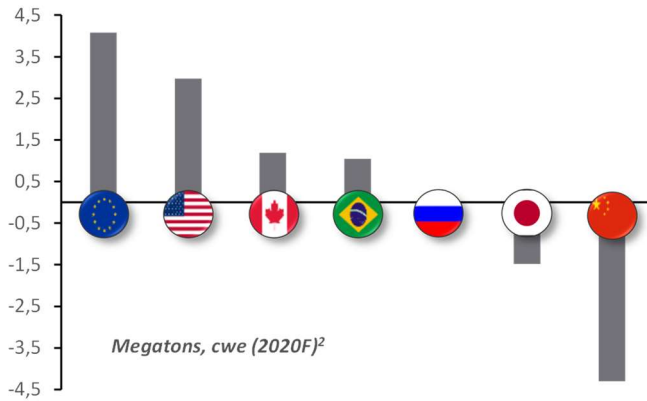


Source: OECD-FAO

The major trade flows are from North America and Europe to Asia, and from South America to Russia. EU has been impacted by the Russian embargo, but has successfully diverted the export to other geographies, especially China. Russia is to a large extent importing pig meat from Brazil and the Russian pig prices are thus correlated to the global prices.

Exhibit 1.2 Global pork trades: Net inflow for major pig trading countries

Net inflow, major pig trading countries



Source: OECD-FAO

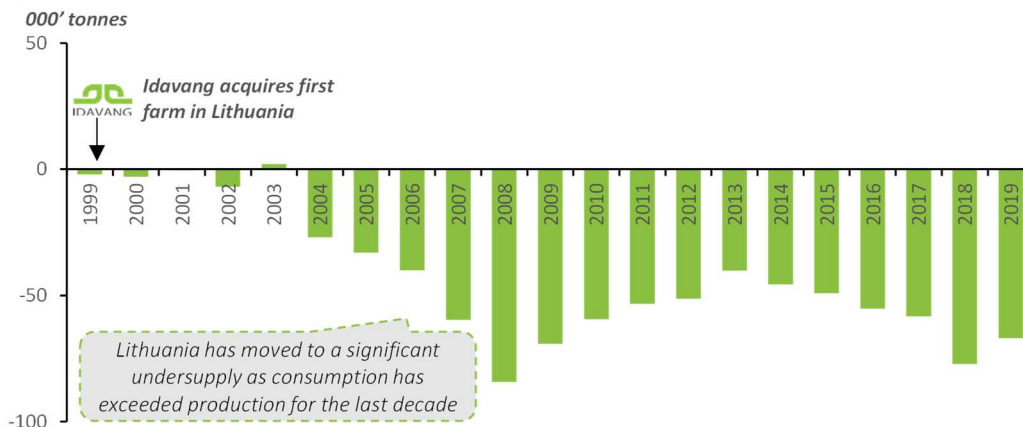
Among the biggest importers of pork are China, Japan, Mexico, and South Korea. Despite the significant import of pork, the per capita consumption of pork is considerably below the EU average. If the per capita consumption of pork were to converge towards the EU levels, a further uptick in pig prices could be the result – thus providing a price upside for the biggest pork importers' markets.

6.5.3. Market situation in Lithuania

The current population of Lithuania is approx. 2,8 million with an average GDP per capita, purchase power adjusted, of USD 38,200 (2019). The country is rated A3, A+, and A, from Moody's, S&P, and Fitch, respectively. The Lithuanian GDP per capita (PPP) has been increasing since 2009. Derived from the mega-trend driving global protein demand, the increasing average GDP per capita (PPP) is one of the drivers behind the higher consumption of pork prevailing in Lithuania at the moment. Since 2004, the country has been significantly undersupplied of pork meat.

Exhibit 1.1 Market situation in Lithuania: Net production¹

Net production in Lithuania

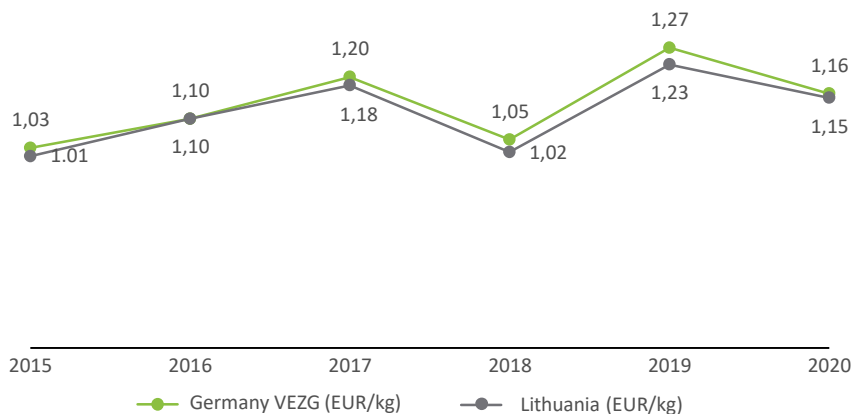


Source: ADHB, World Bank Data

Note (1): Production is estimated as the self-sufficiency rate (net production as percentage of total consumption) multiplied by consumption

The price development closely follows the VEZG index (market price reference point), as the country is part of the internal European market, and no significant volatile premiums or discounts in the country.

Exhibit 1.2 Market situation in Lithuania: Price development in Lithuania compared with the German VEXZG index



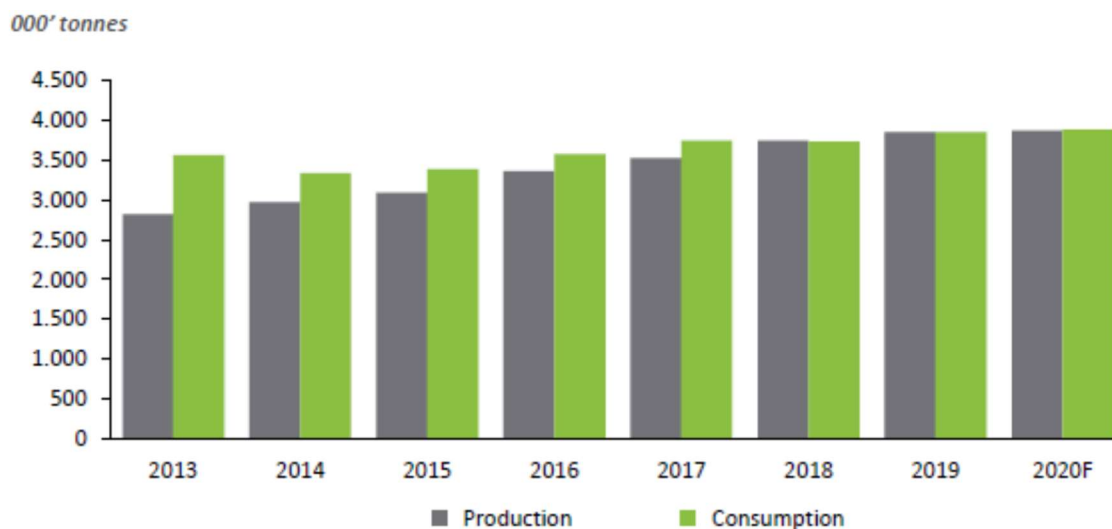
Source: Group information, VEZG

6.5.4. Market situation in Russia

Russia has a total population of approx. 144,4 million with an average GDP per capita, purchase power adjusted, of USD 29,200 (2019). The country is rated Baa3, BBB-, BBB from Moody's, S&P and Fitch respectively, hence being investment grade all. In 2014 the Russian Federation embargoed agricultural products from EU, which resulted in a significant decrease in EU agri-food exports to Russia. To offset the decrease and Government had the objective of becoming more self-sufficient and, as a result, the Russian pork meat production increased significant.

Since 2011, the consumption has grown at a slower pace than production and the country have during 2019/2020 become self-sufficient in terms of pork meat (as shown in the exhibit below). Becoming more self-sufficient was one of the Russian government objectives following the embargo. This was managed by providing pork producers with favorable conditions to increase efficiency and thus leading to an increase in pork production.

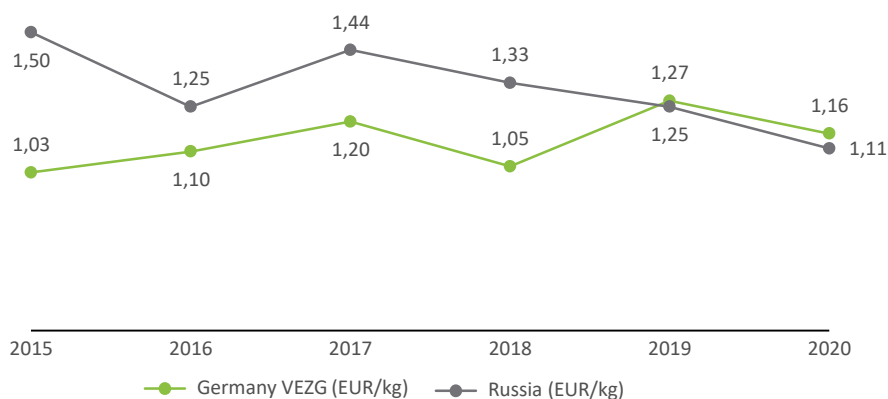
Exhibit 1.1 Market situation in Russia: Historical development of production and consumption



Source: OECD

Market conditions have been moving towards world market conditions. The recent pig price patterns in Russia have shown reduction in the premium to the EU market reference point (VEZG index) due to, among others, that the market has become self-supplied during the last 3 years.

1 Exhibit 1.2 Market situation in Russia: Price development in Russian compared with the German VEZG index



2
3 Source: Group information, VEZG

4 6.5.5. Subsidies available for Russian agri-food producers

5 As mentioned, the Russian state is keen on expanding the domestic agri-food production not least after the introduction of
6 the trade embargo, which is preventing the importing of pig meat from Europe and the US.

7 Accordingly, Russian pig farmers, including Idavang, can obtain very favorable interest rate subsidies when purchasing
8 feed. This is subject to submitting a formal application which is then administered by the Russian authorities.

9 The subsidy is merely an issue between the state and the Russian banks and the pig farmers just receive a loan with a
10 very attractive interest rate. Currently, Idavang is paying ~3.5% p.a. (with respect to RUB debits).

11 When Idavang has a surplus liquidity, it can currently make a one-week term deposit with its Russian banks at a rate above
12 the borrowing rate (with respect to RUB credits).

13 This is favorable for Idavang's Russian operations and, going forward, the company will make maximum use of these
14 loans. As per 31 December 2020, Idavang had RUB loans totaling of an equivalent of EUR 19 million.

15

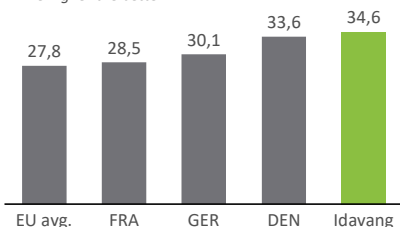
16 6.6. Competitive landscape

17 The Group has implemented the strengths and best practices from the Danish pig production industry. This setup has
18 enabled Idavang to achieve a highly competitive production setup in its key areas of operation. Further, the Group has
19 achieved production efficiency rates better than average EU benchmark in respect key KPI's. Key KPI's are among other
20 finishing herd feed conversion ratio, i.e. kg feed/kg live weight, weaned pigs per sow and daily live weight gain.
21

22 Exhibit 1.1 Competitive landscape: Feed conversion ratio, Weaned pig per sow and Daily live weight gain

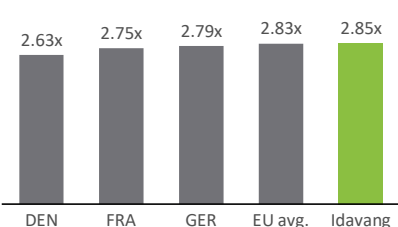
Weaned pigs per sow

The higher the better³



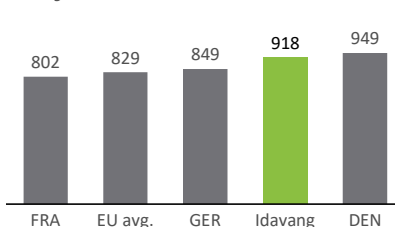
Feed conversion ratio (FCR)¹

The lower the better³



Daily live weight gain^{1, 2}

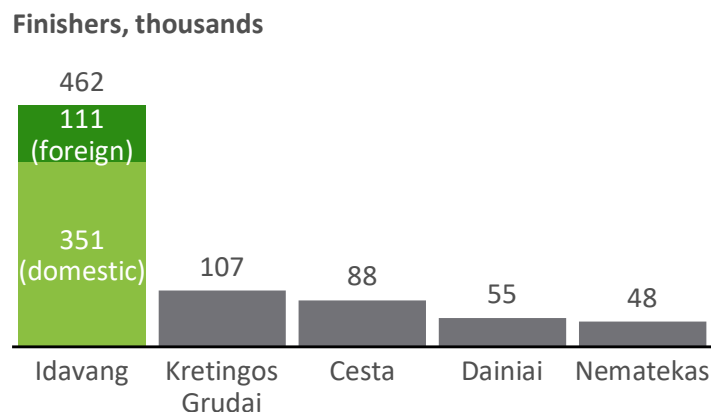
The higher the better³



23 Source: AHDB report. Notes: (1) Standardized figures, (2) g. per day, and country average, (3) Notice that Idavang's metrics are 2020, while all
24 benchmarks are 2018 figures
25

1 In Lithuania, the pig production market is dominated by Idavang, who brings almost 5 times as much pork to the domestic
 2 market as the runner-up. The remaining pig producers are fragmented, and consist primarily of family-owned businesses,
 3 only with operations in Lithuania.

4 *Exhibit 1.2 Competitive landscape: Top 5 pork producers in Lithuania based on domestic sales*

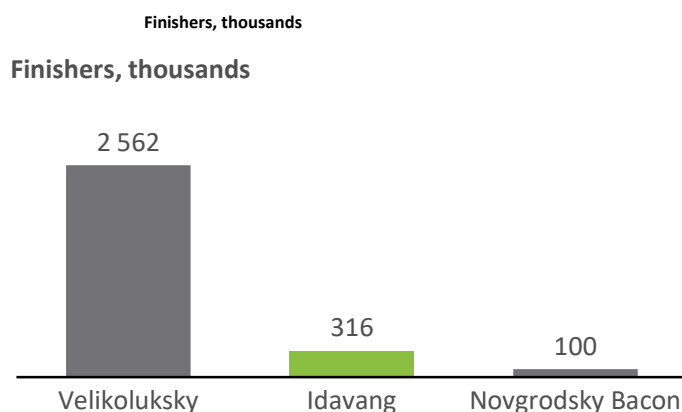


5 *Source: Group information for Idavang, Lithuanian Pig Producers Association 2019 numbers (Lietuvos kiaulių augintojų asociacija)*

6 The production capacity has remained relatively flat in recent years though with a tendency towards larger professionalized
 7 companies gaining their market share at the expense of small backyard farmers. Idavang has chosen to export a
 8 substantial share of their production to adjacent countries, such as Poland, in order to optimize group revenues. The graph
 9 above shows only the domestic sales for the competitors.

10 The population in the North Western part of Russia is highly undersupplied in terms of pork meat as the consumption due
 11 to a relatively higher purchasing power is higher than in the rest of Russia. The Group is the second largest producer in
 12 the region producing more than 3 times the amounts produced by the third largest producer, and only surpassed by
 13 Velikoluksky (as shown in the exhibit below). The production has increased since the embargo, herein supported by
 14 government subsidies and favorable lending facilities in state-owned Russian banks.

15
 16 *Exhibit 1.3 Competitive landscape: Top 3 pork producers in North Western Russia based on domestic sales*



18
 19 *Source: Group information for Idavang, Russian pig producers association (2019 numbers for competitors)*

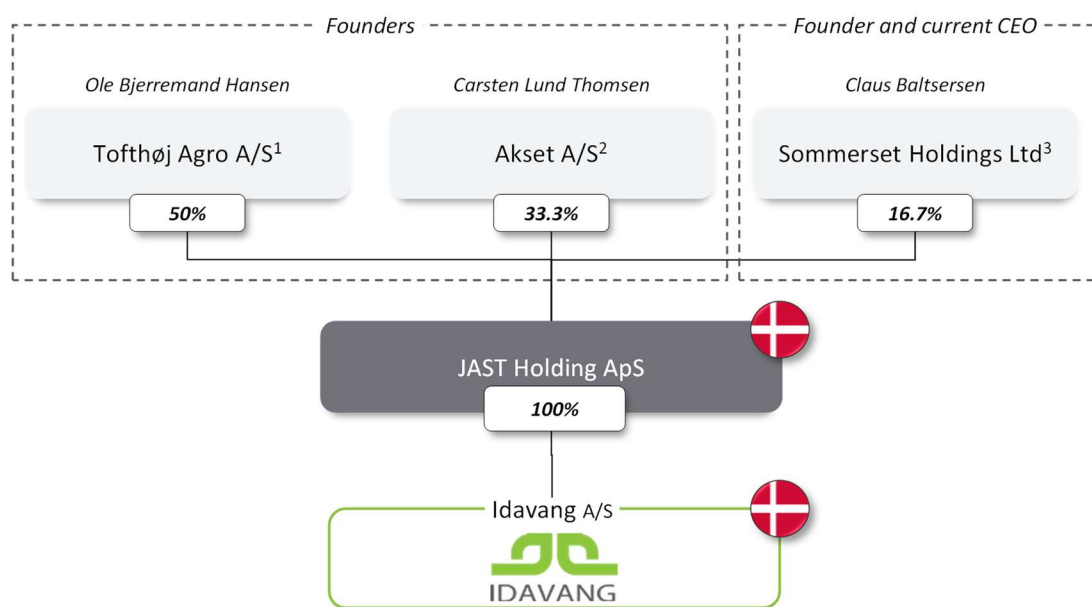
7. ORGANISATIONAL STRUCTURE

The ownership structure of the Issuer, the Original Guarantors and the Russian Pledged Companies is set out below.

7.1. Shareholders of the Issuer

The ownership structure of the Issuer is as set out below.

Exhibit 1.1 Ownership structure: Idavang ownership structure



Source: Group information

7.1.1. JAST Holding ApS – 100%

JAST Holding ApS consists of three of the four founding farmers. One of the farmers is the current Group CEO, Mr. Claus Baltersen. The founding farmers, with the exception of Mr. Claus Baltersen, are not involved in the day-to-day operations of the Group. They are instead represented on the Board of Directors.

JAST Holding ApS is owned by:

- Tofthøj Agro A/S (organized under the laws of Denmark under CVR-No. 10064945) holds a 50% stake in JAST Holding ApS and hence a 50% stake in the Group. Tofthøj Agro A/S is owned by Mr. Ole Bjerremund Hansen, his wife, Mrs. Jytte Rosenmaj, and their children. Both Mr. Bjerremund Hansen and Mrs. Rosenmaj are experienced farmers/agriculture investors, and have further been investing in pig farms in both Denmark and internationally.
- Akset A/S (organized under the laws of Denmark under CVR-No. 26118182) is fully owned by Mr. Carsten Lund Thomsen. Akset A/S holds a 33.3% stake in JAST Holding ApS and thereby controls 33.3% of the Group. Mr. Thomsen is also an experience farmer and has, among other, invested in pig farms in Slovakia.
- Somersset Holdings Ltd. (organized under the laws of Republic of Cyprus under company registration no. HE 26 11 07 is fully owned by Mr. Claus Baltersen, the Group CEO, who has been with the company since its incorporation. Initially he held 8.33% of Idavang A/S in 2002, he doubled his holding to 16.7% and thereby controls 16.7% % of the Group.

In 2020, Idavang A/S bought back the shares previously owned by IFC, whereby JAST Holding ApS became the sole shareholder of Idavang.

7.2. Subsidiaries

The Issuer has 13 direct or indirect Subsidiaries: Rus Invest ApS, Rurik A/S, Pskov Invest ApS, Idavang Russia A/S, UAB IDAVANG, RURIK Russia LLC, MPK-Vostochny LLC, Sovhoz Vostochny LLC, Idavang Agro LLC, Idavang Invest LLC, Idavang LLC, Nordrik Invest LLC and Idavang Luga LLC.

The operations of the Issuer are dependent on each of its Subsidiaries as the Issuer is a holding company and relies on the upstreaming of cash from its Subsidiaries to meet its obligations.

In the following, the ownership structure of the Original Guarantors and Russian Pledged Companies are described.

7.2.1. Danish Original Guarantors

Rus Invest ApS and Pskov Invest ApS are currently wholly owned by Idavang.

Rurik A/S is currently owned by: *Rus Invest ApS - 69%, Idavang - 31%*.

Idavang Russia A/S is currently owned by: *Pskov Invest ApS – 70%, Idavang – 30%*.

7.2.2. Lithuanian Original Guarantors

UAB IDAVANG is currently wholly owned by Idavang.

7.2.3. Russian Pledged Companies

Idavang Agro LLC is currently owned by: *Rurik A/S – 96.7%, Idavang A/S – 3.3%*.

Idavang Luga LLC is currently owned by: *Rurik A/S – 99.3%, Idavang A/S – 0.7%*.

Idavang LLC is currently owned by: *Rurik A/S – 97.0%, Idavang A/S – 3.0%*.

7.3. Related parties

As of the date of this Prospectus, the following individuals and/or entities are related to the Issuer:

Individual/Entity	Relationship with the Issuer
JAST Holding ApS	Shareholder
Claus Baltersen	Chief Executive Officer and member of the Board of Directors
Michael Henriksen	Chief Financial Officer
Niels Hermansen	Chairman of the Board of Directors
Jytte Rosenmaj	Deputy Chairman of the Board of Directors
Ole Bjerremund Hansen	Member of the Board of Directors and beneficial owner
Carsten Lund Thomsen	Member of the Board of Directors and beneficial owner
Rus Invest ApS	Group company
Rurik A/S	Group company
Pskov Invest ApS	Group company
Idavang Russia A/S	Group company
UAB IDAVANG	Group company
RURIK Russia LLC	Group company
MPK-Vostochny LLC	Group company
Sovhoz Vostochny LLC	Group company

Idavang Agro LLC	Group company
Idavang LLC	Group company
Nordrik Invest LLC	Group company
Idavang Luga LLC	Group company

1
2 **7.4. Intercompany Transactions**

3 Intercompany transactions have been eliminated in accordance with the accounting policies. All transactions have taken
4 place on an arm's length basis.

8. TREND INFORMATION

8.1. *Material Adverse Change in the Issuer's Financial Position*

There has been no material adverse change in the Issuer's consolidated financial position since the date of its last published audited financial statements.

To the Issuer's knowledge there are no trends that are reasonably likely to have a material adverse effect on the Issuer's prospects for at least the current financial year.

9. BOARD OF DIRECTORS AND EXECUTIVE BOARD

The Issuer has a two-tier management structure consisting of the Board of Directors and the Executive Board. The business address of the members of the Board of Directors and the Executive Board is Tofthøjvej 41, Tofthøj, 7321 Gadbjerg, Vejle Municipality, Denmark.

The Issuer's Board of Directors is responsible for the Issuer's overall and strategic management and supervises the Issuer's activities, management and organization. The Board of Directors appoints and dismisses the members of the Executive Board, who are responsible for the day-to-day operations.

The members of the Board of Directors elected by the Issuer's general meeting are elected for a term of one year. Members of the Board of Directors may be re-elected. As long as IFC is a shareholder in the Issuer, IFC has the right to appoint one member of the Board of Director.

9.1. Board of Directors

The Board of Directors consists of Niels Hermansen (chairman), Jytte Rosenmaj (Deputy chairman), Claus Baltersen, Ole Bjerremann Hansen and Carsten Lund Thomsen.

9.2. Executive Board

The Executive Board consists of Claus Baltersen (CEO) and Michael Henriksen (CFO).

9.3. Group Management

The Group management consists of the executive management, Lars Christiansen (COO), Marijus Klevas (CCO) and Saulius Leonavičius (CEO Lithuania).

9.4. Biographies

9.4.1. Board of Directors

Niels Hermansen is the chairman of the Board of Directors.

Experience: (1997 –) CEO of Stjerneskanen Holding ApS; (1998 – 2004) CEO of Neoplex A/S; (1992 – 1998) CEO of Fritz Hansen A/S; (1986 – 1992) Group Wholesale Director at InWear Group A/S.

Member of Boards

- Idavang A/S (Chairman) 2013-
- Viken AS, Vissing Holding A/S and Vissingfonden (Chairman) 2006-
- Fredericia Furniture A/S (Chairman) 2005- and subsidiary Erik Jørgensen Møbelfabrik A/S (Chairman)
- Stjerneskanen Holding ApS (Owner)

Selected previous boards

- Dinex A/S, (Chairman) 2013-2016
- Royal Copenhagen A/S (Chairman) 2010-2013
- Færch Plast A/S (Chairman) 1999-2014
- Brødrene Hartmann A/S (Deputy Chairman) 2006-2018

Education: M.Sc. in Strategic Management, Copenhagen Business School.

Jytte Rosenmaj is the deputy chairman of the Board of Directors.

Experience: (2020-present) Director of Klausholm A/S (2011 – present) CEO of JAST Holding ApS; (2012 – present) Director of SONAJ Invest A/S; (2007 – present) CEO of Idavang subsidiaries (Rus Invest ApS, Pskov Invest ApS, Idavang Russia A/S and Rurik A/S); (2011 – 2018) CEO of NES Invest A/S; (1998 – 2013) CEO of Idavang A/S; (1992 – 2000) Member of Municipal council; (1989 – 1998) Manager in Accounting at Tulip International; (1985 – 1989) Auditor at H. Martinsen.

Member of Boards

- 1 • Idavang's subsidiaries (Rus Invest ApS, Pskov Invest ApS, Idavang Russia A/S and Rurik A/S)
- 2 • CubAgro Holding ApS (Chairman) and subsidiary CerCa A/S (Chairman)
- 3 • Tofthøj Agro (Chairman)
- 4 • DCH International A/S
- 5 • Premium Pork International A/S
- 6 • JAST Holding ApS
- 7 • Meta Mariehjemmet
- 8 • AgroSkandia Holding A/S (Deputy-Chairman)
- 9 • Commoditrader ApS (Chairman)

10 *Education:* Bachelor of Commerce.

11 **Claus Baltersen** is a member of the Board of Directors and the chief executive officer of the Issuer (and Idavang Group).

12 *Experience:* (2013 – present) CEO of Idavang Group; (2011 – 2013) Chairman of Idavang Russia and Idavang Lithuania;
 13 (2003 – 2011) CEO of Idavang in Lithuania; (1999 – 2002) Production director of Idavang in Lithuania; (1992 – 1998)
 14 Manager at Grondal Pig Production.

15 Member of Boards

- 16 • Idavang's subsidiaries (Rus Invest ApS, Pskov Invest ApS, Idavang Russia A/S and Rurik A/S)
- 17 • JAST Holding ApS (Minority owner)

18 *Education:* Graduation from Agricultural College.

19 **Ole Bjerremund Hansen** is a member of the Board of Directors.

20 *Experience:* (1995-2001, 2014-present) CEO of Blom Agro ApS; (2012 – present) Director of SONAJ Invest A/S; (2005-
 21 present) Director of Klausholm A/S; (1985-present) CEO of Tofthøj Agro A/S; (1998-2013) Production supervisory Board
 22 Idavang; (1983-2013) Self-employed farmer in Denmark; (2001-2006) CEO at DCH International A/S.

23 Member of Boards

- 24 • Idavang's subsidiaries (Rus Invest ApS, Pskov Invest ApS, Idavang Russia A/S and Rurik A/S)
- 25 • Sonaj Invest A/S (Minority owner – with majority votes)
- 26 • Tofthøj Agro A/S (Minority owner – with majority votes)
- 27 • JAST Holding ApS (Minority owner)

28 *Education:* Graduation from Agricultural College.

29 **Carsten Lund Thomsen** is a member of the Board of Directors.

30 *Experience:* (2001 – present) CEO of Akset A/S; (2019 – present) CEO of Sode Landbrug ApS; (2013 – present) CEO of
 31 SFI Invest 2013 ApS; (1998-2013) Production supervisory Board Idavang; (2001-present) Production supervisory Board
 32 Slovakia Farm Invest A/S; (1992-2013) CEO at Grøndal Svineproduktion A/S; (1988-1990) Officer in Military; (1985-1988)
 33 Middle manager Tofthøj pig production.

34 Member of Boards

- 35 • Danish Pig Consulting Group A/S (Minority owner)
- 36 • JAST Holding ApS (Chairman and minority owner)
- 37 • Slovakian Farm Invest A/S (Majority owner)
- 38 • SFI Invest 2013 A/S (Sole owner)
- 39 • CMC Agro A/S (Chairman and minority owner)
- 40 • Akset A/S (Sole owner)
- 41 • Ejendomsselskabet Niels Bugges Kro og Hotel A/S (Minority owner)
- 42 • Naturbiogas sode A/S (Chairman and minority owner)
- 43 • Sode Landbrug ApS (Chairman and minority owner)
- 44 • Sundgaard Invest A/S
- 45 • Biogasteknik A/S

Education: Graduation from Agricultural College and Graduation Agri economist from Danish Business Agricultural School Hammerum.

9.4.2. Group Management

For biography of **Claus Baltersen** (CEO of the Issuer (and Idavang Group)), please see above.

Michael Henriksen is the chief financial officer of the Issuer (and Idavang Group)

Experience: (2009 – present) CFO of Idavang Group; (2008 – 2009) Business controller at Cadbury; (2006 – 2008) Director of finance at Coloplast, Denmark/Hungary; (2004 – 2006) Finance manager at Coloplast, Hungary; (2000 – 2004) Senior financial controller at Coloplast, Denmark; (1999 – 2000) Financial controller at Søndagsavisen A/S; (1994 – 1999) Auditor at KPMG, Denmark.

Education: IMD Switzerland eMBA, HD Finance, Copenhagen Business School; HD Accounting SDU Esbjerg

9.4.3. Group Management members

Lars Christiansen is the chief operating officer of Idavang Group.

Experience: (2017 – present) COO of Idavang Group, Lithuania; (2013 – 2017) COO of Idavang Lithuania; (2003 – 2013) Production director at Idavang Lithuania; (2002 – 2003) Middle manager at Jens Egdal; (2001 – 2002) Lockman Farms; (1997 – 2001) Middle manager at Erik Frederiksen; (1996 – 1997) Danish Army.

Education: Graduation from Agricultural College; Mini MBA, Probana.

Marijus Klevas is the Chief commercial officer of Idavang Group.

Experience: (2019 – present) Chief commercial officer of Idavang Group, Lithuania; (2018 – 2019) commercial Director of Idavang Lithuania, Lithuania; (2010 – 2018) commercial Manager of Idavang Lithuania, Lithuania; (2005 – 2010) UAB Logisinvesta, CIS, Baltics department manager, Lithuania; (2001 – 2004) Avega Freight Forwarder, Lithuania

Education: Master in Industrial Engineering and Management Vilnius Tech University; Certified Supply Chain Professional by APICS (American Production and Inventory Control Society).

Saulius Leonavicius is the chief executive officer of Idavang in Lithuania.

Experience: (2011 – present) CEO of Idavang, Lithuania; (2006 – 2011) Finance director at Idavang, Lithuania; (2001 – 2006) Finance director at Sonex Holding, Lithuania; (1998 – 2001) Senior auditor at Arthur Andersen, Lithuania.

Education: M.Sc. in Financial Institutions Management, Kaunas University; Executive MBA, Baltic Management Institute.

9.5. Remuneration

Remuneration to the Board of Directors and to the Executive Board is as set out below:

Remuneration	2020	2019
Remuneration to the Board of Directors	113kEUR	138 kEUR
Remuneration to the Executive Board	695 kEUR	622 kEUR
Share-based payment to the Executive Board.....	-134kEUR	0 kEUR

Furthermore, in 2020, consultancy fees paid to Ole Bjerremund Hansen, Carsten Lund Thomsen, Jytte Rosenmaj and JAST Holding Aps amounted to 261 kEUR (2019: 548 kEUR) (remuneration levels regulated according to agreement with IFC).

9.6. Conflicts of Interest

Neither current nor potential conflicts of interest exist between any duties to the Group by the individuals listed above and their private interests or other duties they perform outside the Group.

1 The Issuer is not aware of material interests in the Bond Issue including conflicts of interest.

2 **9.7. Audit committee**

3 The Board of Directors all are members of the Audit Committee.

4 The Audit Committee currently consists of five members, Jytte Rosenmaj, Ole B. Hansen, Carsten Lund Thomsen, Niels
5 Hermansen and Claus Baltersen, with Jytte Rosenmaj being the chairman.

6 The Audit Committee holds a minimum of 2 meetings annually (in connection with board meeting in 4th Quarter (interim
7 audit) and 1st Quarter (annual audit)) and monitors the Issuer's accounting and internal controls, and establishes
8 conditions and a framework for the work of the external auditors.

9 The work of the Audit Committee is defined in an annual plan approved by the Board of Directors.

10 The tasks of the Audit Committee include:

- 11 • to inform the Board of Directors of the outcome of the statutory audit, including the process for presentation of
12 accounts;
- 13 • to supervise the Issuer's audit and financial reporting, including the process for the financial reporting, and
14 submitting recommendations to ensure its integrity;
- 15 • to monitor the statutory audit of the annual financial statements and audits of other financial statements taking into
16 account the results of the most recent quality control of the external auditor;
- 17 • to assess and if necessary investigate the Executive Board's actions and assessments for the annual, biannual and
18 quarterly financial reporting before they are submitted to the Board of Directors;
- 19 • to review and assess - prior to the Board of Directors' review of and statement on the annual report - reports on the
20 internal control and risk management systems and to ensure that such internal control and risk procedures are
21 effective in regards to the financial reporting process of the Issuer, without breaching its independence, and draft
22 report of the Board of Directors on the annual report;
- 23 • to investigate the circumstances of any resignation of external auditors and advice on steps to be taken in that
24 regard; and
- 25 • to assess tax risks.

10. MAJOR SHAREHOLDERS

10.1. *Shareholders of the Issuer*

As of the date of this Prospectus, the following individuals and/or entities hold more than five per cent. (5 %) of the share capital or the voting rights of the Issuer:

Shareholder	Percentage of the share capital of the Issuer	Percentage of the voting rights of the Issuer
JAST Holding ApS	100 %	100 %

See section 7.1 (*Shareholders of the Issuer*) for further information about the shareholders of the Issuer.

JAST Holding ApS (controlled by Tofthøj Agro A/S, Akset A/S and Somerset Holdings Ltd. as set out in section 7.1.1 (*JAST Holding ApS*)) controls the Group.

11. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES

The financial information presented in this section "*Financial information concerning the issuer's assets and liabilities*" is financial information extracted from the Issuer's audited consolidated financial statements for 2019 and 2020. No other information in this Prospectus has been audited.

The Issuer annually prepares consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

This Prospectus includes the following historical financial information:

- The Issuer's audited consolidated financial statements for the period from 1 January 2019 to 31 December 2019 prepared in accordance with IFRS as adopted by the EU and additional requirements of the Danish Financial Statements Act (the "**Consolidated IFRS Financial Statements for 2019**");
- The Issuer's audited consolidated financial statements for the period from 1 January 2020 to 31 December 2020 prepared in accordance with IFRS as adopted by the EU and additional requirements of the Danish Financial Statements Act (the "**Consolidated IFRS Financial Statements for 2020**").

Please see [Appendix B](#) – Annual Reports for the Issuer 2019 and 2020 for the Consolidated IFRS Financial Statements for 2019 and Consolidated IFRS Financial Statements for 2020.

Please note that the abbreviation "FY", i.e. "fiscal year", refers to the period January 1 – December 31 for the respective fiscal year.

When used in this Prospectus, EBITDA refers to the earnings before interest, taxes, depreciations and amortisations as further defined in Section 20 (*Glossary*) below. EBITDA is not a standardized measure under IFRS.

11.1. Income statement

Total volume sold has increased slightly from FY2019 until FY2020 with pork sold live weight up from 89 thousand tonnes in FY2019 to 92 thousand tonnes in FY2020. Revenue decreased from FY2019 as a result of lower average prices realised for the Group in FY2020. Price levels started decreasing mid-2020, the primary driver behind the decrease revenue was lower prices due to general lower demand (following the Covid outbreak) and decreased further after Germany had outbreaks of African Swine Fever in 2nd half of 2020.

Major cost items are feed costs, electricity costs and personnel costs. The largest cost item is feed, which make up more than 64% of costs in the Lithuanian operation and 69% of the Russian operation in FY2020.

In the following is presented the income statement extracted from the for audited Consolidated IFRS Financial Statements for 2019 and Consolidated IFRS Financial Statements for 2020.

1 Exhibit 1.1 Break down of EBITDA at fixed herd prices (EUR '000)

Income statement

EUR '000	2020	2019
Revenue	101.754	110.540
Value adjustment, biological assets	-9.263	4.089
Production costs	-88.616	-93.666
Administrative costs	-3.464	-4.586
Other income	2.436	2.305
Other expense	-65	-262
Operating profit	2.782	18.420
Financial income	410	2.171
Financial expenses	-11.635	-6.974
Profit before tax	-8.443	13.617
Tax on profit for the year	682	-2.638
Profit for the year	-7.761	10.979

Attributable to:

Owners of the parent	-	7.761	10.979
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Add back

Depreciations	7.698	8.498
EBITDA	10.480	26.918

Value adjustment, biological

assets	9.263	-	4.089
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EBITDA at fixed herd prices	19.743	22.829
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2
3 Source: Group information (Annual report 2019 and 2020)

4 In presenting the above, EBITDA above can be reconciled as follows, e.g. in respect of FY2020:

5 EBITDA as per above:	10.480 kEUR
6 Depreciation:	7.698 kEUR
7 Operating profit as per external reporting presentation:	2.782 kEUR

8 EBITDA at fixed herd prices reflects that the above EBITDA has been adjusted for the unrealized value adjustments related
9 to the biological assets.

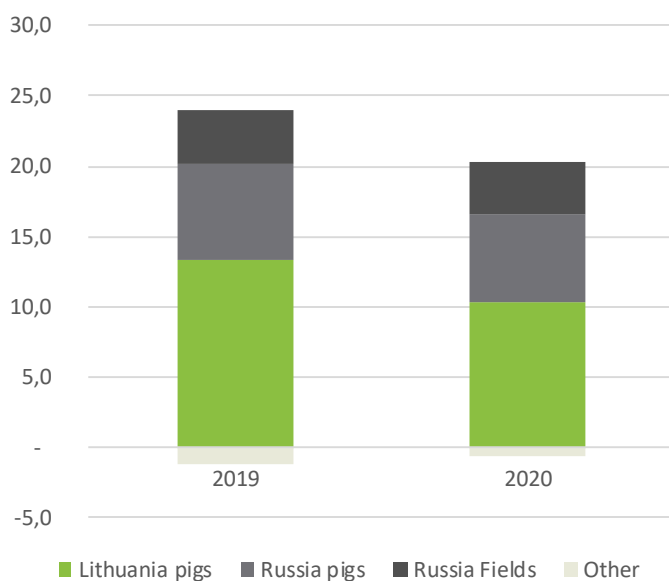
10 **11.1.1. EBITDA fixed herd prices breakdown**

11 The Group disburses its income in four business areas being (i) Lithuanian pig production, (ii) Russian pig production, (iii)
12 Russian arable production and (iv) other. Russian arable production is solely seen as a hedge of feed, the annual
13 production being sold to the pig production when harvested.

14 Idavang is a focused pig producer and the Russian and Lithuanian pig production are thus the most profit generating
15 business areas. FY2019 and FY2020 saw Russian field operation improve significantly making up approximately 18% of
16 Group EBITDA.

17

1 *Exhibit Break down of EBITDA at fixed herd prices (EUR '000.000)*



EBITDA Structure	FY	FY
mEUR	2019	2020
Lithuania pigs	13,4	10,4
Russia pigs	6,8	6,1
Russia Fields	3,8	3,8
Other	- 1,2	- 0,6
EBITDA at fixed herd prices	22,8	19,7

Source: Group information (Annual report 2019 and 2020)

FY2019 and FY2020 has been characterized by volatile prices in Lithuania with average realized prices of FY2019 1.23 EUR/kg live weight (up from 1.01 in 2018) an EUR 11.1 million improvement and 1.13 EUR/kg live weight (in FY2020), respectively equal to decrease in EBITDA by EUR 5.5 million.

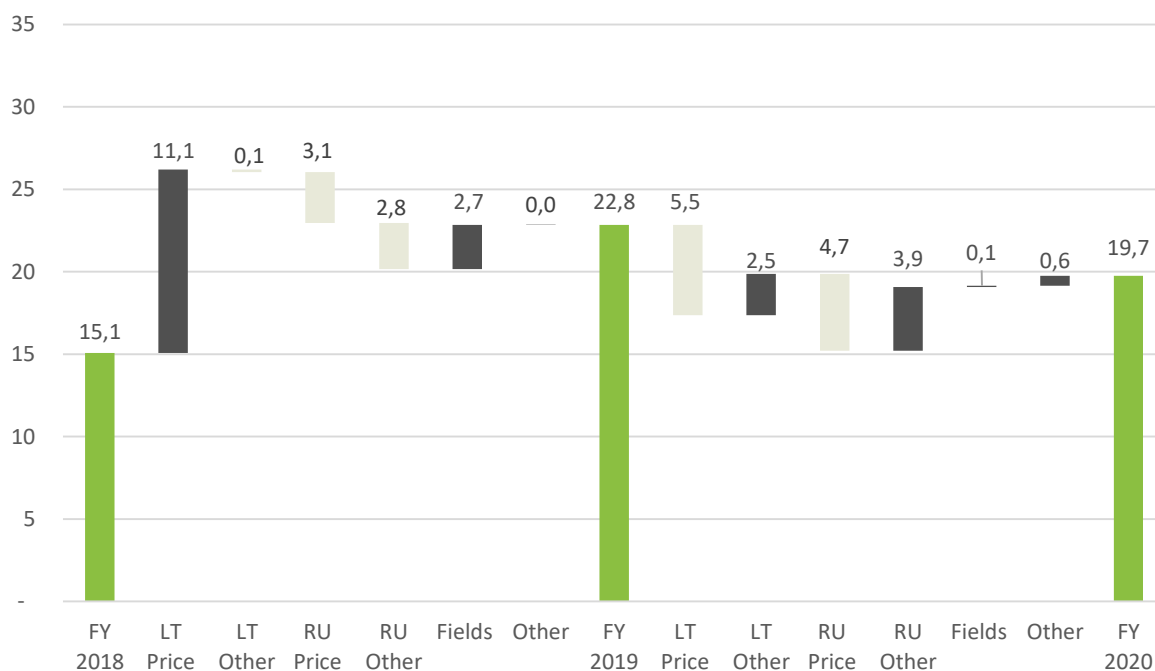
The volatility in the Lithuanian prices have been driven positive by increasing demand from Asia/China, which was followed by two negative trends from Covid-19 (due to reduced EU consumption of pork) and ASF outbreak in Germany limiting export to China/Asia.

In Russia, the pig prices continued its downward trend in FY2019 with average prices down to 1.23 EUR/kg live weight (FY 2018: 1.33 EUR). This negatively impacted the FY2019 EBITDA by around EUR 3.1 million. Decreasing prices in FY2020, with average prices at 1.10 EUR/kg live weight, has decreased EBITDA by around EUR 4.7 million (compared to FY2019).

Feed prices have remained relatively stable in both Lithuania and Russia over the last years. FY2019 average prices of in Lithuania were 0.233 EUR/kg (FY2018: 0.232 EUR/kg) compared to 0.231 EUR/kg average FY2020. Whereas Russia in FY2019 had high average prices of 0.256 EUR/kg partly due to strong RUB (FY2018: 0.236 EUR/kg) against 0.230 EUR/kg average for FY2020.

At the same time, continuous increasing efficiency in the production is positively affecting the overall profitability.

1 Exhibit EBITDA bridge at fixed herd prices (EUR '000.000)

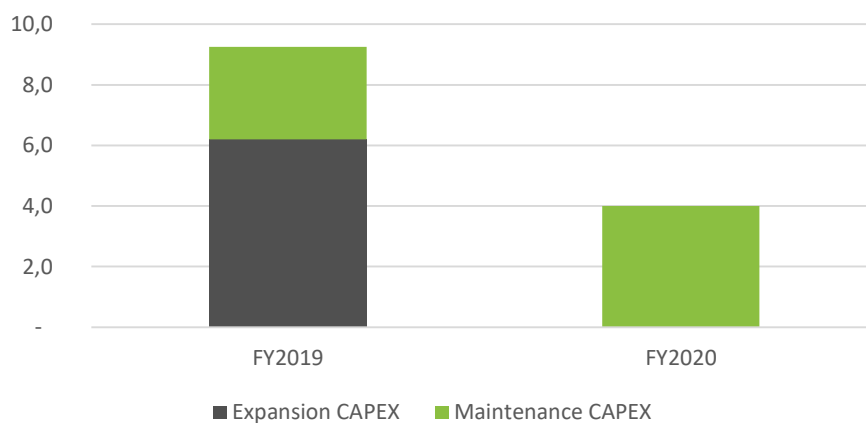


2
3 Source: Group information

4 11.2. Capital expenditures ("CAPEX")

5 First phase of investment in the Luga stables has been classified as expansionary CAPEX, the capital expenditures other
6 than this have been exclusively maintenance driven. The Group intends to maintain the activity at its current level, hence
7 only maintenance CAPEX is expected estimated to average around EUR 5,5 million in the coming years.

8 Exhibit 1.3 Break down of CAPEX (EUR '000.000)



9
10 Source: Group information

1 **11.3. Cash flow statement**

2 *Exhibit 1.4 Cash flow statement (EUR'000)*

Cash flow Statement

EUR '000	2020	2019
Operating profit/loss	2.782	18.420
Depreciation and amortisation	7.698	8.498
Profit from sale of tangible assets	-18	-29
Accrual of hedging accounting	535	-352
Changes in inventories	862	-4.390
Changes in receivables	4.661	-4.299
Changes in trade payables and prepayments from customers	4.036	-3.289
Changes in other current liabilities	991	-242
Share-based payment	-134	0
Addition of biological assets	-2.078	-393
Value adjustment, biological assets	9.263	-4.089
Total	28.598	9.835
Interest received	410	389
Interest paid	-7.279	-6.465
Corporation tax paid	39	-1.049
Cash flow from operating activities	21.768	2.710

3

EUR '000	2020	2019
Acquisition of intangible assets	-15	-13
Acquisition of property, plant and equipment	-4.012	-9.254
Disposal of property, plant and equipment	221	279
Aquisition/disposal of biological assets	-411	-605
Acquisition of investments	0	0
Cash flows from investing activities	-4.217	-9.593
Proceeds from borrowings	88.578	18.500
Repayments of borrowings	-101.296	-21.269
Surplus from IFC escrow account	6.722	0
Dividends paid	0	0
Cash flows from financing activities	-5.996	-2.769
Net cash flows from operating, investing and financing activities	11.555	-9.652
Cash and cash equivalents at 1 January	5.524	13.586
Exchange adjustments	-3.322	1.590
Cash and cash equivalents at 31 December	13.757	5.524

Sources: FY 2020 and 2019 figures have been extracted from the audited consolidated financial statements

11.4. Balance sheet

Property, plant and equipment make up the primary part of non-current assets. Property, plant and equipment are measured at cost less accumulated depreciation and impairment. Other major assets include biological assets, inventories, and receivables.

Biological assets are recognised when the Group controls the asset. It is probable that future economic benefits, associated with the asset, will flow to the Group and the cost or fair value of the asset can be measured reliably. Biological assets are measured at fair value less selling costs. Value adjustments of biological assets are recognised in profit or loss for the period to which they relate.

Inventories are measured as the lower of either cost or the net realisable value. Sales in Russia are done against prepayment before delivery, thereby limiting working capital tied up in receivables.

The Group has a number of attractive state subsidized RUB loans in its Russian Subsidiaries, which remain post the bond issue. These RUB loans are granted in connection with investments in Russian production facilities or to fund feed purchases. As per 31 December 2020, the Group has subsidized RUB loans of RUB 1.8 billion and the average interest rate is ~3.5%.

1 *Exhibit 1.5 Balance sheet (EUR '000)*

Balance sheet - Assets		Balance sheet - Equity & Liabilities	
EUR '000	2020	EUR '000	2020
Intangible assets	1.227	Share capital	800
Property, plant and equipment	79.452	Exchange adjustments	-38.577
Biological assets	15.469	Other reserves	547
Other non-current assets		Retained earnings	67.098
		Total equity	29.868
Deferred tax	760		
		Credit institutions and issued	
Financial assets	446	bonds	80.282
Total other non-current assets	1.206	Government grants	1.597
Total non-current assets	97.354	Deferred tax	1.519
Inventories	12.195	Provisions	0
Biological assets	18.215	Other non-current liabilities	39
		Total non current liabilities	83.437
Trade receivables	3.369		
Other receivables	429	Credit institutions	21.268
Prepayments	900	Trade payables	6.885
Income tax	0	Prepayments from customers	1.511
Total receivables	4.698	Income taxes	559
Assets held for sale	150	Other payables	2.841
Cash	13.757	Total current liabilities	33.064
Total current assets	49.015	Total liabilities	116.501
Total assets	146.369	Total equity & liabilities	146.369

2 *Sources: Dec. 2019 and Dec. 2020 has been extracted from the audited consolidated financial statements for 2019 and 2020, respectively.*

3 **11.5. Litigation**

4 Neither the Issuer nor any of the Guarantors are involved, or have been involved during the twelve months preceding the
5 date of this Prospectus, in any litigation, arbitration, governmental or administrative proceedings which would, individually
6 or in the aggregate, have a material adverse effect on the Issuer's results of operations, condition (financial or other) or
7 general affairs and, so far as the Issuer is aware, having made all reasonable inquiries, there are no such litigation,
8 arbitration or administrative proceedings pending or threatened.

9 **11.6. Significant changes in the Group's financial or trading position**

10 Generally, no significant changes have occurred in the Group's financial and trading position since 31 December 2020,
11 except that the VEZG (German price index) as of w12 is 1,11 EUR live weight/kg up from 0,88 EUR live weight/kg (with
12 factor 1,35) as of 31 December 2020 (weekly volume sold in Lithuania partly linked to VEZG equals approximate 1 mio.
13 kg).

12. ADDITIONAL INFORMATION

12.1. *Registered share capital*

As at the date of this Prospectus, the Issuer's share capital is EUR 800,000, divided into 800,000 shares with a nominal value of EUR 1 each. The shares are denominated in euro. The shares are not divided into share classes and all shares rank *pari passu* in respect of voting rights, pre-emption rights, redemption, conversion and restrictions or limitations according to the articles of association of the Issuer of eligibility to receive dividend or proceeds in the event of dissolution and liquidation. No shares carry special rights. All shares are issued and fully paid up. Each share entitles its holder to one vote at the Issuer's general meetings.

12.2. *Object*

Pursuant to article 2 of the articles of association of the Issuer, the object of the Issuer is to, directly or through other companies, carry on trade and production, including pig production.

13. MATERIAL CONTRACTS

To the Issuer's knowledge, other than the Bond Terms, the Super Senior Revolving Credit Facility Agreement and the Intercreditor Agreement, the Group has not entered into any material contracts that are not entered into in the ordinary course of the Group's business, which could result in any member of the Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligation to security holders in respect of the Bonds.

14. THIRD PARTY INFORMATION AND STATEMENT BY EXPERTS AND DECLARATIONS OF ANY INTEREST

Where information in this Prospectus has been sourced from third parties, this information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. No statements or reports attributed to a person as an expert are included in this Prospectus.

15. DOCUMENTS ON DISPLAY

Copies of the following documents may be inspected and obtained during usual business hours on any day (excluding Saturdays, Sundays and Danish public holidays) at the Issuer's registered office at Toftthøjvej 41, Toftthøj, 7321 Gadbjerg, Vejle Municipality, Denmark, during the period in which this Prospectus is in effect:

1. the memorandum of association and the articles of association of the Issuer and of each Group Company;
2. the Consolidated IFRS Financial Statements for 2019 and the Consolidated IFRS Financial Statements for 2020; and
3. the statutory financial statements of each Group Company as at and for the years ended 31 December 2019 and 31 December 2020.

The financial statements referred to in the above section 3 (*Independent Auditors*), the most recent version of the Bond Terms and the articles of association of the Issuer and the Original Guarantors will also be available in electronic form on the Issuer's website (<https://www.idavang.com/#investors>) during the period in which this Prospectus is in effect.

Furthermore, the most recent version of the Bond Terms, the Transaction Security Documents and the Intercreditor Agreement will be available for inspection at the office of the Bond Trustee at Bredgade 30, 1260 Copenhagen K, Denmark, on weekdays during normal office hours throughout the period in which this Prospectus is in effect.

1

16. KEY INFORMATION

2

16.1. *Interests in the Bond Issue*

3

The Issuer is not aware of material interests in the Bond Issue including conflicts of interest.

17. INFORMATION CONCERNING THE SECURITIES TO BE ADMITTED TO TRADING

17.1. Bond Terms

A copy of the Bond Terms is attached to this Prospectus as Appendix A – Bond Terms. The Issuer has provided a summary of the Bond Terms (which is included in full as Appendix A) in order to highlight certain key terms as required by applicable law. This section should be read together with the full version of the Bond Terms in Appendix A to which the Issuer refers.

17.1.1. The Bonds

On 5 November 2020, Bonds in the total Nominal Amount of EUR 75,000,000 were issued by the Issuer. The Nominal Amount of each Bond is EUR 0.01. The Bonds are denominated in EUR and have ISIN: DK0030472618.

The Bonds are subject to the Bond Terms and the other Bond Finance Documents. The Bonds have been issued under Danish law.

The Bonds are issued in uncertificated book entry form cleared through VP Securities A/S (“VP”). The address of VP is Weidekampsgade 14, DK-2300 Copenhagen S, Denmark. Legal title to the Bonds is exclusively evidenced by book entries in the register of VP. The Bonds will not be exchangeable for physical bonds. Registration and settlement of transactions in respect of the Bonds take place in accordance with the rules and procedures for the time being of VP. For further information, see section 18.2 (*Clearing Information*).

17.1.2. Transfer restrictions

All trades in Bonds as well as the initial subscription shall be in a minimum amount of EUR 100,000. A Bondholder who, as a result of trading such amounts, holds an amount which is less than EUR 100,000 in its account with the relevant clearing system will not be able to sell the remainder of such holding without first purchasing a principal amount of the Bonds at or in excess of EUR 100,000 such that its holding amounts to EUR 100,000 or above.

Except as set out above, the Bonds are freely transferable and may be pledged, subject to the following:

- (i) Bondholders may be subject to transfer restrictions with regard to the Bonds, as applicable from time to time under local laws to which a Bondholder may be subject (due e.g. to its nationality, its residency, its registered address, its place(s) for doing business). Each Bondholder must ensure compliance with local laws and regulations applicable at own cost and expense.
- (ii) Notwithstanding the above, a Bondholder which has purchased the Bonds in contradiction to mandatory restrictions applicable may nevertheless benefit from the rights attached to the Bonds pursuant to the Bond Terms (including, but not limited to, voting rights), provided that the Issuer shall not incur any additional liability by complying with its obligations to such Bondholder.
- (iii) The Bonds have not and will not be registered under the U.S. Securities Act, or any state securities law except pursuant to an exemption from the registration requirements of the U.S. Securities Act and appropriate exemptions under the laws of any other jurisdiction. The Bonds may not be offered or sold within the United States to, or for the account or benefit of, any U.S. Person (as such terms are defined in regulations), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. See further details under section 1.2 (*U.S. Restrictions*). Failure to comply with these restrictions may constitute a violation of applicable securities legislation.
- (iv) The Bonds will not be registered, and may be restricted, in Australia, Japan, Canada and or any other country where the offering, sale and delivery of the Bonds may be restricted by law.

17.1.3. Ranking

The Bonds rank *pari passu* in right of payment to all existing and future indebtedness of the Issuer that is not subordinated in right of payment to the Bonds, including indebtedness incurred under the Super Senior RCF and the Hedging Agreements, and are senior in right of payment to all existing and future indebtedness of the Issuer that is subordinated in right of payment to the Bonds. The Bonds are effectively subordinated to any existing or future indebtedness or obligation of the Issuer and its subsidiaries that is mandatorily preferred by law.

Pursuant to the Intercreditor Agreement (see section 17.5 (*Intercreditor Agreement*) below), the Bondholders receive proceeds from the enforcement of the Transaction Security Documents only after the lenders under the Super Senior

Revolving Credit Facility and counterparties under the Hedging Agreements have been repaid in full. The Bondholders will receive proceeds from any bankruptcy or other insolvency proceedings in respect of any member of the Group only after the lenders under the Super Senior Revolving Credit Facility and the counterparties to the Hedging Agreements.

17.1.4. Use of proceeds

The Issuer has used the net proceeds from the Bond Issue for repayment in full of the relevant Existing Bonds owed by the Issuer.

17.1.5. Interest

The Bonds carry interest at a percentage rate per annum which is the aggregate of 3 months EURIBOR plus a margin of 7.25 per cent. A EURIBOR floor of 0.0 per cent. will apply.

Each outstanding Bond will accrue interest on the Nominal Amount for each Interest Period, commencing on and including the first date of the Interest Period, and ending on but excluding the last date of the Interest Period.

Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis). The Interest Rate will be reset at each Interest Quotation Day by the Bond Trustee, who will notify the Issuer and the Paying Agent and, if the Bonds are listed, the Exchange, of the new Interest Rate and the actual number of calendar days for the next Interest Period.

Interest shall fall due on each Interest Payment Date, being the last day of each Interest Period, for the corresponding preceding Interest Period, and, with respect to accrued interest on the Principal Amount then due and payable, on each Repayment Date. The first interest payment date was 11 February 2021 and the last interest payment date shall be the Maturity Date.

In accordance with the Danish act on limitation of claims (in Danish: *forældelsesloven*), claims for repayment of the principal of the Bonds have a statutory limitation period of 10 years from the earliest time a creditor is entitled to demand repayment of the claims and claims for payment of interest have a statutory limitation period of 3 years from the earliest time a creditor is entitled to demand payment of the interest.

17.1.6. Maturity

The Bonds (to the extent not redeemed or otherwise discharged) will mature in full on the Maturity Date, i.e. 11 November 2025, and shall be redeemed by the Issuer on the Maturity Date at a price equal to 100 per cent. of the Nominal Amount

17.1.7. Issuer's purchase of Bonds

The Issuer and any Group Company may, subject to applicable law, purchase and hold Bonds at any time subsequent to the Issue Date and such Bonds may be retained, sold or cancelled in the Issuer's sole discretion (including with respect to Bonds purchased pursuant to Clause 10.5 (*Mandatory repurchase due to a Put Option Event*) of the Bond Terms, see section 17.1.9 (*Put Option*) of this Prospectus).

17.1.8. Call option

The Issuer may redeem all or part (however in a minimum amount equal to 10 per cent. of the outstanding Bonds if in part) of the outstanding Bonds (the "**Call Option**") on any Business Day from and including (i) the Issue Date to, but not including, the First Call Date at a price equal to the Make Whole Amount, (ii) the First Call Date to, but not including, the Interest Payment Date falling 36 months after the Issue Date at a price equal to 103.625 per cent. of the Nominal Amount redeemed, (iii) the Interest Payment Date falling 36 months after the Issue Date to, but not including, the Interest Payment Date falling 42 months after the Issue Date at a price equal to 102.3952 per cent. of the Nominal Amount redeemed, (iv) the Interest Payment Date falling 42 months after the Issue Date to, but not including, the Interest Payment Date falling 48 months after the Issue Date at a price equal to 101.8125 per cent. of the Nominal Amount redeemed, (v) the Interest Payment Date falling 48 months after the Issue Date to the Maturity Date, but not including, the Interest Payment Date falling 57 months after the Issue Date, at a price equal to 100.725 per cent. of the Nominal Amount redeemed, and (vi) the Interest Payment Date falling 57 months after the Issue Date to the Maturity Date at a price equal to the Nominal Amount redeemed,

in each case plus accrued but unpaid interest, provided in the case of any redemption in part that Bonds corresponding to at least 60 per cent. of the Issue Amount remain outstanding after such redemption.

The Call Option may be exercised by the Issuer by written notice to the Bond Trustee and the Bondholders at least 10, but not more than 20, Business Days prior to the proposed Call Option Repayment Date. Such notice sent by the Issuer is irrevocable and shall specify the Call Option Repayment Date.

Any Call Option exercised in part will be used for pro rata payment to the Bondholders in accordance with the applicable regulations of the Securities Depository.

17.1.9. Put Option

Upon the occurrence of a Put Option Event, each Bondholder will have the right (the **"Put Option"**) to require that the Issuer purchases all, but not only some, of the Bonds held by that Bondholder at a price equal to 101 per cent. of the Nominal Amount.

The Put Option must be exercised within 60 calendar days after the Issuer has given notice to the Bond Trustee and the Bondholders that a Put Option Event has occurred pursuant to Clause 13.1(c) (*Put Option Event*) of the Bond Terms. Each Bondholder may exercise its Put Option by written notice to its account manager for the Securities Depository, who will notify the Paying Agent of the exercise of the Put Option. The Put Option Repayment Date will be the fifth Business Day after the end of the 60 calendar days exercise period referred to above.

If Bonds representing more than 90 per cent. of the outstanding Bonds have been repurchased due to the Put Option, the Issuer is entitled to repurchase all the remaining outstanding Bonds at the price stated above by notifying the remaining Bondholders of its intention to do so no later than 20 calendar days after the Put Option Repayment Date. Such prepayment may occur at the earliest on the 15th calendar day following the date of such notice.

17.1.10. Early redemption option due to a tax event

If the Issuer is or will be required to gross up any withheld tax imposed by law from any payment in respect of the Bonds under the Bond Finance Documents pursuant to Clause 8.4 (*Taxation*) of the Bond Terms as a result of a change in applicable law implemented after the date of the Bond Terms, the Issuer will have the right to redeem all, but not only some, of the outstanding Bonds at a price equal to 100 per cent. of the Nominal Amount together with accrued but unpaid interest. The Issuer shall give written notice of such redemption to the Bond Trustee and the Bondholders at least 20 Business Days prior to the Tax Event Repayment Date, provided that no such notice shall be given earlier than 60 days prior to the earliest date on which the Issuer would be obliged to withhold such tax were a payment in respect of the Bonds then due.

17.1.11. Certain undertakings

The Bond Terms contain a number of covenants which, subject to significant exceptions and qualifications, restrict the ability of the Issuer and other members of the Group to, amongst others (i) incur, guarantee or maintain indebtedness, (ii) pay dividends on or repurchase shares, (iii) make certain investments, (iv) create or maintain certain liens, (v) merge or demerge with other entities, (vi) enter into certain transactions with affiliates and (vii) dispose of certain assets.

17.1.12. Events of default

Customary events of default apply as set out in Clause 16.1 (*Events of Default*) of the Bond Terms. If an event of default has occurred and is continuing, the Bond Trustee may, in its discretion in order to protect the interests of the Bondholders, or upon instruction received from the Bondholders, by serving a default notice (a) declare that the outstanding Bonds and all other amounts accrued or outstanding under the Bond Finance Documents be immediately due and payable on demand, (b) declare that the outstanding Bonds and all other amounts accrued or outstanding under the Bond Finance Documents be immediately due and payable and/or (c) exercise or direct the Security Agent to exercise any or all of its rights, remedies, powers or discretions under the Bond Finance Documents or take such further measures as are necessary to recover the amounts outstanding under the Bond Finance Documents.

17.1.13. Representative

Nordic Trustee A/S has been appointed as Bond Trustee and acts as representative of the Bondholders in all matters relating to the Bonds and the Bond Finance Documents. By virtue of subscribing to the Bonds, each Bondholder authorizes

1 the Bond Trustee to act on behalf of, and/or represent, the Bondholders in all matters, including but not limited to taking
2 any legal or other action, including enforcement of the Bond Terms and the Transaction Security Documents, and the
3 commencement of bankruptcy or other insolvency proceedings against the Issuer, or others.

4 The Bondholders may not themselves take any steps against the Issuer or with respect to the Transaction Security,
5 Guarantees and the other Bond Finance Documents.

6 The agreements on the representation are included in the Bond Terms and the Intercreditor Agreement, which are available
7 as set out under section 17.7 (*Documents on display*).

8 **17.1.14. Listing**

9 The Issuer shall procure that the Bonds are listed on an Exchange within 6 months of the Issue Date and remain listed on
10 an Exchange until the Bonds have been redeemed in full.

11 The Issuer shall further use its reasonable endeavours to procure that the Bonds are listed on the Open Market of the
12 Frankfurt Stock Exchange as soon as reasonably possibly after the Issue Date and remain listed on such exchange until
13 the Bonds have been redeemed in full.

14 **17.1.15. Disbursement**

15 The conditions for disbursement of the net proceeds from the issuance of the Bonds to the Issuer as set out in Clause 6
16 (Conditions for disbursement) of the Bond Terms have been met and the net proceeds have been disbursed to the Issuer.

17 **17.1.16. Governing Law**

18 The Bond Terms are governed by Danish law.

19 **17.1.17. Resolutions, authorisations and approvals**

20 The issuance of the Bonds and consummation of the transactions relating thereto have been approved by the board of
21 directors of the Issuer and the Original Guarantors. IFC has on 26 October 2020 given its consent to the relevant part of
22 transactions contemplated by issuance of the Bonds in accordance with article 8.5 of the Articles of Association of Idavang.
23 No other consents, approvals or authorisations are required for the issuance of the Bonds.
24
25

26 **17.2. Guarantees and security**

27 **17.2.1. Guarantees**

28 The Guarantors will, irrevocably and unconditionally, jointly and severally, guarantee the fulfilment of all obligations and
29 liabilities of the Issuer and each Guarantor under or in connection with the Bond Finance Documents on a senior secured
30 basis. Each Guarantee will provide the Bondholders with a direct claim against the relevant Guarantor.

31 The Guarantors are initially Rus Invest ApS, Rurik A/S, Pskov Invest ApS, Idavang Russia A/S and UAB IDAVANG. For
32 information on these Guarantors see section 5.2 (*Information about the Guarantors*).

33 The Issuer shall ensure that no later than 60 days after the nomination of a Material Group Company (which is not a
34 Restricted Subsidiary) as such (or such later period as the Security Agent may agree to), a share pledge is granted over
35 each Material Group Company and such Material Group Company shall provide Guarantees and accede to the
36 Intercreditor Agreement and the Bond Terms as a Guarantor (in each case, subject to such limitations as required or
37 customary in the jurisdiction of incorporation of such Material Group Company).

38 The Bond Terms provides for limitation language to the effect that the liabilities under the Guarantees are limited to an
39 extent required under Danish, Lithuanian and Russian law respectively. See also section 4.6 (*Certain insolvency
40 considerations and limitations on the validity and enforceability of the guarantees and the security interests*).

17.2.2. Security

Subject to the terms of the Transaction Security Documents, the Bond Terms and the Intercreditor Agreement, the Bonds are secured on a first-ranking basis by (i) the Share Pledge Agreements, (ii) the Negative Pledges, (iii) the Assignment Agreements and (iv) the Mortgages.

The Issuer shall ensure that no later than 60 days after the nomination of a Material Group Company (which is not a Restricted Subsidiary) as such (or such later period as the Security Agent may agree to), a share pledge is granted over each such Material Group Company.

The Bond Terms provides for limitation language to the effect that the liabilities under the Security Interests are limited to an extent required under Danish, Lithuanian and Russian law respectively. See also section 4.6 (*Certain insolvency considerations and limitations on the validity and enforceability of the guarantees and the security interests*).

17.3. Description of Other Indebtedness

Following the issue of the Bonds and the refinancing of historic indebtedness, the financial indebtedness of the Group is limited to the financial indebtedness permitted under and as set out in the Bond Terms, other than financial indebtedness incurred under the Bonds and the Super Senior Revolving Credit Facility (as further described below).

17.4. Super Senior Revolving Credit Facility Agreement

In connection with the issue of the Bonds, the Issuer has entered into the Super Senior Revolving Credit Facility Agreement with Jyske Bank A/S as super senior lender (the "**Lender**"), which provides for up to EUR 9,000,000 of committed financing which ranks on super senior basis.

The Super Senior Revolving Credit Facility may be used for overdraft facilities and guarantees. Amounts drawn under the Super Senior Revolving Credit Facility may be used for the purpose of financing of the day-to-day business. The initial borrowers under the Super Senior Revolving Credit Facility are the Issuer and UAB IDAVANG. Other members of the Group may also accede to the Super Senior Revolving Credit Facility Agreement as borrowers (each a "**Borrower**" and, together with the Issuer, the "**Borrowers**"), subject to the approval of the Lender. The Super Senior Revolving Credit Facility is initially guaranteed by the Original Guarantors. Other members of the Group shall accede to the Super Senior Revolving Credit Facility Agreement as a guarantor if they become a borrower under the Super Senior Revolving Credit Facility Agreement.

17.4.1. Repayments and Prepayments

The Super Senior Revolving Credit Facility will be terminated on 4 November 2025. Any amount still outstanding at that time will be immediately due and payable. The Borrowers may voluntarily prepay their outstanding debt or (subject to certain minimum amounts) permanently cancel all or part of the available commitment under the Super Senior Revolving Credit Facility by giving 30 business days' prior written notice to the Lender.

In addition to any voluntary prepayments, the Super Senior Revolving Credit Facility shall be cancelled and the Borrowers mandatory prepay the outstanding parts of the Super Senior Revolving Credit Facility in full or in part in certain circumstances:

- if it becomes unlawful for the Lender to perform any of its obligations under the Super Senior Revolving Credit Facility Agreement;
- in case of sanctions violations; or
- following the occurrence of a Change of Control Event (as defined in the Bond Terms).

Repaid and prepaid amounts under the Super Senior Revolving Credit Facility may be re-borrowed, unless such repayments or prepayments were mandatory. Cancelled or terminated parts of the Super Senior Revolving Credit Facility may not be re-borrowed.

17.4.2. Interest and Fees

The Super Senior Revolving Credit Facility will initially bear interest at a rate per annum equal to a base rate plus a margin. The Issuer is also required to pay a commitment fee on the unutilised but available part of the Super Senior Revolving Credit Facility.

1 **17.4.3. Security and Guarantees**

2 The Super Senior Revolving Credit Facility is guaranteed on a joint and several basis by the same Guarantors which
3 provide Guarantees for the Bonds.

4 The Super Senior Revolving Credit Facility is secured by the same Transaction Security Documents as the Bonds.

5 **17.4.4. Covenants and events of default**

6 The Super Senior Revolving Credit Facility Agreement contains covenants and events of default that are substantially the
7 same as those applicable to the Bonds.

8 **17.4.5. Governing Law**

9 The Super Senior Revolving Credit Facility Agreement is governed by Danish law.

10 **17.5. Intercreditor Agreement**

11 In connection with entering the Super Senior Revolving Credit Facility Agreement and the issue of the Bonds, the Issuer,
12 the Original Guarantors, the Bond Trustee, the Super Senior Agent, the Super Senior Lender, the Hedge Counterpart and
13 the Security Agent have entered into the Intercreditor Agreement.

14 The rights of the Bondholders will be subject to the terms of the Intercreditor Agreement with respect to the subject matter
15 thereof.

16 The Intercreditor Agreement sets out: (i) the relative ranking of certain indebtedness of the debtors; (ii) the relative ranking
17 of certain security granted by the debtors; (iii) when payments can be made in respect of certain indebtedness of the
18 debtors; (iv) when enforcement actions can be taken in respect of that indebtedness; (v) the terms pursuant to which that
19 indebtedness will be subordinated upon the occurrence of certain insolvency events; (vi) turnover provisions; and (vii)
20 when security and guarantees will be released to permit a sale of any assets subject to transaction security.

21 **17.5.1. Application of proceeds**

22 The Intercreditor Agreement provides that amounts received from the realisation or enforcement of the Transaction
23 Security Documents, payments under any Guarantees or proceeds received in connection with bankruptcy or other
24 insolvency proceedings, shall be paid to the Security Agent for application in the following order of priority (after payment
25 of costs): (i) first to cover indebtedness relating to the Super Senior Revolving Credit Facility and the Hedging
26 Agreements and (ii) secondly to cover any indebtedness under the Bonds.

27 **17.5.2. Enforcement instructions**

28 The Intercreditor Agreement provides that the Security Agent shall act in accordance with enforcement instructions adopted
29 by an Instructing Group (as defined in the Intercreditor Agreement). If any of the Super Senior Revolving Credit Facility
30 Finance Parties, the Bond Creditors or the Hedge Counterparties wish to instruct the Security Agent to commence
31 enforcement of any Transaction Security, such group of creditors must first deliver a copy of the proposed instructions as
32 to how such enforcement shall be effected (the "**Enforcement Notice**"). The Security Agent must then convene a meeting
33 of the Secured Creditors to vote on the Enforcement Notice. The Bond Trustee will cast a vote on behalf of the Bondholders
34 in accordance with the terms of the Bond Terms and will represent the Bond Creditors.

35 In case of conflicting votes being cast by the Secured Creditors, the Bond Trustee (on behalf of the Bondholders) shall
36 have the decisive vote and will initially form the Instructing Group. If enforcement has not commenced within 3 months
37 after an Enforcement Notice has been delivered to the Security Agent by either the Bond Trustee (on behalf of the Bond
38 Creditors) or the Super Senior Agent (on behalf of the Super Senior Revolving Credit Facility Finance Parties) (whichever
39 is first) (the "**Initial Enforcement Notice**"), then the Super Senior Agent acting on behalf of the Super Senior Revolving
40 Credit Facility Finance Parties shall form the Instructing Group from that time onwards, provided that an event of default in
41 respect of the Super Senior Revolving Credit Facility Agreement has occurred and is continuing, and shall in such capacity
42 be permitted to (i) deliver a new Enforcement Notice to the Security Agent and the other Secured Creditors and (ii) convene
43 a new meeting of Secured Creditors (which may at the earliest be held on the date after the day falling 3 months after an
44 the Initial Enforcement Notice has been delivered to the Security Agent) at which the Super Senior Agent acting on behalf
45 of the Super Senior Revolving Credit Facility Finance Parties shall form the Instructing Group and thereby have the decisive
46 vote at such meeting in case of conflicting votes.

The Intercreditor Agreement contains certain provisions governed by Russian law to enable the Security Agent to take enforcement actions in its own name with respect to the Security Documents governed by Russian law by providing for a direct claim for the Security Agent of the secured debt.

17.5.3. Governing Law

The Intercreditor Agreement is governed by Danish law, except for the provisions relating to the direct claim referred to above which are governed by Russian law.

17.6. Hedging Agreement

In connection with entering the Super Senior Revolving Credit Facility, UAB IDAVANG and Jyske Bank A/S have entered into a hedging framework agreement.

Pursuant to the hedging framework agreement, UAB IDAVANG will be able to enter derivative arrangements relating to wheat (on Matif) with Jyske Bank A/S.

17.7. Documents on display

The most recent version of the Bond Terms, Transaction Security Documents and the Intercreditor Agreement will be available for inspection at the office of the Bond Trustee at Bredgade 30, 1260 Copenhagen K, Denmark, on weekdays during normal office hours throughout the period when the Bonds are outstanding.

17.8. Tax Considerations

Potential investors are strongly recommended to contact their own tax adviser to clarify the individual consequences of their investment, holding and disposal of the Bonds. The Issuer makes no representations regarding the tax consequences of purchase, holding or disposal of the Bonds.

17.8.1. Denmark taxation

The following is a summary description of the taxation in Denmark of the Bonds according to the Danish tax laws in force at the date of this Prospectus and is subject to any changes in law and the interpretation and application thereof, which changes could be made with retroactive effect. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold or dispose of the Bonds, and does not purport to deal with the tax consequences applicable to all categories of Bondholders, some of which may be subject to special rules. Potential Bondholders are under all circumstances strongly recommended to contact their own tax advisor to clarify the individual consequences of their investment in, holding of and disposal of the Bonds. The Issuer makes no representations regarding the tax consequences of purchase, holding or disposal of the Bonds.

17.8.1.1. Taxation at source

Under existing Danish tax law, no withholding tax is levied on payments of interest or principal or other amounts due on the Bonds to the owner of such payment, except if the owner is a corporate entity that is "related to" the Issuer within the meaning of Section 37 of the Danish Tax Control Act (Act no. 1535 of 19 December 2017 as amended or replaced). If the owner is related to the Issuer, then a withholding tax may in certain circumstances apply (22% withholding tax).

This will not have any impact on holders of Bonds who are not "related to" the Issuer.

17.8.1.2. Resident holders of bonds

Under existing Danish tax laws, private individuals and companies, funds and other entities that are considered separate taxable entities for Danish tax purposes and who are domiciled in Denmark for tax purposes, are (save for certain exceptions) liable to pay tax on capital gains and payments on interest on the Bonds.

As a starting point, capital gains are for individuals taxed pursuant to a realisation-principle, while a mark-to-market principle as a starting point applies for companies.

17.8.1.3. Non-resident holders of bonds

Under existing Danish tax laws, payments of interest or principal amounts to any non-resident holders of Bonds are not subject to taxation in Denmark. No withholding tax will be payable with respect to such payments and any capital gain

1 realised upon the sale, exchange or retirement of a Bond will not be subject to taxation in Denmark, except as set out in
2 section 17.8.1.1 (*Taxation at source*) above.

3 This tax treatment applies solely to holders of Bonds who are not subject to full tax liability in Denmark or included in a
4 Danish joint taxation scheme and do not carry on business in Denmark through a permanent establishment.

5 **17.9. Representative of the Bondholders**

6 Pursuant to the Bond Terms, the Bond Trustee has been appointed to act as representative (in Danish: *fuldmægtig og*
7 *repræsentant*) on behalf of and for the benefit of the Bondholders pursuant to Chapter 4 of the Danish Act on Capital
8 Markets (in Danish: *lov om kapitalmarkeder*) and in accordance with the terms of the Intercreditor Agreement. The Bond
9 Trustee is registered with the Danish Financial Supervisory Authority (in Danish: *Finanstilsynet*) in accordance with the Act
10 on Capital Markets. The Bond Trustee has power and authority to act on behalf of, and/or represent, the Bondholders in
11 all matters, including but not limited to taking any legal or other action, including enforcement of the Bond Terms and the
12 Transaction Security Documents, and the commencement of bankruptcy or other insolvency proceedings against the
13 Issuer, or others.

14 The agreements relating to such representation will be available for inspection at the office of the Bond Trustee at Bredgade
15 30, 1260 Copenhagen K, Denmark, on weekdays during normal office hours throughout the period when the Bonds are
16 outstanding.

18. ADMISSION TO TRADING AND DEALING ARRANGEMENTS

18.1. Listing Information

Application has been made to Nasdaq Copenhagen for official listing of the Bonds and admittance to trading on Nasdaq Copenhagen's regulated market.

The Bonds are listed on the Open Market of the Frankfurt Stock Exchange.

18.2. Clearing Information

ISIN	DK0030472618
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The Bonds are issued in uncertificated book entry form cleared through VP Securities A/S ("**VP**"). The International Securities Identification Number (ISIN) for the Bonds is DK0030472618. The address of VP is Weidekampsgade 14, 2300 Copenhagen S, Denmark. Legal title to the Bonds is exclusively evidenced by book entries in the register of VP. The Bonds will not be exchangeable for physical bonds. Registration and settlement of transactions in respect of the Bonds take place in accordance with the rules and procedures for the time being of VP.

A bridge currently exists between each of VP, Clearstream Banking, société anonyme ("**Clearstream**") and Euroclear Bank, SA / NV ("**Euroclear**", and together with Clearstream and VP and referred to as the "**Securities Depositaries**" and each referred to as a "**Securities Depositary**"). Holders of accounts with Clearstream and/or Euroclear are able to purchase Bonds without holding an account with VP. Holders of accounts with any Securities Depositary are able to transfer Bonds to account holders with any other Securities Depositary in accordance with the rules and procedures for the time being of the relevant Securities Depositary.

1 **19. COST OF ADMISSION TO TRADING**

2 The Issuer estimates that the total costs in connection with the admission to trading of the Bonds will amount to DKK
3 200,000.

20. GLOSSARY

"Additional Guarantor"	Any Group Company which subsequently becomes a Material Group Company and accedes to the Bond Terms as guarantor.
"ADHB"	Agriculture & Horticulture Development Board.
"Annual Financial Statements"	The audited parent and consolidated annual financial statements of the Issuer for any financial year, prepared in accordance with GAAP, such financial statements to include a profit and loss account, balance sheet, cash flow statement and report of the board of directors.
"ASF"	African Swine Fever
"Assignment Agreement"	A first priority assignment by the Issuer of its rights under the Structural Intra-Group Loan.
"Board of Directors"	The board of directors (in Danish: <i>bestyrelsen</i>) of the Issuer at any given date. For details on the Board of Directors as at the date of this Prospectus, see section 9.1 (<i>Board of Directors</i>).
"Bond Creditors"	The Bondholders and the Bond Trustee
"Bond Finance Documents"	The Bond Terms, the Bond Trustee Agreement (as defined in the Bond Terms), the Intercreditor Agreement, any Transaction Security Document and any other document designated by the Issuer and the Bond Trustee as a Bond Finance Document.
"Bond Issue"	The original issuance of the Bonds.
"Bond Terms"	The terms of the Bonds entered into prior to the Issue Date between the Issuer, the Original Guarantors and the Bond Trustee.
"Bond Trustee" or "Agent"	Nordic Trustee A/S (company registration number (CVR) 34705720), as representative (in Danish: <i>repræsentant</i>) for the Bondholders.
"Bondholder"	Each holder of the Bonds from time to time.
"Bonds"	EUR 75,000,000 in aggregate principal amount of the Issuer's senior secured Bonds due 2025.
"Business Day"	A day on which both VP's settlement system is open and which is a TARGET Day.
"Business Day Convention"	If the last day of any Interest Period originally falls on a day that is not a Business Day, the Interest Period will be extended to include the first following Business Day unless that day falls in the next calendar month, in which case the Interest Period will be shortened to the first preceding Business Day (<i>Modified Following</i>).
"CAGR"	Compound annual growth rate.

"Call Option Repayment Date"	The settlement date for the Call Option determined by the Issuer pursuant to Clause 10.4 (<i>Redemption notices</i>) of the Bond Terms (see also section 17.1.8 (<i>Call Option</i>) of this Prospectus), or a date agreed upon between the Bond Trustee and the Issuer in connection with such redemption of Bonds.
"Change of Control Event"	<p>The occurrence of an event or series of events whereby:</p> <ul style="list-style-type: none"> a) a Person or group of Persons acting in concert (other than JAST Holding ApS) gains Decisive Influence over the Issuer; and/or b) a Person or group of Persons acting in concert (other than (i) Claus Baltersen, (ii) Carsten Lund Thomsen and (iii) Ole Bjerremand Hansen and Jytte Rosenmaj and their legal heirs) gains a Decisive Influence over JAST Holding ApS.
"Collateral"	The assets being subject to Security Interests under the Transaction Security Documents and any other amounts or property, whether rights, entitlements or otherwise, actual or contingent, arising therefrom.
"CSF"	Classical Swine Fever.
"Danish Act on Capital Markets"	The Danish Consolidated Act No. 377 of 2 April 2020 on Capital Markets, as amended from time to time.
"Danish Financial Business Act"	The Danish Consolidated Act No. 1447 of 11 September 2020 on financial business, as amended from time to time.
"Decisive Influence"	<p>A Person having, as a result of an agreement or through the ownership of shares or interests in another person (directly or indirectly):</p> <ul style="list-style-type: none"> a) a majority of the share capital or voting rights in that other Person; or b) a right to elect or remove a majority of the members of the board of directors of that other Person.

“EBITDA”

In respect of the Relevant Period, the consolidated profit of the Group from ordinary activities according to the latest Financial Report(s):

- a) before deducting any amount of tax on profits, gains or income paid or payable by any Group Company;
- b) before deducting any Net Finance Charges (as defined in the Bond Terms);
- c) before taking into account any exceptional items;
- d) before taking into account any Transaction Costs (as defined in the Bond Terms);
- e) before taking into account any unrealised gains or losses on any derivative instrument (other than any derivative instruments which is accounted for on a hedge account basis);
- f) after adding back or deducting, as the case may be, the amount of any loss or gain against book value arising on a disposal of any asset (other than in the ordinary course of trading) and any loss or gain arising from an upward or downward revaluation of any asset;
- g) after deducting the amount of any profit (or adding back the amount of any loss) of any Group Company which is attributable to minority interests;
- h) after adding back or deducting, as the case may be, the Group's share of the profits or losses of entities which are not part of the Group; and
- i) after adding back any amount attributable to the amortisation, depreciation or impairment of assets of Group Companies.

“EC”

European Commission.

“EEA”

European Economic Area.

“EU”

European Union.

“euro,” “EUR” or “€”

Euro, the single currency of the participating member states in the Third Stage of the European Economic and Monetary Union of the Treaty Establishing the European Community, as amended from time to time, including Lithuania.

"EURIBOR"	The European Interbank Offered Rate being (i) the applicable percentage rate per annum displayed on Reuters screen EURIBOR01 (or through another system or website replacing it) as of or around 11.00 a.m. (Brussels time) on the Interest Quotation Day (as defined in the Bond Terms) for the offering of deposits in Euro and for a period comparable to the relevant Interest Period; (ii) if no screen rate is available for the relevant Interest Period, the arithmetic mean of the rates (rounded upwards to four decimal places), as supplied to the Bond Trustee at its request quoted by banks reasonably selected by the Bond Trustee, for deposits of EUR 10,000,000 for the relevant period; or (iii) if no quotation is available pursuant to paragraph (ii), the interest rate which according to the reasonable assessment of the Bond Trustee and the Issuer best reflects the interest rate for deposits in Euro offered for the relevant Interest Period.
	If any such rate is below zero, EURIBOR will be deemed to be zero.
"Exchange"	<ul style="list-style-type: none"> a) Nasdaq Copenhagen's regulated market; or b) any regulated market (as such term is understood in accordance with the Markets in Financial Instruments Directive (Directive 2004/39/EC) or the Markets in Financial Instruments Directive 2014/65/EU (MiFID II), as applicable) located in the Nordic countries.
"Executive Board"	The executive board (in Danish: <i>direktionen</i>) of the Issuer at any given date. For details on the Executive Board as at the date of this Prospectus, see section 9.2 (<i>Executive Board</i>).
"Farrowing"	The birth of a piglet.
"Feed conversion ratio"	Measuring of how much 1 kilo input (feed) is converted to output kilo of pig.
"Financial Reports"	The Annual Financial Statements and the Interim Accounts.
"Finisher"	Grower pigs over 70kg in live weight.
"First Call Date"	The Interest Payment Date falling 30 months after the Issue Date.
"Fitch"	Fitch Ratings Inc., credit rating agency
"FY"	"Fiscal year", refers to the period January 1 – December 31 for the respective fiscal year.
"GAAP"	IFRS and guidelines and interpretations issued by the International Accounting Standards Board (or any predecessor and successor thereof), in force from time to time.
"Group"	The Issuer and its Subsidiaries from time to time.
"Group Company"	Any member of the Group.

"Grower pig"	The stage in between the pig being a weaner and a finisher.
"Guarantees"	The guarantees and indemnity provided by the Guarantors under the Bond Terms and any other guarantee given by a Guarantor under the Bond Finance Documents.
"Guarantors"	The Original Guarantors and the Additional Guarantors. (each a "Guarantor").
"Heat"	The stage when a sow is ready for insemination.
"Hectare"	1 hectare is equal to 10,000 m ² .
"Hedging Agreements"	Commodity hedging in the ordinary course of the Group's business and interest rate and/or foreign exchange hedging agreements relating to the Super Senior Revolving Credit Facility, the Bonds and certain other liabilities that are permitted to rank <i>pari passu</i> with the Super Senior Revolving Credit Facility under the terms of the Intercreditor Agreement. The hedge counterparties in respect of the Hedging Agreements are referred to as the "Hedge Counterparties" .
"IFC"	International Finance Corporation, an international organisation established by articles of agreement among its member countries, including Denmark.
"IFRS"	International Financial Reporting Standards, as adopted by the EU.
"Intercreditor Agreement"	The intercreditor agreement dated 5 November 2020 (as amended, modified, restated and/or supplemented from time to time) entered into between Jyske Bank A/S as original super senior lender, the Bond Trustee as bond trustee, JAST Holding ApS as majority shareholder, the companies named therein as intra-group lenders and original debtors and the Bond Trustee as security agent.
"Interest Payment Date"	The last day of each Interest Period, the first Interest Payment Date being 11 February 2021 and the last Interest Payment Date being the Maturity Date.
"Interest Period"	Subject to adjustment in accordance with the Business Day Convention, the period between 11 February, 11 May, 11 August and 11 November each year, provided however that an Interest Period shall not extend beyond the Maturity Date.
"Interest Quotation Day"	In relation to any period for which Interest Rate is to be determined, the day falling two Business Days before the first day of the relevant Interest Period.
"Interest Rate"	The percentage rate per annum which is the aggregate of the reference rate, i.e. EURIBOR, for the relevant Interest Period plus the Margin.

"Interim Accounts"	The unaudited parent and consolidated quarterly financial statements of the Issuer for the quarterly period ending on each 31 March, 30 June, 30 September and 31 December in each year, prepared in accordance with GAAP.
"Issue Amount"	EUR 75,000,000.
"Issue Date"	The date of original issuance of the Bonds, i.e. 11 November 2020.
"Issuer" or "Idavang"	Idavang A/S, a public limited liability company organized under the laws of Denmark under CVR no. 20 95 61 43, having its registered office at Tofthøjvej 41, Tofthøj, 7321 Gadbjerg, Vejle Municipality, Denmark and, where the context requires, the Issuer and/or its Subsidiaries.
"KPI"	Key performance indicator.
"Listing Failure Event"	The occurrence of an event whereby: <ul style="list-style-type: none"> a) the Bonds have not been admitted to listing on an Exchange within 12 months following the Issue Date, or b) in the case of a successful admission to listing, that a period of 6 months has elapsed since the Bonds ceased to be admitted to listing on an Exchange.
"Lithuanian Guarantor"	UAB IDAVANG (company registration number 111657920)
"Litter"	A number of piglets born to a sow at one birth.
"Make Whole Amount"	The sum of: <ul style="list-style-type: none"> a) an amount per Bond equal to 103.625 per cent. of the Nominal Amount; plus a) all remaining scheduled interest payments on the Bonds until and including the First Call Date (assuming that the Interest Rate for the period from the relevant record date to the First Call Date will be the Margin) less any accrued but unpaid Interest up to the relevant redemption date, and where "relevant record date" shall mean a date agreed upon between the Bond Trustee, the Securities Depository and the Issuer in connection with such redemption.
"Managers"	Pareto Securities AS and Pareto Securities AS Copenhagen Branch and Jyske Bank A/S.
"Margin"	7.25 per cent.
"Material Group Company"	The Original Guarantors and any Subsidiary (other than a Restricted Subsidiary) which has subsequently been designated as a Material Group Company by the Issuer pursuant to Clause 14.18 (<i>Designation of Material Group Companies</i>) of the Bond Terms.
"Maturity Date"	11 November 2025.

"Meat yield per sow"	Measuring how many kilo one sow is producing per year.
"Member State"	A member state of the European Economic Area.
"Moody's"	Moody's Investors Service, credit rating agency
"Mortgaged Real Property"	All of the Group's real estate located in Lithuania, (except for certain buildings that were demolished with an approximate aggregate book value as of 30 June 2020 of EUR 400,000). The Mortgaged Real Property has an approximate book value as of 30 June 2020 of EUR 31,033,000.
"Mortgages"	Subsequent priority mortgages over the Mortgaged Real Property created under Lithuanian law registered in the Mortgage Register of Lithuania granted by the Lithuanian Guarantor in favour of the Security Agent (and the Super Senior Lender in respect of the mortgages relating to secured obligations under the Super Senior Revolving Credit Facility and the Hedge Counterparties with respect to the Hedging Agreements).
"Negative Pledges"	Negative pledges registered with the Danish Personal Register in respect of the Issuer and each Guarantor incorporated in Denmark.
"Nasdaq Copenhagen"	Nasdaq Copenhagen A/S, company reg. (CVR) no. 19 04 26 77, Nikolajs Plads 6, DK-1067 Copenhagen K, Denmark.
"Nominal Amount"	The nominal amount of each Bond is EUR 0.01.
"Original Guarantors"	Collectively, (i) Rus Invest ApS (company registration number (CVR) 31050626), (ii) Rurik A/S (company registration number (CVR) 30274857), (iii) Pskov Invest ApS (company registration number (CVR) 33044313), (iv) Idavang Russia A/S (company registration number (CVR) 33044585), (v) UAB IDAVANG (company registration number 111657920).
"Paying Agent"	The legal entity appointed by the Issuer to act as its paying agent with respect to the Bonds in the Securities Depository, being VP.
"Person"	Any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organisation, government, or any agency or political subdivision thereof, or any other entity, whether or not having a separate legal personality.
"Piglet"	A new born pig.
"Pigs per sow per year"	Measuring how many pigs a sow is producing per year.
"PPP"	Purchasing Power Parity.
"Processed"	Cooked and smoked meat products.
"Prospectus"	This Prospectus dated 28 April 2021.

"Put Option Event"	A Listing Failure Event or a Change of Control Event.
"Prospectus Regulation"	Regulation (EU) no. 2017/1129 of the European Parliament and of the council of 14 June 2017.
"Put Option Repayment Date"	The settlement date for the Put Option Event pursuant to Clause 10.3 (<i>Mandatory repurchase due to a Put Option Event</i>) of the Bond Terms (see also section 17.1.9 (<i>Put Option</i>) of this Prospectus).
"Regulated Market"	Any regulated market as such term is understood in accordance with the Markets in Financial Instruments Directive (Directive 2004/39/EC) or the Markets in Financial Instruments Directive 2014/65/EU (MiFID II), as applicable.
"Relevant Member State"	Any member state of the European Economic Area in which the Prospectus Regulation applies.
"Relevant Period"	Each period of 12 consecutive calendar months
"Repayment Date"	Any Call Option Repayment Date, the voluntary Partial Redemption Option Repayment Date, the Default Repayment Date, the Excess Free Cashflow Repayment Date, the Longstop Date (as defined in the Bond Terms), the Put Option Repayment Date, the Tax Event Repayment Date or the Maturity Date.
"Restricted Subsidiaries"	Any Subsidiary of the Issuer incorporated in Russia which is subject to contractual restrictions on granting guarantees (or other restrictions with similar effect) pursuant to financing agreements entered into from time to time as the contractual basis for the Financial Indebtedness referred to in item (m) in the definition of "Permitted Financial Indebtedness" in the Bond Terms.
"RUB"	Rubles, the currency of the Russian Federation.
"Russian Pledged Companies"	Collectively, (i) Idavang Agro LLC (company registration number 1084716000412) (ii) Idavang Luga LLC (company registration number 1124710000095) and (iii) Idavang LLC (company registration number 10706032001055).
"Secured Creditors"	The Bond Creditors, the Super Senior Revolving Credit Facility Finance Parties, the Security Agent, any Receiver or Delegate (each as defined in the Intercreditor Agreement) and the Hedge Counterparties.
"Securities Depository"	The central securities depository in which the Bonds are registered, being VP.
"Security"	A mortgage, charge, pledge, lien, assignment, assignation in security or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

"Security Agent"	Nordic Trustee A/S (company registration number (CVR) 34705720), as security agent (or similar capacity) with respect to the Transaction Security Documents.
"Security Interest"	Collectively, the Security created or expressed to be created under the Transaction Security Documents. The validity and enforcement of the Security Interests is subject to certain restrictions under applicable laws. See section 4.7 (<i>Certain Insolvency Considerations and Limitations on Validity and Enforceability of the Guarantees and the Security Interests</i>).
"Share Pledge Agreements"	A first priority pledge over the shares in each of the Original Guarantors and the Russian Pledged Companies.
"Share Pledges"	The share pledges created pursuant to the Share Pledge Agreements.
"Slurry"	The biomass the pigs.
"Sow"	An adult female pig. A sow is the production machine in a pig farm.
"Structural Intra-Group Loan"	A loan granted by the Issuer to Idavang Agro LLC in an aggregate amount of RUB 907,900,465.
"Subsidiaries"	The subsidiaries of the Issuer (which shall include both direct and indirect subsidiaries) defined in accordance with IFRS and "Subsidiary" means any of them.
"Super Senior Agent"	The agent for the Super Senior Lenders from time to time. In respect of the original form of the Super Senior Revolving Credit Facility Agreement, where no agent has been appointed, Jyske Bank A/S shall be considered the Super Senior Agent and assume the rights and obligations of the Super Senior Agent under such agreement.
"Super Senior Lender"	Jyske Bank A/S or an Additional Super Senior Lender (as defined in the Intercreditor Agreement), and any lender under any Replacement Facility (as defined in the Intercreditor Agreement).
"Super Senior Revolving Credit Facility"	The revolving credit facility under the Super Senior Revolving Credit Facility Agreement, which is described in more detail in section 17.4 (<i>Super Senior Revolving Credit Facility Agreement</i>).
"Super Senior Revolving Credit Facility Agreement"	The multi-currency revolving credit facility agreement (as amended and restated) entered into on or before the Issue Date between, amongst others, the Issuer as original borrower and Jyske Bank A/S (or another lender nominated by the Issuer) as original lender pursuant to which the Super Senior Revolving Credit Facility will be made available.
"Super Senior Revolving Credit Facility Finance Parties"	The Super Senior Agent and the Super Senior Lenders (as defined in the Intercreditor Agreement).
"S&P"	S&P Global Ratings, credit rating agency

"TARGET Day"	Any day on which the Trans-European Automated Real-time Gross Settlement Express Transfer payment system is open for the settlement of payments in euro.
"Tax Event Repayment Date"	The date set out in a notice from the Issuer to the Bondholders pursuant to Clause 10.5 (<i>Early redemption option due to a tax event</i>) of the Bond Terms (see also section 17.1.10 (<i>Early redemption option due to a tax event</i>) of this Prospectus).
"Transaction Security Documents"	Collectively, (i) the Share Pledge Agreements, (ii) the Mortgages, (iii) the Negative Pledges and (iv) the Assignment Agreement as further described in the Bond Terms.
"U.S. Securities Act"	The U.S. Securities Act of 1933, as amended.
"USDA"	United States Department of Agriculture.
"VP"	VP Securities A/S.
"Weaner"	After the farrowing the piglet becomes a weaner (6-7kilo) when the piglet and the sow are separated and it stops consuming milk and starts to eat other kinds of foods. The pig is a weaner until it weighs approx. 20 to 25kg.

1	APPENDIX A - BOND TERMS
2	<i>(Enclosed separately)</i>
3	



Execution version

Bond terms

Idavang A/S – EUR 75,000,000 Floating Rate Senior Secured Bonds due 2025
ISIN DK0030472618



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These bond terms (the “**Bond Terms**”) are dated 5 November 2020 and are made between:

- (1) **Idavang A/S** (a company incorporated in Denmark with company registration no. (CVR) 20956143 and registered address at Tofthøjvej 41, Tofthøj, 7321 Gadbjerg, Denmark) as issuer of the Bonds (as defined below) (the “**Issuer**”);
- (2) **UAB IDAVANG** (a company organised and existing under the laws of Lithuania with company registration number 111657920, with its registered seat at Veselkiškių village 1, Pakruojo district, Lithuania) as original guarantor (“**UAB IDAVANG**” or an “**Original Guarantor**”);
- (3) **Rus Invest ApS** (a company organised and existing under the laws of Denmark with company registration number (CVR) 31050626 and registered address at Tofthøjvej 41, Tofthøj, 7321 Gadbjerg, Denmark) as original guarantor (“**Rus Invest**” or an “**Original Guarantor**”);
- (4) **Rurik A/S** (a company organised and existing under the laws of Denmark with company registration number (CVR) 30274857 and registered address at Tofthøjvej 41, Tofthøj, 7321 Gadbjerg, Denmark) as original guarantor (“**Rurik**” or an “**Original Guarantor**”);
- (5) **Pskov Invest ApS** (a company organised and existing under the laws of Denmark with company registration number (CVR) 33044313 and registered address at Tofthøjvej 41, 7321 Gadbjerg, Denmark) as original guarantor (“**Pskov Invest**” or an “**Original Guarantor**”);
- (6) **Idavang Russia A/S** (a company organised and existing under the laws of Denmark with company registration number (CVR) 33044585 and registered address at Tofthøjvej 41, 7321 Gadbjerg, Denmark) as original guarantor (“**Idavang Russia**” or an “**Original Guarantor**”); and
- (7) **NORDIC TRUSTEE A/S** (a company incorporated in Denmark with company registration no. (CVR) 34705720) and with registered address at Bredgade 30, 1260 Copenhagen K, Denmark), as bond trustee on behalf of the Bondholders (as defined below) (the “**Bond Trustee**”).

1 Interpretation

1.1 Definitions

The following terms will have the following meanings:

“**Additional Guarantor**” means any Group Company which subsequently to the Issue Date becomes a Material Group Company and has acceded to these Bond Terms as an Additional Guarantor by entering into an accession letter in the form of Schedule 2 (*Form of Guarantor Accession Letter*).

“**Affiliate**” means any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purpose of this definition, “control” when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “controlling” and “controlled” have meanings correlative to the foregoing.



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“Annual Financial Statements” means the audited unconsolidated and consolidated annual financial statements of the Issuer for any financial year, prepared in accordance with GAAP, such financial statements to include a profit and loss account, balance sheet, cash flow statement and report of the board of directors.

“Audited Accounts” has the meaning given to it in paragraph (a) of Clause 7.8 (*Financial statements*).

“Bookrunner” means Pareto Securities AS.

“Bond Creditors” means the Bondholders and the Bond Trustee.

“Bond Finance Documents” means these Bond Terms, the Bond Trustee Agreement, the Intercreditor Agreement, any Transaction Security Document and any other document designated by the Issuer and the Bond Trustee as a Bond Finance Document.

“Bond Issue” shall have the meaning set out in paragraph (a) of Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

“Bond Liabilities” shall have the meaning ascribed to such term in the Intercreditor Agreement.

“Bond Terms” means these terms and conditions, including all Schedules hereto which shall form an integrated part of the Bond Terms, in each case as amended and/or supplemented from time to time.

“Bond Trustee” means the company designated as such in the list of parties to these Bond Terms, or any successor, acting for and on behalf of the Bondholders in accordance with these Bond Terms.

“Bond Trustee Agreement” means the agreement entered into between the Issuer and the Bond Trustee relating among other things to the fees to be paid by the Issuer to the Bond Trustee for its obligations relating to the Bonds.

“Bondholder” means a person who is registered in the Securities Depository as directly registered owner or nominee holder of a Bond, subject however to Clause 3.3 (*Bondholders’ rights*).

“Bondholders’ Meeting” means a meeting of Bondholders as set out in Clause 17 (*Bondholders’ decisions*).

“Bonds” means the debt instruments issued by the Issuer pursuant to these Bond Terms.

“Borrowings” means Financial Indebtedness other than paragraph (f) of the definition thereof.



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“Business Day” means a day on which both the relevant Securities Depository settlement system is open and which is a TARGET Day.

“Business Day Convention” means that if the last day of any Interest Period originally falls on a day that is not a Business Day, the Interest Period will be extended to include the first following Business Day unless that day falls in the next calendar month, in which case the Interest Period will be shortened to the first preceding Business Day (*Modified Following*).

“Call Option” has the meaning given to it in Clause 10.2 (*Voluntary early redemption - Call Option*).

“Call Option Repayment Date” means the settlement date for the Call Option determined by the Issuer pursuant to Clause 10.4 (*Redemption notices*), or a date agreed upon between the Bond Trustee and the Issuer in connection with such redemption of Bonds.

“Capital Expenditure” means any maintenance expenditure or obligation in respect of such expenditure (other than growth capital expenditure, including obligations in respect of business acquisitions) which, in accordance with GAAP, is treated as capital expenditure (and including the capital element of any expenditure or obligation incurred in connection with a Finance Lease).

“Capital Markets Act” means the Danish Capital Markets Act (in Danish: *lov om kapitalmarkeder*), Consolidated Act no. 377 of 2 April 2020 as amended.

“Cash Element” has the meaning ascribed to such term in paragraph (b)(ii)(B) of Clause 2.4 (*Settlement*).

“Cash Equivalent Investments” means:

- (a) certificates of deposit and fixed term deposits maturing within one year after the relevant date of calculation and issued by a bank or financial institution which has a rating for its long-term unsecured and non credit-enhanced debt obligations of A- or higher by Standard & Poor's Rating Services or Fitch Ratings Ltd or A3 or higher by Moody's Investors Service Limited or a comparable rating from an internationally recognised credit rating agency;
- (b) any investment in marketable debt obligations issued or guaranteed by the government of the United States of America, the United Kingdom, any member state of the European Economic Area or any member state of the European Union that has EUR as its lawful currency or by an instrumentality or agency of any of them having an equivalent credit rating, maturing within one year after the relevant date of calculation and not convertible or exchangeable to any other security;
- (c) a commercial paper not convertible or exchangeable to any other security (i) for which a recognised trading market exists, (ii) issued by an issuer incorporated in the United States of America, the United Kingdom, or any



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member state of the European Economic Area, (iii) which matures within one year after the relevant date of calculation and (iv) which has a credit rating of either A-1 or higher by Standard & Poor's Rating Services or F1 or higher by Fitch Ratings Ltd or P-1 or higher by Moody's Investors Service Limited, or, if no rating is available in respect of the commercial paper, the issuer of which has, in respect of its long-term unsecured and non-credit enhanced debt obligations, an equivalent rating;

- (d) any investment in money market funds which (i) have a credit rating of either A-1 or higher by Standard & Poor's Rating Services or F1 or higher by Fitch Ratings Ltd. or P-1 or higher by Moody's Investors Service Limited, (ii) invest substantially all their assets in securities of the types described in paragraphs (a) to (c) above and (iii) can be turned into cash on not more than 30 calendar days' notice; or
- (e) Danish mortgage bonds (in Danish: *realkreditobligationer*), Danish covered bonds (in Danish: *særligt dækkede obligationer*) and Danish covered mortgage bonds (in Danish: *særligt dækkede realkreditobligationer*) which matures within one year after the relevant date of calculation.

“Change of Control Event” means the occurrence of an event or series of events whereby:

- (a) a Person or group of Persons acting in concert (other than JAST Holding ApS) gains Decisive Influence over the Issuer; and/or
- (b) a Person or group of Persons acting in concert (other than (i) Claus Baltersen, (ii) Carsten Lund Thomsen and (iii) Ole Bjerremand Hansen and Jytte Rosenmaj and their legal heirs) gains a Decisive Influence over JAST Holding ApS.

“Co-Manager” means Jyske Bank A/S.

“Compliance Certificate” means a statement substantially in the form as set out in Schedule 1 (*Compliance Certificate*) hereto.

“Completion Date” means the date of disbursement of proceeds of the Bond from the Escrow Account in accordance with Clause 6.2 (*Disbursement*).

“Custody Account” means an account in the name of the Issuer, pledged and blocked on first priority as security for the Issuer's obligations to return the Roll-over Bonds.

“Custody Account Pledge” means the pledge over the Custody Account.

“Danish Guarantor” has the meaning given to it in paragraph (a) of Clause 12.11 (*Guarantee limitations for Guarantors incorporated in Denmark*).

“Decisive Influence” means a Person having, as a result of an agreement or through the ownership of shares or interests in another person (directly or indirectly):



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- (a) a majority of the share capital or voting rights in that other Person; or
- (b) a right to elect or remove a majority of the members of the board of directors of that other Person.

“Default Notice” means a written notice to the Issuer as described in Clause 16.2 (*Acceleration of the Bonds*).

“Default Repayment Date” means the settlement date set out by the Bond Trustee in a Default Notice requesting early redemption of the Bonds.

“EBITDA” means, in respect of the Relevant Period, the consolidated profit of the Group from ordinary activities according to the latest Financial Report(s):

- (a) before deducting any amount of tax on profits, gains or income paid or payable by any Group Company;
- (b) before deducting any Net Finance Charges;
- (c) before taking into account any exceptional items;
- (d) before taking into account any Transaction Costs;
- (e) before taking into account any unrealised gains or losses on any derivative instrument (other than any derivative instruments which is accounted for on a hedge account basis);
- (f) after adding back or deducting, as the case may be, the amount of any loss or gain against book value arising on a disposal of any asset (other than in the ordinary course of trading) and any loss or gain arising from an upward or downward revaluation of any asset;
- (g) after deducting the amount of any profit (or adding back the amount of any loss) of any Group Company which is attributable to minority interests;
- (h) after adding back or deducting, as the case may be, the Group’s share of the profits or losses of entities which are not part of the Group; and
- (i) after adding back any amount attributable to the amortisation, depreciation or impairment of assets of Group Companies.

“EBITDA at Fixed Herd Prices” means EBITDA after adding back any value adjustment for biological assets.

“Equity” has the meaning given to it in paragraph (c) of Clause 12.11 (*Guarantee limitations for Guarantors incorporated in Denmark*).

“Escrow Account” means an account in the name of the Issuer, pledged and blocked



on first priority as security for the Issuer's obligations under the Bond Finance Documents.

"Escrow Account Pledge" means the pledge over the Escrow Account, where the bank operating the account has waived any set-off rights.

"Event of Default" means any of the events or circumstances specified in Clause 16.1 (*Events of Default*).

"Excess Free Cashflow Repayment Date" shall have the meaning ascribed to such term in paragraph (b) of Clause 10.6 (*Excess cashflow*).

"Exchange" means:

- (a) Nasdaq Copenhagen A/S's regulated market; or
- (b) any regulated market (as such term is understood in accordance with the Markets in Financial Instruments Directive (Directive 2004/39/EC) or the Markets in Financial Instruments Directive 2014/65/EU (MiFID II), as applicable) located in the Nordic countries.

"Existing Bonds" means the EUR 85,000,000 floating rate senior secured bonds due 2021 of the Issuer with ISIN: DK0030406152.

"Existing Financing" means the financing provided under the Existing Bonds and the Existing Super Senior RCF.

"Existing Foreign Security" means (i) the existing mortgages over the Mortgaged Property, (ii) the existing share pledge over UAB IDAVANG and (iii) the existing share pledges over Idavang Agro LLC and Idavang Luga LLC, each relating to the Existing Financing.

"Existing Super Senior RCF" means the agreement in respect of the EUR 9,000,000 super senior revolving credit and guarantee facility dated 11 December 2017 and, entered into, between, amongst others, the Issuer as original borrower and guarantor and Jyske Bank A/S as lender (as amended, amended and restated or supplemented from time to time).

"Finance Charges" means, for the Relevant Period, the aggregate of interest accrued (whether in cash or capitalised) in respect of any Borrowings of any member of the Group during that Relevant Period.

"Finance Lease" means any lease or hire purchase contract, a liability under which would, in accordance with GAAP, be treated as a balance sheet liability.

"Financial Indebtedness" means any indebtedness for or in respect of:

- (a) moneys borrowed and debt balances at banks or other financial institutions;



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- (b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument, including the Bonds;
- (d) the amount of any liability in respect of any Finance Lease;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis provided that the requirements for de-recognition under GAAP are met);
- (f) any derivative transaction entered into and, when calculating the value of any derivative transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that derivative transaction, that amount shall be taken into account);
- (g) any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution in respect of any underlying liability which would fall within one of the other paragraphs in this definition;
- (h) any amount of any liability under an advance or deferred purchase agreement, if
 - (a) the primary reason behind entering into the agreement is to raise finance or
 - (b) the agreement is in respect of the supply of assets or services and payment is due more than 120 calendar days after the date of supply;
- (i) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing or otherwise being classified as a borrowing under GAAP;
- (j) any obligations under the IFC Put Option, whether exercisable or not; and
- (k) without double counting, the amount of any liability in respect of any guarantee for any of the items referred to in paragraphs (a) to (j) above.

“Financial Reports” means the Annual Financial Statements and the Interim Accounts.

“Financial Support” means any loans, guarantees, Security or other financial assistance (whether actual or contingent).

“First Call Date” means the Interest Payment Date falling 30 months after the Issue Date.

“First Call Price” has the meaning ascribed to such term in paragraph (a)(ii) of Clause 10.2 (*Voluntary early redemption – Call Option*).

“Free Cash Flow” means, in respect of any financial year of the Issuer, EBITDA at



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Fixed Herd Prices for that financial year less:

- (a) Net Finance Charges for that period;
- (b) any amount of tax on profits, gains or income paid or payable by any Group Company during that period; and
- (c) the amount of any Capital Expenditure actually made in cash during that financial year by any Group Company.

"Funds Flow" means the funds flow chart delivered under paragraph (b)(viii) of Clause 6.1 (*Conditions precedent for disbursement to the Issuer*).

"GAAP" means International Financial Reporting Standards (IFRS) and guidelines and interpretations issued by the International Accounting Standards Board (or any predecessor and successor thereof), in force from time to time.

"Group" means the Issuer with all its Subsidiaries from time to time.

"Group Company" means any Person which is a member of the Group.

"Guarantee" means the guarantee and indemnity granted pursuant to these Bond Terms and any other guarantee given by a Guarantor in relation to the Bond Finance Documents.

"Guarantor" means the Original Guarantors and any Additional Guarantor, unless it has ceased to be a Guarantor in accordance with these Bond Terms.

"Hedging Agreements" has the meaning ascribed to such term in the Intercreditor Agreement.

"IFC" means International Finance Corporation, an international organisation established by articles of agreement among its member countries, including Denmark.

"IFC Cash and Cash Equivalents" means any cash and Cash Equivalents held in separate accounts with reference to paragraph (b) of Clause 14.8 (*IFC Put-Option*).

"IFC Put Option" means the put option in favour of IFC pursuant to the put option agreement dated 17 June 2011 (as amended 18 June 2012) between the Issuer, JAST Holding ApS and IFC.

"Incurrence Test" shall have the meaning ascribed to such term in paragraph (a) of Clause 15 (*Incurrence Test*).

"Incurrence Test Event" means an event contemplated by (i) paragraph (e) of the definition of Permitted Financial Indebtedness, (ii) paragraph (b)(ii) of the general undertaking in Clause 14.9 (*Acquisitions*) and/or (iii) paragraph (b)(iii) of the general undertaking in Clause 14.15 (*Financial Support to Russian Subsidiaries*).



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“Insolvent” means that a Person:

- (a) is unable or admits inability to pay its debts as they fall due;
- (b) suspends making payments on any of its debts generally; or
- (c) is otherwise considered insolvent or bankrupt within the meaning of the relevant bankruptcy legislation of the jurisdiction which can be regarded as its center of main interest as such term is understood pursuant to Council Regulation (EU) no. 2015/848 on insolvency proceedings (recast) (as amended).

“Intercreditor Agreement” means an intercreditor agreement dated on or about the date of these Bond Terms (as amended, modified, restated and/or supplemented from time to time) entered into between Jyske Bank A/S as original super senior lender, the Bond Trustee as bond trustee, JAST Holding ApS as majority shareholder, the companies named therein as intra-group lenders and original debtors and the Security Agent as security agent.

“Interest Payment Date” means the last day of each Interest Period, the first Interest Payment Date being 11 February 2021 and the last Interest Payment Date being the Maturity Date.

“Interest Period” means, subject to adjustment in accordance with the Business Day Convention, the period between 11 February, 11 May, 11 August and 11 November each year, provided however that an Interest Period shall not extend beyond the Maturity Date.

“Interest Rate” means the percentage rate per annum which is the aggregate of the Reference Rate for the relevant Interest Period plus the Margin.

“Interest Quotation Day” means, in relation to any period for which Interest Rate is to be determined, the day falling two Business Days before the first day of the relevant Interest Period.

“Interim Accounts” means the unaudited unconsolidated and consolidated quarterly financial statements of the Issuer for the quarterly period ending on each 31 March, 30 June, 30 September and 31 December in each year, prepared in accordance with GAAP.

“ISIN” means International Securities Identification Number – the identification number of the Bonds.

“Issue Date” means 11 November 2020.

“Issuer’s Bonds” means any Bonds which are owned by the Issuer or any Affiliate of the Issuer.



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“LED Leases” means any agreement for the render of energy savings or similar services, inter alia, providing for the installation of LED lighting equipment under provisions of retention of title in the Group’s Lithuanian real estate.

“Legal Reservations” means:

- (a) the principle that equitable remedies may be granted or refused at the discretion of a court and limitation of enforcement by laws relating to insolvency, reorganisation and other laws generally affecting the rights of creditors;
- (b) the time barring of claims; and
- (c) any other matters, including currency restrictions, which are set out as qualifications or reservations as to matters of law of general application in legal opinions delivered to the Bond Trustee and/or the Managers.

“Listing Failure Event” means:

- (a) that the Bonds have not been admitted to listing on an Exchange within six months following the Issue Date, or
- (b) in the case of a successful admission to listing, that a period of six months has elapsed since the Bonds ceased to be admitted to listing on an Exchange.

“Longstop Date” means the date falling three months after the Issue Date.

“Make Whole Amount” means the sum of:

- (a) an amount per Bond equal to 103.625 per cent. of the Nominal Amount; plus
- (b) all remaining scheduled interest payments on the Bonds until and including the First Call Date (assuming that the Interest Rate for the period from the relevant record date to the First Call Date will be the Margin) less any accrued but unpaid Interest up to the relevant redemption date, and where “relevant record date” shall mean a date agreed upon between the Bond Trustee, the Securities Depository and the Issuer in connection with such redemption.

“Managers” means the Bookrunner, Pareto Securities AS, Copenhagen Branch and Jyske Bank A/S.

“Margin” means 7.25 per cent.

“Material Adverse Effect” means a material adverse effect on:

- (a) the business, financial condition or operations of the Group taken as a whole
- (b) the ability of the Issuer and any Guarantor to perform and comply with its obligations under any of the Bond Finance Documents; or



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- (c) (subject to the reservations and qualifications in the legal opinions to be delivered to the Bond Trustee pursuant to Clause 6.1 (*Conditions precedent for disbursement to the Issuer*)) the validity or enforceability of any of the Bond Finance Documents.

“Material Group Company” means the Original Guarantors and any Subsidiary (other than a Restricted Subsidiary) of the Issuer which has subsequently been designated as a Material Group Company by the Issuer pursuant to Clause 14.19 (*Designation of Material Group Companies*).

“Maturity Date” means 11 November 2025.

“Mortgaged Real Property” shall have the meaning ascribed to such term in paragraph (vi) of Clause 2.6 (*Transaction Security and Intercreditor Agreement*).

“Mortgages” shall have the meaning ascribed to such term in Clause paragraph (vi) of Clause 2.6 (*Transaction Security and Intercreditor Agreement*).

“New Cash Bonds” has the meaning ascribed to such term in paragraph (b)(i) of Clause 2.4 (*Settlement*).

“Net Finance Charges” means, for the Relevant Period, the Finance Charges during that period less interest income during that period.

“Net Interest Bearing Debt” means

- (a) the aggregate Financial Indebtedness (other than paragraphs (f) and (g) of the definition thereof) of the Group, but excluding debts between Group Companies; less
- (b) the aggregate book value of the Group’s unrestricted, unpledged and freely available cash, the aggregate market value of the Group’s unrestricted, unpledged and freely available Cash Equivalent Investments and the aggregate nominal amount of any unrestricted, unpledged and freely available Bonds held by the Issuer and including, for the avoidance of doubt, the IFC Cash and Cash Equivalents.

“Nominal Amount” means the nominal amount of each Bond as set out in paragraph (c) of Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

“Obligor” means the Issuer and any Guarantors.

“Outstanding Bonds” means any Bonds issued in accordance with these Bond Terms to the extent not redeemed or otherwise discharged.

“Overdue Amount” means any amount required to be paid by the Issuer under any of the Bond Finance Documents but not made available to the Bondholders on the relevant Payment Date or otherwise not paid on its applicable due date.



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“Paying Agent” means the legal entity appointed by the Issuer to act as its paying agent with respect to the Bonds in the Securities Depository.

“Partial Payment” has the meaning ascribed to it in paragraph (a) of Clause 8.3 (*Partial Payments*).

“Payment Date” means any Interest Payment Date or any Repayment Date.

“Permitted Factoring” means factoring, supply chain financing or similar arrangements, provided that such arrangement is entered into on market terms and that the aggregate value of receivables assigned and not settled or fallen due at no time exceeds EUR 3,000,000, which amount may be increased as set out in paragraph (b) of the definition of Permitted Financial Indebtedness.

“Permitted Financial Indebtedness” means:

- (a) any Financial Indebtedness incurred pursuant to the Bond Finance Documents;
- (b) Financial Indebtedness incurred pursuant to the Super Senior RCF, up to an aggregate principal amount of EUR 9,000,000, provided that if the outstanding indebtedness under the Super Senior RCF is less than EUR 9,000,000, the Issuer may increase
 - (i) the maximum amount of the Finance Leases permitted under paragraph (g)(ii) below,
 - (ii) the maximum amount of Financial Indebtedness incurred by any Russian Subsidiary under paragraph (m) below (calculated as the RUB equivalent at the time of such increase); and/or
 - (iii) the maximum amount of Permitted Factoring,
by an aggregate amount equal to the difference between EUR 9,000,000 and the actual outstanding indebtedness under the Super Senior RCF;
- (c) Financial Indebtedness related to hedging of commodities, interest rates or currency fluctuations in the ordinary course of business and on a non-speculative basis;
- (d) Financial Indebtedness arising out of any Permitted Loan, Permitted Guarantee or Permitted Security;
- (e) Financial Indebtedness incurred by the Issuer, provided that the Incurrence Test is met (tested pro forma immediately after the incurrence of such indebtedness) and provided such Financial Indebtedness of the Issuer ranks *pari passu* with or is subordinated to the obligations of the Issuer under the Bond Finance Documents;



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- (f) Financial Indebtedness arising as a result of a contemplated refinancing of the Bonds in full provided that such debt is held in escrow until full repayment of the Bonds;
- (g) Financial Indebtedness under any Finance Lease:
 - (i) or similar lease of farms, including farm land, entered into in the ordinary course of business (for the avoidance of doubt, except for any sale-and-lease back of existing farms and farm land); and
 - (ii) not permitted by paragraph (g)(i) above, provided that the aggregate capital value of all items leased thereunder by any Group Company does not exceed EUR 3,000,000 (or its equivalent in other currencies) at any time, which amount may be increased as set out in paragraph (b) above;
- (h) Financial Indebtedness subordinated to the Bonds according to the Intercreditor Agreement;
- (i) Financial Indebtedness under any customary cash management, cash pooling or netting or setting off arrangements entered into in the ordinary course of business;
- (j) any Financial Indebtedness incurred under the Existing Financing until the earlier of (i) the Completion Date and (iii) the date falling three months after the Issue Date;
- (k) any trade credit received (including for the avoidance of doubt but not limited to any liability under any advance or deferred purchase agreement) by any member of the Group from any of its trading partners in the ordinary course of its trading activities;
- (l) any pension debt incurred in the ordinary course of business;
- (m) Financial Indebtedness incurred by any of the Russian Subsidiaries with financial institutions up to a total amount of RUB 1,750,000,000 at any time, which amount may be increased as set out in paragraph (b) above;
- (n) any Financial Indebtedness incurred pursuant to LED Leases;
- (o) any Financial Indebtedness incurred under the IFC Put Option; and
- (p) any other Financial Indebtedness not permitted by the preceding paragraphs and the aggregate outstanding principal amount of which does not exceed an aggregate amount corresponding to EUR 1,500,000 at any time.

“Permitted Guarantees” means:

- (a) any guarantee obligation arising under or out of the Bond Finance Documents or in respect of obligations under the Super Senior RCF;



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- (b) the endorsement of negotiable instruments in the ordinary course of trade;
- (c) any guarantee given in respect of the cash pooling, netting or set-off arrangements permitted pursuant to paragraph (c) of the definition of Permitted Security;
- (d) guarantees given by a Group Company to a landlord in its capacity as such;
- (e) any guarantee constituting Permitted Financial Indebtedness or a guarantee granted in order to secure Permitted Financial Indebtedness of any Group Company;
- (f) customary indemnities given in mandate, engagement and commitment letters;
- (g) any guarantee issued by a member of the Group to any of its trading partners in the ordinary course of its trading activities, including any guarantee guaranteeing performance by a member of the Group under any contract (other than in respect of Financial Indebtedness) entered into in the ordinary course of business and any indemnity given in the ordinary course of the documentation of an acquisition or disposal transaction;
- (h) any guarantee issued in respect of pension liabilities arising in the ordinary course of business; and
- (i) any guarantees or indemnities not permitted by the preceding paragraphs and the outstanding principal amount of which does not exceed EUR 1,000,000 (or its equivalent in other currencies) in aggregate of the Group at any time.

“Permitted Loan” means:

- (a) any Financial Indebtedness or loan made by a Group Company to another Group Company;
- (b) any Financial Indebtedness or loan made or credit extended by any Group Company to its customers in the ordinary course of business or otherwise in the ordinary course of its trading activities;
- (c) any Financial Indebtedness arising out of any Permitted Guarantee or Permitted Security;
- (d) investment in any Cash Equivalent Investment; and
- (e) any Financial Indebtedness or loan not permitted pursuant to the preceding paragraphs and the aggregate principal amount of which does not exceed EUR 1,000,000 (or its equivalent in other currencies) at any time.

“Permitted Security” means:

- (a) any Transaction Security, including cash collateral to secure obligations under the



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Bond Finance Documents;

- (b) any Security arising by operation of law and in the ordinary course of trading, provided that if such Security has arisen as a result of any default or omission by any member of the Group it shall not subsist for a period of more than 30 calendar days;
- (c) any cash pooling, netting or set-off arrangement entered into by any Group Company in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances of Group Companies;
- (d) any Security arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to a Group Company in the ordinary course of business and not arising as a result of a default or omission by any Group Company that is continuing for a period of more than 30 calendar days;
- (e) any right of set-off arising under contracts entered into by Group Companies in the ordinary course of their day-to-day business;
- (f) any Security arising over any bank accounts or custody accounts or other clearing banking facilities held with any bank or financial institution under the standard terms and conditions of such bank or financial institution;
- (g) any payment or close out netting, set-off or collateral arrangement pursuant to any hedging transactions entered into by a member of the Group which constitute Permitted Financial Indebtedness, excluding any Security under any credit support arrangement;
- (h) any Security granted as security for the Existing Financing until the earlier of:
 - (i) in respect of Security other than the Existing Foreign Security, the Completion Date;
 - (ii) in respect of the Existing Foreign Security, the date falling 30 calendar days after the Issue Date; and
 - (iii) the date falling three months after the Issue Date;
- (i) any Security over or affecting any asset acquired by, or any asset of any company which becomes, a member of the Group after the Issue Date (where the Security is created prior to the date on which that company becomes a member of the Group) if (i) the Security was not created in contemplation of the acquisition of that asset or company, (ii) the principal amount secured has not been increased in contemplation of or since the acquisition of that asset or company and (iii) the Security is removed or discharged within four months of the date of acquisition of such asset or that company becoming a member of the Group;



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- (j) any Security arising as a consequence of any Finance Lease permitted pursuant to the definition of Permitted Financial Indebtedness;
- (k) any Security granted by any of the Russian Subsidiaries over their respective assets as security for the Financial Indebtedness referred to under item (m) of the definition of Permitted Financial Indebtedness;
- (l) any Security over any rental deposits in respect of any property leased or licensed by a member of the Group;
- (m) any Security arising under LED Leases;
- (n) any Security created in the form of a pledge over an escrow account (with no other amount on such account than the proceeds from the refinancing notes issued) to which the proceeds incurred in relation to a refinancing of the Bonds in full (a “**Refinancing**”) are intended to be received;
- (o) any Security created for the benefit of the financing providers in relation to a Refinancing, however provided always that any perfection requirements in relation thereto are satisfied after repayment of the Bonds in full; and
- (p) any Security not permitted pursuant to the preceding paragraphs securing Financial Indebtedness the aggregate principal amount of which does not exceed EUR 1,500,000 (or its equivalent in other currencies) at any time.

“**Person**” means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organisation, government, or any agency or political subdivision thereof, or any other entity, whether or not having a separate legal personality.

“**Put Option**” shall have the meaning ascribed to such term in Clause 10.5 (*Mandatory repurchase due to a Put Option Event*).

“**Put Option Event**” means a Listing Failure Event or a Change of Control Event.

“**Put Option Repayment Date**” means the settlement date for the Put Option Event pursuant to Clause 10.5 (*Mandatory repurchase due to a Put Option Event*).

“**Reference Rate**” shall mean EURIBOR (European Interbank Offered Rate) being (i) the applicable percentage rate per annum displayed on Reuters screen EURIBOR01 (or through another system or website replacing it) as of or around 11.00 a.m. (Brussels time) on the Interest Quotation Day for the offering of deposits in Euro and for a period comparable to the relevant Interest Period; (ii) if no screen rate is available for the relevant Interest Period, the arithmetic mean of the rates (rounded upwards to four decimal places), as supplied to the Bond Trustee at its request quoted by banks reasonably selected by the Bond Trustee, for deposits of EUR 10,000,000 for the relevant period; or (iii) if no quotation is available pursuant to paragraph (ii), the interest rate which according to the reasonable assessment of the Bond Trustee and the Issuer best reflects the interest rate for deposits in Euro offered for the relevant



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Interest Period; and in each case, if any such rate is below zero, EURIBOR will be deemed to be zero.

“Relevant Date” has the meaning given to it in paragraph (a) of Clause 7.8 (*Financial statements*).

“Relevant Jurisdiction” means the country in which the Bonds are issued, being Denmark.

“Relevant Period” means each period of 12 consecutive calendar months.

“Relevant Record Date” means the date on which a Bondholder’s ownership of Bonds shall be recorded in the Securities Depository as follows:

- (a) in relation to payments pursuant to these Bond Terms, the date designated as the Relevant Record Date in accordance with the rules of the Securities Depository from time to time;
- (b) for the purpose of casting a vote in a Bondholders’ Meeting, the date falling on the immediate preceding Business Day to the date of that Bondholders’ Meeting being held, or another date as accepted by the Bond Trustee; and
- (c) for the purpose of casting a vote in a Written Resolution:
 - (i) the date falling three Business Days after the Summons have been published; or,
 - (ii) if the requisite majority in the opinion of the Bond Trustee has been reached prior to the date set out in paragraph (i) above, on the date falling on the immediate Business Day prior to the date on which the Bond Trustee declares that the Written Resolution has been passed with the requisite majority.

“Repayment Date” means any Call Option Repayment Date, the Voluntary Partial Redemption Option Repayment Date, the Default Repayment Date, the Put Option Repayment Date, the Tax Event Repayment Date, the Excess Free Cashflow Repayment Date, the Longstop Date or the Maturity Date.

“Representative” shall have the meaning ascribed to it in paragraph (h) of Clause 17.2 (*Procedure for arranging a Bondholders’ Meeting*).

“Restricted Disposal” shall have the meaning ascribed to it in paragraph (a)(ii) of Clause 14.17 (*Disposals*).

“Restricted Payment” shall have the meaning ascribed to it in paragraph (a) of Clause 14.5 (*Distributions*).

“Restricted Subsidiaries” means any Subsidiary of the Issuer incorporated in Russia which is subject to contractual restrictions on granting guarantees (or other restrictions with similar effect) pursuant to financing agreements entered into from time



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to time as the contractual basis for the Financial Indebtedness referred to in item (m) of the definition of Permitted Financial Indebtedness.

“Roll-over Bondholders” means holders of Existing Bonds, who have exercised the option to settle the subscription price for the Bonds by way of Roll-over Bonds in accordance with Clause 2.4 (*Settlement*).

“Roll-over Bonds” has the meaning ascribed to such term in Clause 2.4 (*Settlement*).

“Roll-over Bonds Remuneration” means, for each Roll-over Bond, the aggregate of (i) principal at the early redemption price of 101.95 per cent. of the nominal amount of each Roll-over Bond, and (ii) interest on each Roll-over Bond for the period beginning on (but excluding) the interest payment date of the Existing Bonds falling immediately prior to the Issue Date and ending on (and including) the Issue Date.

“Russian Share Pledges” shall have the meaning ascribed to such term in paragraph (b) of Clause 2.6 (*Transaction Security and Intercreditor Agreement*).

“Russian Subsidiaries” means Idavang Agro LLC and its subsidiaries (which shall include both direct and indirect subsidiaries) defined in accordance with GAAP.

“Schedule” means each of the schedules to these Bond Terms.

“Secured Parties” has the meaning ascribed to such term in the Intercreditor Agreement.

“Securities Depository” means the central securities depository in which the Bonds are registered, being VP SECURITIES A/S.

“Security” means a mortgage, charge, pledge, lien, security assignment or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

“Security Agent” means the Security Agent appointed pursuant to the Intercreditor Agreement by, *inter alia*, the Bond Trustee (on behalf of itself and the Bondholders) and the other Secured Parties or any successor Security Agent, acting for and on behalf of the Secured Parties in accordance with the Intercreditor Agreement or any other Bond Finance Document.

“Structural Intra-Group Loan” shall have the meaning ascribed to it in paragraph (a)(v) of Clause 2.6 (*Transaction Security and Intercreditor Agreement*).

“Subsidiaries” means the subsidiaries of the Issuer or any Danish Guarantor (as applicable) (which shall include both direct and indirect subsidiaries) defined in accordance with GAAP and **“Subsidiary”** means any of them.

“Summons” means the call for a Bondholders’ Meeting or a Written Resolution as the case may be.



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“Super Senior Creditors” has the meaning ascribed to such term in the Intercreditor Agreement.

“Super Senior RCF” has the meaning ascribed to the term Super Senior Credit Facility in the Intercreditor Agreement.

“TARGET Day” means any day on which the Trans-European Automated Real-time Gross Settlement Express Transfer payment system is open for the settlement of payments in euro.

“Tax Event Repayment Date” means the date set out in a notice from the Issuer to the Bondholders pursuant to Clause 10.6 (*Early redemption option due to a tax event*).

“Temporary Bonds” has the meaning ascribed to such term in paragraph (b)(ii)(A) of Clause 2.4 (*Settlement*).

Transaction Costs means all fees, costs and expenses (including the fees and costs of legal counsel to the Managers, the Super Senior Creditors) incurred by a Group Company in connection with (a) the Bond Issue, (b) the Super Senior RCF and the Hedging Agreements, (c) the Transaction Security, (d) the repayment of the Existing Loans, and (e) the listing of the Bonds.

“Transaction Security” means the Security created or expressed to be created in favour of the Security Agent (on behalf of the Secured Parties) pursuant to the Transaction Security Documents.

“Transaction Security Documents” means:

- (a) collectively, the Escrow Account Pledge, the Custody Account Pledge and all of the documents which shall be executed or delivered pursuant to Clause 2.6 (*Transaction Security and Intercreditor Agreement*) expressed to create any Security by the relevant grantor thereof in respect of the Issuer’s obligations under any of the Bond Finance Documents; and
- (b) any other document constituting a Security Document as such term is defined in the Intercreditor Agreement.

“Voluntary Partial Redemption Option” has the meaning given to it in Clause 10.3 (*Voluntary partial redemption*).

“Voluntary Partial Redemption Option Repayment Date” means the settlement date for the Voluntary Partial Redemption Option determined by the Issuer pursuant to Clause 10.4 (*Redemption notices*), or a date agreed upon between the Bond Trustee and the Issuer in connection with such redemption of Bonds.

“Voting Bonds” means the Outstanding Bonds less the Issuer’s Bonds and a Voting Bond shall mean any single one of those Bonds.

“Voting Period” shall have the meaning ascribed to it in paragraph (e)(ii) of Clause



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17.5 (*Written Resolutions*).

“**Written Resolution**” means a written (or electronic) solution for a decision making among the Bondholders, as set out in Clause 17.5 (*Written Resolutions*).

1.2 Construction

In these Bond Terms, unless the context otherwise requires:

- (a) headings are for ease of reference only;
- (b) words denoting the singular number will include the plural and vice versa;
- (c) references to Clauses are references to the Clauses of these Bond Terms;
- (d) references to a time are references to Central European time unless otherwise stated;
- (e) references to a provision of “**law**” is a reference to that provision as amended or re-enacted, and to any regulations made by the appropriate authority pursuant to such law;
- (f) references to a “**regulation**” includes any regulation, rule, official directive, request or guideline by any official body;
- (g) references to Bonds being “**redeemed**” means that such Bonds are cancelled and discharged in the Securities Depository in a corresponding amount, and that any amounts so redeemed may not be subsequently re-issued under these Bond Terms;
- (h) references to Bonds being “**purchased**” or “**repurchased**” by the Issuer means that such Bonds may be dealt with by the Issuer as set out in Clause 11.2 (*Issuer's purchase of Bonds*);
- (i) references to persons “**acting in concert**” shall be interpreted pursuant to the relevant provisions of the Capital Markets Act; and
- (j) an Event of Default is “**continuing**” if it has not been waived.

2 The Bonds

2.1 Amount, denomination and ISIN of the Bonds

- (a) The Issuer has resolved to issue Bonds in the amount of EUR 75,000,000 (the “**Bond Issue**”). No additional bonds may be issued pursuant to these Bond Terms.
- (b) The Bonds are denominated in euro (EUR), being the single currency of the participating member states in accordance with the legislation of the European Community relating to Economic and Monetary Union.



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- (c) The Bonds shall be registered in the Securities Depository in multiples of EUR 0.01 (nominal amount). All trades in Bonds as well as the initial subscription shall be in a minimum amount of EUR 100,000. A Bondholder who, as a result of trading such amounts, holds an amount which is less than EUR 100,000 in its account with the relevant clearing system will not be able to sell the remainder of such holding without first purchasing a principal amount of the Bonds at or in excess of EUR 100,000 such that its holding amounts to EUR 100,000 or above.
 - (d) The permanent ISIN of the Bonds is DK0030472618. All Bonds issued under the same ISIN will have identical terms and conditions as set out in these Bond Terms.
- 2.2 Tenor of the Bonds
The tenor of the Bonds is from and including the Issue Date to but excluding the Maturity Date.
- 2.3 Use of proceeds
The Issuer shall use the net proceeds from the Bond Issue for repayment of principal and payment of accrued but unpaid interest under the Existing Bonds (other than the Roll-over Bonds).
- 2.4 Settlement
 - (a) The Bonds shall be settled:
 - (i) in cash; or
 - (ii) in kind by the Roll-over Bondholder delivering Existing Bonds back to the Issuer on the Issue Date subject to subscriptions from such Roll-over Bondholder of the corresponding Bonds (Existing Bonds being so delivered as payment upon subscription for Bonds are referred to as “**Roll-over Bonds**”) at a settlement price equal to the Roll-over Bonds Redemption for each Roll-over Bond.
 - (b) On the Issue Date:
 - (i) for those Bonds, which are subscribed for in cash, Bonds will be issued to such Bondholders paying in cash in the permanent ISIN (ISIN DK0030472618)(the “**New Cash Bonds**”); and
 - (ii) for those Bonds, which are subscribed for in kind by delivery of Roll-over Bonds, the following will occur simultaneously:
 - (A) each Roll-over Bondholder paying by Existing Bonds will receive a nominal amount of Bonds corresponding to the nominal amount of Roll-over Bonds delivered by it, which will constitute a transaction whereby such Bonds are subscribed for at par. The Bonds issued against sale of the Roll-over Bonds are issued in a temporary ISIN code (ISIN DK0030472535) for the Bonds (the “**Temporary Bonds**”);



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- (B) each Roll-over Bondholder will receive cash payment of the aggregate of (i) the call premium of 1.95 per cent. of the nominal amount of each Roll-over Bond delivered by it and (ii) interest on the Roll-over Bond delivered by it for the period beginning on (but excluding) the interest payment date of the Existing Bonds falling immediately prior to the Issue Date and ending on (and including) the Issue Date (such amount being the “**Cash Element**”); and
- (C) each Roll-over Bondholder will sell its Roll-over Bonds to Company at a price equal to the Roll-over Bonds Remuneration for each Roll-over Bond, whereby the Issuer’s obligation vis-à-vis such Roll-over Bondholder in respect of the Roll-over Bonds Remuneration less the Cash Element will be set off against the obligation of such Roll-over Bondholder to pay the relevant subscription amount for the Temporary Bonds.
- (c) The Bond Trustee may direct that any Roll-over Bonds shall be transferred to the Custody Account.
- (d) The New Cash Bonds and the Temporary Bonds will be subject to the same terms and conditions, except as regards pre-disbursement Security, where the New Cash Bonds will benefit from Security over the Escrow Account holding the net cash proceeds from the subscription for the New Cash Bonds, and the Temporary Bonds will be benefit from Security over a Custody Account to which the Roll-over Bonds may be credited in accordance with paragraph (c) above.
- (e) The ISIN code for the Temporary Bonds will be merged with the ISIN code for the New Cash Bonds on or immediately after the Completion Date.

2.5 Status of the Bonds

The Bonds will be senior secured obligations of the Issuer and will:

- (a) be secured by the Transaction Security but will receive proceeds from the enforcement thereof in accordance with the order of priority set out in the Intercreditor Agreement;
- (b) be *pari passu* in right of payment with all existing and future indebtedness of the Issuer that is not subordinated in right of payment to the Bonds, including indebtedness incurred under the Super Senior RCF and the Hedging Agreements, provided, however, that any insolvency proceeds will be applied in accordance with the order of priority set out in the Intercreditor Agreement;
- (c) be senior in right of payment to all existing and future indebtedness of the Issuer that is subordinated in right of payment to the Bonds; and
- (d) be subordinated to any existing and future indebtedness of the Issuer that is mandatorily preferred by law.



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2.6

Transaction Security and Intercreditor Agreement

- (a) As Security for the due and punctual fulfilment of the Bond Liabilities, the Issuer shall procure that the following Transaction Security is granted in favour of the Security Agent with first or subsequent, as applicable, priority within the times agreed in Clause 6 (*Conditions for disbursement*):
- (i) the Escrow Account Pledge (it being noted that unlike other Transaction Security, the Escrow Account Pledge will only secure the obligations under or in connection with the New Cash Bonds);
 - (ii) the Custody Account Pledge (it being noted that unlike other Transaction Security, the Custody Account Pledge will only secure obligations to return the Roll-over Bonds);
 - (iii) a first or subsequent priority, as applicable, pledge of all shares owned by the Group in each Original Guarantor;
 - (iv) negative pledges registered in the Danish Personal Register (in Danish: *Personbogen*) in respect of the Issuer and each Original Guarantor incorporated in Denmark;
 - (v) a first priority assignment by the Issuer of its rights under intra-Group loan(s) granted to Idavang Agro LLC in an aggregate amount of approximately RUB 907,900,465 (the "**Structural Intra-Group Loan**"); and
 - (vi) subsequent priority mortgages (the "**Mortgages**") over all of the Group's real estate located in Lithuania (except for certain buildings intended to be demolished with an approximate aggregate book value as of 30 June 2020 of EUR 400,000) (the "**Mortgaged Real Property**"), such Mortgaged Real Property having an approximate book value as of 30 June 2020 of EUR 31,033,000.
- (b) The Issuer shall procure that no later than the date falling 30 calendar days after the Issue Date, a first priority pledge of all shares owned by the Group in each of Idavang Agro LLC, Idavang Luga LLC and Idavang LLC (the "**Russian Share Pledges**") is granted as Transaction Security in favour of the Security Agent.
- (c) These Bond Terms are entered into subject to, and with the benefit of, the provisions set out in the Intercreditor Agreement.
- (d) The Transaction Security (except for the Escrow Account Pledge and the Custody Account Pledge) is shared with the Super Senior Creditors which are granted super senior status in respect of the enforcement proceeds or the proceeds from a distressed disposal as set out in more detail in the Intercreditor Agreement.
- (e) The Transaction Security and the Intercreditor Agreement shall be entered into on such terms and conditions as the Bond Trustee in its discretion deems appropriate in order to create the intended benefit for the Bond Creditors forming part of the Secured Parties under the relevant document.



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3 The Bondholders

3.1 Bond Terms binding on all Bondholders

- (a) Upon registration of the Bonds in the Securities Depository, the Bondholders shall be bound by the terms and conditions of these Bond Terms and any other Bond Finance Document without any further action or formality being required to be taken or satisfied.
- (b) The Bond Trustee is always acting with binding effect on behalf of all the Bondholders.

3.2 Limitation of rights of action

- (a) No Bondholder is entitled to take any enforcement action, instigate any insolvency procedures, or take other action against the Issuer, the Guarantors or any other party in relation to any of the liabilities of the Issuer, the Guarantors or any other party under or in connection with the Bond Finance Documents, other than through the Bond Trustee and in accordance with these Bond Terms, provided, however, that the Bondholders shall not be restricted from exercising any of their individual rights derived from these Bond Terms, including the right to exercise the Put Option.
- (b) Each Bondholder shall immediately upon request by the Bond Trustee provide the Bond Trustee with any such documents, including a written power of attorney (in form and substance satisfactory to the Bond Trustee), as the Bond Trustee deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Bond Finance Documents. The Bond Trustee is under no obligation to represent a Bondholder which does not comply with such request.

3.3 Bondholders' rights

- (a) If a beneficial owner of a Bond not being registered as a Bondholder wishes to exercise any rights under the Bond Finance Documents, it must obtain proof of ownership of the Bonds, acceptable to the Bond Trustee.
- (b) A Bondholder (whether registered as such or proven to the Bond Trustee's satisfaction to be the beneficial owner of the Bond as set out in paragraph (a) above) may issue one or more powers of attorney to third parties to represent it in relation to some or all of the Bonds held or beneficially owned by such Bondholder. The Bond Trustee shall only have to examine the face of a power of attorney or similar evidence of authorisation that has been provided to it pursuant to this Clause 3.3 and may assume that it is in full force and effect, unless otherwise is apparent from its face or the Bond Trustee has actual knowledge to the contrary.

4 Admission to listing

- (a) The Issuer shall procure that the Bonds are listed on an Exchange within six months of the Issue Date and remain listed on an Exchange until the Bonds have been redeemed in full.



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- (b) The Issuer shall further use its reasonable endeavours to procure that the Bonds are listed on the Open Market of the Frankfurt Stock Exchange as soon as reasonably possibly after the Issue Date and remain listed on such exchange until the Bonds have been redeemed in full.

5 Registration of the Bonds

5.1 Registration in the Securities Depository

The Bonds shall be registered in dematerialised form in the Securities Depository according to the relevant securities registration legislation and the requirements of the Securities Depository.

5.2 Obligation to ensure correct registration

The Issuer will at all times ensure that the registration of the Bonds in the Securities Depository is correct and shall immediately upon any amendment or variation of these Bond Terms give notice to the Securities Depository of any such amendment or variation.

5.3 Country of issuance

The Bonds have not been issued under any other country's legislation than that of the Relevant Jurisdiction. Save for the registration of the Bonds in the Securities Depository, the Issuer is under no obligation to register, or cause the registration of, the Bonds in any other registry or under any other legislation than that of the Relevant Jurisdiction.

6 Conditions for disbursement

6.1 Conditions precedent for disbursement to the Issuer

- (a) Payment of the net proceeds from the issuance of the Bonds into the Escrow Account shall be conditional on the Bond Trustee having received in due time (as determined by the Bond Trustee) prior to the Issue Date each of the following documents, in form and substance satisfactory to the Bond Trustee:
 - (i) the Bond Terms duly executed by all parties thereto;
 - (ii) the Bond Trustee Agreement duly signed by all parties thereto;
 - (iii) the Escrow Account Pledge and the Custody Account Pledge duly executed by all parties thereto and perfected in accordance with applicable law;
 - (iv) the Intercreditor Agreement duly executed by all parties thereto;
 - (v) approval from IFC to the Issuer whereby IFC approves the consent to and waiver proposed by the Issuer to section 8.5.(4) of the articles of association of the Issuer to the effect that the shares of the Issuer's subsidiaries may be pledged as contemplated in the Bond Terms;
 - (vi) copies of all corporate resolutions of the Issuer and each Original Guarantor required for the Issuer to issue the Bonds and for the Issuer and each Original Guarantor to execute the Bond Finance Documents to which it is a party;



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- (vii) a copy of a power of attorney from the Issuer and each Original Guarantor to relevant individuals for their execution of the Bond Finance Documents to which it is a party, or extracts from the relevant register or similar documentation evidencing such individuals' authorisation to execute such Bond Finance Documents on behalf of the Issuer and each Original Guarantor;
 - (viii) copies of any written documentation used in marketing the Bonds or made public by the Issuer or the Managers in connection with the issuance of the Bonds;
 - (ix) copies of the Issuer's and each Original Guarantor's latest audited annual financial statements and of the Issuer's most recent consolidated monthly management accounts;
 - (x) copies of the Issuer's articles of association and of a full extract from the relevant company register in respect of the Issuer evidencing that the Issuer is validly existing and its status is normal;
 - (xi) copies of each Original Guarantor's constitutional documents and of a full extract from the relevant company register in respect of each Original Guarantor evidencing that the relevant Original Guarantor is validly existing and its status is normal; and
 - (xii) legal opinions from the Managers' Danish legal counsel and the Issuer's and/or the Managers' Lithuanian legal counsel as may be required by the Bond Trustee and/or the Managers (including in respect of corporate matters relating to the Issuer and each Original Guarantor and the legality, validity and enforceability of the Bond Terms, the Escrow Account Pledge, the Custody Account Pledge and the Intercreditor Agreement).
- (b) The net proceeds from the issuance of the Bonds will not be released from the Escrow Account and disbursed to the Issuer unless the Bond Trustee has received or is satisfied that it will receive in due time (as determined by the Bond Trustee) prior to such disbursement to the Issuer each of the following documents, in form and substance satisfactory to the Bond Trustee:
- (i) confirmation that the Bonds are registered in the Securities Depository;
 - (ii) legal opinions from the Managers' Danish legal counsel and the Issuer's and/or the Managers' Lithuanian and Russian legal counsel as may be required by the Bond Trustee and/or the Managers (including in respect of corporate matters relating to the Issuer and each Original Guarantor and the legality, validity and enforceability of the Transaction Security Documents (other than the Russian Share Pledges) and any other Bond Finance Documents not already opined on);
 - (iii) the Transaction Security Documents (other than the Russian Share Pledges) duly signed by all parties thereto (including any necessary corporate



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resolution and documentation from security providers) and evidence of the establishment and perfection of the Transaction Security (other than the Russian Share Pledges) as set out therein;

- (iv) a copy of the agreement(s) evidencing the Structural Intra-Group Loan;
 - (v) the redemption notice issued by the Issuer in respect of the Existing Bonds evidencing that the Existing Bonds may be redeemed on the Completion Date;
 - (vi) either (i) a duly executed release notice from the agent under the Existing Super Senior RCF confirming the amount required to repay the Existing Super Senior RCF (including all accrued but unpaid interest) on the Completion Date and that the Security and guarantees in respect of the Super Senior RCF will be discharged upon such payment or (ii) a confirmation of the agent under the Existing Super Senior RCF that the Existing Super Senior RCF has been or will be extended;
 - (vii) duly executed release notices from the bond trustee under the Existing Bonds confirming the amount required to repay the Existing Bonds (including all accrued but unpaid interest) on the Completion Date and that the Security and guarantees in respect of the Existing Bonds will be discharged upon such payment;
 - (viii) a funds flow statement evidencing that the Existing Financing will be repaid in full (and that the Issuer at the relevant time will have sufficient funds for such repayment);
 - (ix) confirmation by the Issuer that no Event of Default has occurred and is continuing or will result from the release from the Escrow Account; and
 - (x) any other Bond Finance Documents (other than the Russian Share Pledges) duly signed by all parties thereto.
- (c) The Bond Trustee, acting in its reasonable discretion, may waive the deadline or the requirements for documentation set out in this Clause 6.1, or decide in its discretion that delivery of certain documents as set out in this Clause 6.1 shall be made subject to an agreed closing procedure between the Bond Trustee and the Issuer.

6.2 Disbursement

- (a) Disbursement of the proceeds from the issuance of the Bonds and release of the pledge over the Custody Account is conditional on the Bond Trustee's confirmation to the Paying Agent that the conditions in Clause 6.1 (*Conditions precedent for disbursement to the Issuer*) have been either satisfied in the Bond Trustee's discretion or waived by the Bond Trustee pursuant to paragraph (c) of Clause 6.1 (*Conditions precedent for disbursement to the Issuer*) above.



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- (b) Upon the Bond Trustee's confirmation to the account bank in respect of the Escrow Account that the conditions precedent listed in paragraph (b) of Clause 6.1 (*Conditions precedent for disbursement to the Issuer*) have been either satisfied or waived, the Bond Trustee shall immediately:
 - (i) instruct the bank with which the Escrow Account is held to promptly transfer the funds from the Escrow Account in accordance with the Funds Flow;
 - (ii) if transferred to the Custody Account, release the Roll-over Bonds from the Custody Account for the purposes of the Issuer's cancellation in Security Depository's systems; and
 - (iii) release the pledge over the Escrow Account and the Custody Account.

7 Representations and warranties

7.1 General

The Issuer and each Guarantor makes the representations and warranties set out in Clause 7.2 (*Due incorporation*) to Clause 7.20 (*Transaction Security Documents*), in respect of itself and, where applicable, in respect of its Subsidiaries, to the Bond Trustee (on behalf of the Bondholders) at the following times and with reference to the facts and circumstances then existing:

- (a) at the Issue Date; and
- (b) at the Completion Date.

7.2 Due incorporation

It has been duly incorporated and are validly existing under the law of its jurisdiction of incorporation with full power and authority to own, lease and operate its properties and conduct its business as presently conducted and to execute and perform its obligations under these Bond Terms and to perform its obligations under the Bonds.

7.3 Due authorisation

- (a) The Issuer has full corporate power and capacity to issue the Bonds and to enter into, perform its obligations under and deliver the Bond Finance Documents to which it is a party and all approvals and authorisations required by the Issuer for or in connection with the execution, issue, registration and offering of the Bonds and compliance by the Issuer with the terms of, and performance of its obligations under, the Bonds Terms have been obtained and are in full force and effect.
- (b) Each Guarantor has full corporate power and capacity to enter into, perform its obligations under and deliver the Bond Finance Documents to which it is a party and all approvals and authorisations required by each Guarantors for or in connection with the execution and delivery of, and compliance with the terms of, and performance of its obligations under, the Bond Finance Documents have been obtained and are in full force and effect.



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- 7.4 **Validity of Bond Terms and other Bonds Finance Documents**
These Bond Terms constitute and, upon issue, due execution, issue and delivery (as applicable), the Bonds, the Intercreditor Agreement and the Security Documents will constitute, legal, valid and binding obligations of the Issuer and/or the Guarantors party to them enforceable in accordance with their respective terms, subject to the Legal Reservations.
- 7.5 **Compliance**
The execution and delivery of the Bond Finance Documents, the issue, offering and distribution of the Bonds and the compliance with the terms of, and performance of the obligations of the Issuer and the Guarantors under the Bonds and the Bond Finance Documents, will not infringe any law, regulation, order, rule, decree or statute applicable to the Issuer and the Guarantors or to which its or their property may be subject and will not result in any breach of the terms of, or constitute a default under, any material instrument, agreement or order to which the Issuer or a Guarantor is a party or by which the Issuer's or a Guarantor's property is bound, in each case, which might have or have had a Material Adverse Effect on the Issuer's and/or a Guarantor's possibilities of fulfilling its obligations under the Bonds.
- 7.6 **Approvals**
(i) All required consents, approvals, authorisations, orders, filings, registrations or qualifications of or with any court or governmental authority have been given, fulfilled or done and (ii) no other action or thing (including, without limitation, the payment of any stamp or other similar tax or duty) is required to be taken, fulfilled or done, by the Issuer and the Guarantors for or in connection with:
- (a) the execution, issue, offering and delivery of the Bonds and compliance by the Issuer and the Guarantors with the terms of the Bonds; and/or
 - (b) the execution and delivery of, and compliance with the terms of, and performance of the obligations of the Issuer and the Guarantors under the Bond Finance Documents,
- subject to the Legal Reservations.
- 7.7 **Information**
(a) All information which has been presented to the Bond Trustee, the Bondholders or the Managers in relation to the Bonds is, to the best knowledge of the Issuer, having taken all reasonable measures to ensure the same:
- (i) true and accurate in all material respects as at the date the relevant information is expressed to be given; and
 - (ii) does not omit any material information likely to affect the accuracy of the information as regards the evaluation of the Bonds in any material respects unless subsequently disclosed to the Bond Trustee in writing or otherwise made publicly known.



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- (b) The opinions and intentions expressed in information which has been presented to the Bond Trustee, the Bondholders or the Managers in relation to the Bonds is, to the best knowledge of the Issuer, having taken all reasonable measures to ensure the same were or, as the case may be, are honestly held, have been reached after considering all relevant circumstances and were or, as the case may be, are based on reasonable assumptions.

7.8 Financial statements

- (a) The audited consolidated financial statements of the Issuer and each Guarantor for the financial years ended 31 December 2017, 31 December 2018 and 31 December 2019 (the “**Audited Accounts**”) were prepared in accordance with GAAP, consistently applied, and requirements of law and they give a true and fair view of (A) the consolidated financial condition of the Issuer or the Guarantor (as applicable) as at the date to which they were prepared (the “**Relevant Date**”) and (B) the consolidated results of operations of the Issuer or the relevant Guarantor (as applicable) for the financial period ended on the Relevant Date.
- (b) There has been no material adverse change or any development involving a prospective material adverse change in the consolidated condition (financial or otherwise), results of operations, prospects or business affairs of the Issuer since the date of the last Audited Accounts.

7.9 Conduct of business

It and each of its Subsidiaries (i) has all material licences, permits, authorisations, consents and approvals, certificates, registrations and orders and has made all necessary declarations and filings with all government agencies that are necessary to own or lease its properties and conduct its businesses as presently conducted and (ii) is, in all material respects, conducting its business and operations in compliance with all applicable laws, regulations and guidelines.

7.10 *Pari passu*

- (a) The Bonds will constitute direct, general, unconditional, unsubordinated and secured claims against the Issuer, which will at any time rank *pari passu* and have at least the same rights as all other present and future unsecured claims against the Issuer, save for (i) such obligations as may be preferred by provisions of law that are both mandatory and of general application and (ii) the obligations owed to the Super Senior Creditors in accordance with the Intercreditor Agreement.
- (b) Each Guarantee will constitute direct, general, unconditional, unsubordinated and secured claims against the relevant Guarantor, which will at any time rank *pari passu* and have at least the same rights as all other present and future unsecured claims against such Guarantor, save for (i) such obligations as may be preferred by provisions of law that are both mandatory and of general application and (ii) the obligations owed to the Super Senior Creditors in accordance with the Intercreditor Agreement.



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- 7.11 No Event of Default
No event has occurred or circumstance has arisen that might constitute (after an issue of the Bonds) an Event of Default or which with the giving of notice or lapse of time or other condition might constitute such an event.
- 7.12 No breach
It is not in breach of the terms of, or in default under, any material instrument, agreement or order to which it is a party or by which it or its property is bound and no event has occurred which with the giving of notice or lapse of time or other condition would constitute a default under any such instrument, agreement or order which might have or have had a material adverse effect on its possibilities of fulfilling its obligations under the Bonds.
- 7.13 No material litigation
Neither it nor any of its Subsidiaries is engaged, and has not been engaged in the previous 12 months, in, nor has it knowledge of the existence of, or any threat of, any legal, arbitration, administrative, governmental or other proceedings the result of which might relate to claims or amounts which might be material in the context of the Bond Finance Documents and/or the issue and offering of the Bonds or which might have or have had, either alone or in the aggregate, a material adverse effect on its possibilities of fulfilling its obligations under the Bonds.
- 7.14 No winding up
It and any of its Subsidiaries has not taken any action nor, to the best of its knowledge or belief having made all reasonable enquiries, have any steps been taken or legal proceedings commenced for the winding up or dissolution of it or any of its Subsidiaries.
- 7.15 Anti-bribery, anti-corruption and Sanctions
(a) It and each of its Subsidiaries has conducted and is conducting its businesses in compliance with applicable anti-corruption and anti-money laundering laws and regulations and with applicable sanctions administered or enforced by the United Nations, the United States, the European Union or any other applicable national body.

(b) It is not owned or controlled by a person or entity that is subject of such sanctions, and it and/or the Group has through its code of ethics established procedures designed to promote and achieve compliance with such laws, regulations and sanctions. Neither it nor any of its Subsidiaries, nor, to its best knowledge, any of its or its Subsidiaries' directors, officers, or employees, has taken or will take any action that would constitute a breach of such laws, regulations or sanctions. No investigation, dispute or other action involving it and/or any of its Subsidiaries with respect to such laws, regulations or sanctions is pending or, to its best knowledge, threatened.
- 7.16 Taxation
(a) It and each of its Subsidiaries has complied with all applicable tax laws, filed all required tax returns, and paid all taxes and duties assessed at the correct time.



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- (b) Neither it nor any of its Subsidiaries are involved in any material disputes or disagreements with relevant tax authorities on the assessment of any taxes or duties, and it is not aware of any circumstance that is likely to lead to such disputes or disagreements.

7.17 No license

It is not necessary under the laws of the Kingdom of Denmark that any holder of Bonds should be licensed, qualified or otherwise entitled to carry on business in the Kingdom of Denmark (i) to enable any of them to exercise or enforce their respective rights under the Bonds or (ii) solely by reason of the performance of the Bonds.

7.18 No withholding and no stamp or other duty

- (a) All payments of principal, interest and other amounts in respect of the Bonds made to holders of the Bonds will be made without withholding for or deduction of any taxes or duties imposed or levied by or on behalf of the Kingdom of Denmark or any political subdivision or any authority thereof or therein having the power to tax, subject to any reservations set out in legal opinions delivered to the Bond Trustee and/or the Managers.
- (b) Subject to any reservations set out in legal opinions delivered to the Bond Trustee and/or the Managers, no stamp or other duty or similar tax is assessable or payable in, and no withholding or deduction for or on account of, any taxes, duties, assessments or governmental charges of whatever nature is required to be made by or within, the Kingdom of Denmark, Lithuania or Russia or other subdivision of or authority therein or thereof having power to tax, in each case in connection with the authorisation, execution or delivery of these Bond Terms or with the authorisation, execution, registration, issue, delivery or transfer of the Bonds or the performance or enforcement of the obligations of the Issuer and the Guarantors under these Bond Terms and the Bonds.

7.19 No immunity

Neither it, nor any of its Subsidiaries and any of their respective assets are entitled to immunity from suit, execution, attachment or other legal process in any jurisdiction.

7.20 Transaction Security Documents

- (a) Each Transaction Security Document creates, or when entered into, will create, subject the Legal Reservations, a legal, valid and effective security interest in the Transaction Security in favour of the Bond Trustee on behalf of the Bondholders.
- (b) The relevant pledgor under each Transaction Security Document has full legal title and ownership to the Transaction Security and the Transaction Security is free and clear of any other security interests or claim, and all necessary or required filing or action has been or will be duly taken before or on the Completion Date for perfecting the security interest in the Transaction Security and are or will be in full force and effect thereafter, so that the Transaction Security constitutes or will constitute during the term of the Bonds and the relevant Transaction Security Document a valid and perfected security interest, subject to the Legal Reservations.



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8 Payments in respect of the Bonds

8.1 Covenant to pay

- (a) The Issuer will unconditionally make available to or to the order of the Bond Trustee and/or the Paying Agent all amounts due on each Payment Date pursuant to the terms of these Bond Terms at such times and to such accounts as specified by the Bond Trustee and/or the Paying Agent in advance of each Payment Date or when other payments are due and payable pursuant to these Bond Terms.
- (b) All payments to the Bondholders in relation to the Bonds shall be made to each Bondholder registered as such in the Securities Depository at the Relevant Record Date, by, if no specific order is made by the Bond Trustee, crediting the relevant amount to the bank account nominated by such Bondholder in connection with its securities account in the Securities Depository.
- (c) Payment constituting good discharge of the Issuer's payment obligations to the Bondholders under these Bond Terms will be deemed to have been made to each Bondholder once the amount has been credited to the bank holding the bank account nominated by the Bondholder in connection with its securities account in the Securities Depository. If the paying bank and the receiving bank are the same, payment shall be deemed to have been made once the amount has been credited to the bank account nominated by the Bondholder in question.
- (d) If a Payment Date or a date for other payments to the Bondholders pursuant to the Bond Finance Documents falls on a day on which either of the relevant Securities Depository settlement system or the relevant currency settlement system for the Bonds are not open, the payment shall be made on the first following possible day on which both of the said systems are open, unless any provision to the contrary have been set out for such payment in the relevant Bond Finance Document.

8.2 Default interest

- (a) Default interest will accrue on any Overdue Amount from and including the Payment Date on which it was first due to and excluding the date on which the payment is made at the Interest Rate plus an additional two per cent. per annum.
- (b) Default interest accrued on any Overdue Amount pursuant to this Clause 8.2 will be added to the Overdue Amount on each Interest Payment Date until the Overdue Amount and default interest accrued thereon have been repaid in full.

8.3 Partial Payments

- (a) If the Paying Agent or the Bond Trustee receives a payment that is insufficient to discharge all amounts then due and payable under the Finance Documents (a "**Partial Payment**"), such Partial Payment shall, in respect of the Issuer's debt under the Bond Finance Documents be considered made for discharge of the debt of the Issuer in the following order of priority:
 - (i) firstly, towards any outstanding fees, liabilities and expenses of the Bond Trustee (and any Security Agent);
 - (ii) secondly, towards accrued interest due but unpaid; and



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(iii) thirdly, towards any principal amount due but unpaid.

- (b) Notwithstanding paragraph (a) above, any Partial Payment which is distributed to the Bondholders shall, subject to paragraph (c) below, be applied *pro rata* pursuant to the procedures of the Securities Depository towards payment of any accrued interest due but unpaid and of any principal amount due but unpaid.
- (c) A Bondholders' Meeting can only resolve that any overdue payment of any instalment will be reduced if there is a *pro rata* reduction of the principal that has not fallen due, however, the meeting may resolve that accrued interest (whether overdue or not) shall be reduced without a corresponding reduction of principal.

8.4 Taxation

- (a) Subject to paragraph (c) below, each Obligor is responsible for withholding any withholding tax imposed by applicable law on any payments to be made by it in relation to the Bond Finance Documents.
- (b) The Obligors shall, if any tax is withheld in respect of the Bonds under the Bond Finance Documents:
 - (i) gross up the amount of the payment due from the it up to such amount which is necessary to ensure that the Bondholders or the Bond Trustee, as the case may be, receive a net amount which is (after making the required withholding) equal to the payment which would have been received if no withholding had been required; and
 - (ii) at the request of the Bond Trustee, deliver to the Bond Trustee evidence that the required tax deduction or withholding has been made.
- (c) Gross up of payments from the Obligors shall not apply, if withholding tax is applicable by reason of payment to a non-Danish tax resident company Bondholder or Bond Trustee being deemed affiliated with the Obligor within the meaning of section 3 B of the Danish Tax Control Act.
- (d) Any public fees levied on the trade of Bonds in the secondary market shall be paid by the Bondholders, unless otherwise provided by law or regulation, and the Issuer shall not be responsible for reimbursing any such fees.

8.5 Currency

All amounts payable under the Bond Finance Documents shall be payable in the denomination of the Bonds set out in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*). If, however, the denomination differs from the currency of the bank account connected to the Bondholder's account in the Securities Depository, any cash settlement may be exchanged and credited to this bank account.

8.6 Set-off and counterclaims

No Obligor may apply or perform any counterclaims or set-off against any payment obligations pursuant to these Bond Terms or any other Bond Finance Document.



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9 Interest

9.1 Calculation of interest

- (a) Each Outstanding Bond will accrue interest at the Interest Rate on the Nominal Amount for each Interest Period, commencing on and including the first date of the Interest Period, and ending on but excluding the last date of the Interest Period.
- (b) Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis). The Interest Rate will be reset at each Interest Quotation Day by the Bond Trustee, who will notify the Issuer and the Paying Agent and, if the Bonds are listed, the Exchange, of the new Interest Rate and the actual number of calendar days for the next Interest Period.
- (c) Any interpolation of the interest rate will be quoted with the number of decimals corresponding to the quoted number of decimals of the Reference Rate.

9.2 Payment of Interest

Interest shall fall due on each Interest Payment Date for the corresponding preceding Interest Period and, with respect to accrued interest on the principal amount then due and payable, on each Repayment Date.

10 Redemption and repurchase of the Bonds

10.1 Redemption of Bonds

The Outstanding Bonds will mature in full on the Maturity Date and shall be redeemed by the Issuer on the Maturity Date at a price equal to 100 per cent. of the Nominal Amount.

10.2 Voluntary early redemption - Call Option

- (a) The Issuer may redeem all or part (however in a minimum amount equal to 10 per cent. of the Outstanding Bonds if in part) of the Outstanding Bonds (the “**Call Option**”) on any Business Day from and including:
 - (i) the Issue Date to, but not including, the First Call Date at a price equal to the Make Whole Amount;
 - (ii) the First Call Date to, but not including, the Interest Payment Date falling 36 months after the Issue Date at a price equal to 103.625 per cent. (the “**First Call Price**”) of the Nominal Amount redeemed;
 - (iii) the Interest Payment Date falling 36 months after the Issue Date to, but not including, the Interest Payment Date falling 42 months after the Issue Date at a price equal to 102.3925 per cent. of the Nominal Amount redeemed;
 - (iv) the Interest Payment Date falling 42 months after the Issue Date to, but not including, the Interest Payment Date falling 48 months after the Issue Date at a price equal to 101,8125 per cent. of the Nominal Amount redeemed;



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(v) the Interest Payment Date falling 48 months after the Issue Date to, but not including, the Interest Payment Date falling 57 months after the Issue Date at a price equal to 100,725 per cent. of the Nominal Amount redeemed; and

(vi) the Interest Payment Date falling 57 months after the Issue Date to the Maturity Date at a price equal to the Nominal Amount redeemed,

in each case plus accrued but unpaid interest, provided, in the case of any redemption in part, that Bonds corresponding to at least 60 per cent. of the Bond Issue remain outstanding after such redemption.

(b) Any redemption of Bonds pursuant to paragraph (a) above shall be determined based upon the redemption prices applicable on the Call Option Repayment Date.

10.3 Voluntary partial redemption

Provided that a Change of Control Event has not occurred and that Bonds corresponding to at least 60 per cent. of the Bond Issue remain outstanding after each such redemption, the Issuer may redeem the Bonds on one occasion per each 12 months' period (without carry-back or carry forward) in a maximum amount not exceeding 15 per cent. of the Bond Issue for each such redemption (the "**Voluntary Partial Redemption Option**"), at a price equal to the First Call Price of the Nominal Amount so redeemed together with any accrued but unpaid interest on the redeemed amounts.

10.4 Redemption notices

(a) The Call Option and the Voluntary Partial Redemption Option may be exercised by the Issuer by written notice to the Bond Trustee and the Bondholders at least 10, but not more than 20, Business Days prior to the proposed Repayment Date. Such notice sent by the Issuer shall specify the relevant Repayment Date. The notice is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent. Upon fulfilment of the conditions precedent (if any), the Issuer is bound to redeem the Bonds in full at the applicable amount on the specified Repayment Date.

(b) Any Call Option and the Voluntary Partial Redemption Option exercised in part will be used for *pro rata* payment to the Bondholders in accordance with the applicable regulations of the Securities Depository.

10.5 Mandatory repurchase due to a Put Option Event

(a) Upon the occurrence of a Put Option Event, each Bondholder will have the right (the "**Put Option**") to require that the Issuer purchases all, but not only some, of the Bonds held by that Bondholder at a price equal to 101 per cent. of the Nominal Amount.

(b) The Put Option must be exercised within 60 calendar days after the Issuer has given notice to the Bond Trustee and the Bondholders that a Put Option Event has occurred pursuant to paragraph (c) (*Put Option Event*) of Clause 13.1 (*Information from the Issuer*). Once notified, the Bondholders' right to exercise the Put Option will not fall away due to subsequent events related to the Issuer.



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- (c) Each Bondholder may exercise its Put Option by written notice to its account manager for the Securities Depository, who will notify the Paying Agent of the exercise of the Put Option. The Put Option Repayment Date will be the fifth Business Day after the end of the 60 calendar days exercise period referred to in paragraph (b) above.
 - (d) If Bonds representing more than 90 per cent. of the Outstanding Bonds have been repurchased pursuant to this Clause 10.5, the Issuer is entitled to repurchase all the remaining Outstanding Bonds at the price stated in paragraph (a) above by notifying the remaining Bondholders of its intention to do so no later than 20 calendar days after the end of the Put Option Repayment Date. Such prepayment may occur at the earliest on the 15th calendar day following the date of such notice.
- 10.6 Excess cashflow
 - (a) The Issuer shall apply 50 per cent. of the Free Cash Flow in respect of each financial year calculated on the basis of the relevant Annual Financial Statements of the Issuer, the first time for the financial year ending 31 December 2021, in redemption of the Bonds at a price equal to 102.3925 per cent. of the Nominal Amount redeemed.
 - (b) The Issuer shall notify the Bond Trustee and the Bondholders when delivering the Annual Financial Statements under paragraph (a)(i) of Clause 13.1 (*Information from the Issuer*) below of the amount of Free Cash Flow to be applied in redemption of the Bonds and such redemption shall be made on the first Business Day (the “**Excess Free Cashflow Repayment Date**”) falling (i) 30 calendar days after the date of delivery of the Annual Financial Statements for the relevant Financial Year or (ii) if earlier, 30 calendar days after the date on which the Annual Financial Statements became due for delivery under paragraph (a)(i) of Clause 13.1 (*Information from the Issuer*) below.
 - (c) Any partial redemption made with reference to this Clause 10.6 will be used for *pro rata* payment to the Bondholders in accordance with the applicable regulations of the Securities Depository.
- 10.7 Early redemption option due to a tax event

If the Issuer is or will be required to gross up any withheld tax imposed by law from any payment in respect of the Bonds under the Bond Finance Documents pursuant to Clause 8.4 (*Taxation*) as a result of a change in applicable law implemented after the date of these Bond Terms, the Issuer will have the right to redeem all, but not only some, of the Outstanding Bonds at a price equal to 100 per cent. of the Nominal Amount together with accrued but unpaid interest. The Issuer shall give written notice of such redemption to the Bond Trustee and the Bondholders at least 20 Business Days prior to the Tax Event Repayment Date, provided that no such notice shall be given earlier than 60 calendar days prior to the earliest date on which the Issuer would be obliged to withhold such tax were a payment in respect of the Bonds then due.
- 10.8 Mandatory early redemption at the Longstop Date
 - (a) In the event that the conditions precedent set out in Clause 6.1 (*Conditions precedent for disbursement to the Issuer*) have not been fulfilled within the Longstop



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Date, the Issuer shall immediately redeem the Bonds at a price of 101 per cent. of the Nominal Amount plus accrued interest, by *inter alia* transferring the funds deposited on the Escrow Account for such redemption to the account of the issuing agent, who will then initiate the redemption through the Securities Depository and, in respect of the Roll-over Bonds (if relevant), selling the Roll-over Bonds back to the relevant bondholders under the Existing Bonds.

- (b) In such case, the Roll-over Bonds shall be valued at the Roll-over Bonds Remuneration, provided that if an interest payment date under the Existing Bonds has occurred since the Issue Date, then the Roll-over Bonds Remuneration shall be reduced by the amount of such interest payment (the Roll-over Bonds Remuneration Amount as so adjusted, the “**Rollover Bonds Redelivery Amount**”). The obligation of the Existing Bondholder to pay the Roll-over Bonds Redelivery Amount will be set-off against the Issuer’s obligation in respect of redemption of the Temporary Bonds. Any excess amount shall be paid in cash.

11 Subscription, purchase and transfer of the Bonds

11.1 Issuer’s subscription for Bonds

The Issuer and any Group Company may subscribe for Bonds for up to EUR 5,000,000 in connection with the Bond Issue.

11.2 Issuer's purchase of Bonds

The Issuer and any member of the Group may, subject to applicable law, at any time and at any price purchase Bonds on the market or in any other way (including with respect to Bonds purchased pursuant to Clause 10.3 (*Mandatory repurchase due to a Put Option Event*)). Bonds held by a Group Company may, at such Group Company’s discretion, be retained or sold. For the avoidance of doubt, the Group Companies may not cancel any Bonds held by them, except that the Issuer may cancel Bonds held by it in connection with a redemption of the Bonds in full.

11.3 Restrictions

- (a) Certain purchase or selling restrictions may apply to Bondholders under applicable local laws and regulations from time to time. Neither the Issuer nor the Bond Trustee shall be responsible to ensure compliance with such laws and regulations and each Bondholder is responsible for ensuring compliance with the relevant laws and regulations at its own cost and expense.
- (b) A Bondholder who has purchased Bonds in breach of applicable restrictions may, notwithstanding such breach, benefit from the rights attached to the Bonds pursuant to these Bond Terms (including, but not limited to, voting rights), provided that the Issuer shall not incur any additional liability by complying with its obligations to such Bondholder.

12 Guarantee and indemnity

12.1 Guarantee

Each Guarantor unconditionally and irrevocably guarantees, as primary obligor (in Danish: *selvskyldner*) and not only as surety, to the Bondholders and the Bond Trustee until the date on which all liabilities of the Issuer in respect of the Bonds have been



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finally and irrevocably paid in full and the Issuer's other obligations under the Bond Finance Documents are satisfied in full and no more Bonds remain outstanding:

- (a) the due and punctual performance and discharge by each Obligor of all of its obligations and liabilities under or in connection with the Bond Finance Documents;
- (b) the due and punctual payment by each Obligor of any and all sums which are now or at any time hereafter will be payable by the Obligors under or in connection with the Bond Finance Documents (including, without limitation, principal, interest, default interest, commission, legal fees and other fees, additional costs, taxes, indemnities and costs); and
- (c) to indemnify the Bond Trustee and the Bondholders against any cost or loss suffered, incurred or paid by the Bond Trustee and the Bondholders, in the event that any obligation or liability of the Obligors is or becomes unenforceable, invalid or illegal.

12.2 Payment upon first demand

All amounts payable by the Guarantors pursuant to this Clause 12 shall be paid by each Guarantor to the Bond Trustee for the account of the Bond Trustee and/or Bondholders no later than three Business Days after the Bond Trustee's first written demand.

12.3 No limitation on number of demands

Demands under this Guarantee may be made by the Bond Trustee at any time, and there shall be no limitation on the number of demands which can be made hereunder.

12.4 No discharge

The Guarantee shall be effective as of the date of these Bond Terms and shall be in effect, unless mandatory provisions of applicable law provide otherwise, until the date on which all liabilities of the Issuer in respect of the Bonds have been finally and irrevocably paid in full and the Issuer's other obligations under the Bond Finance Documents are satisfied in full and no more Bonds remain outstanding and shall not be discharged or affected by:

- (a) any total or partial unenforceability or illegality of any of the Bond Finance Documents or any of the Obligors' obligations thereunder;
- (b) any time, waiver or consent granted by to any Obligor or any other Person;
- (c) any amendment, modification, replacement, supplement, variation, compromise, extension or renewal of any Bond Finance Document (including in respect of any other obligations of an Obligor or any other Person under these Bond Terms);
- (d) any failure, refusal or neglect to perfect or enforce or any release, indulgence or other relief granted under any Bond Finance Document or any rights against or any Security over, any assets of any Obligor or any other person, or any failure to realize the full value of any Security;



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- (e) any transfer, assignment, assuming or novation of rights or obligations under the Bond Finance Documents by the Bond Trustee, any Obligor or any other Person;
- (f) any incapacity or lack of power, authority or legal personality of or dissolution or change in the status or ownership of the Bond Trustee, any Obligor or any other Person;
- (g) any unenforceability, illegality or invalidity of any obligations of any of the Obligors or any other Person under the Bond Finance Documents or any other document or Security;
- (h) any corporate reorganization, reconstruction, amalgamation, dissolution, merger, acquisition or any other alteration in the corporate existence or structure of the Bond Trustee, any Obligor or any other Person;
- (i) any insolvency or similar proceedings concerning any Obligor or any other Person; or
- (j) any other act or omission of any kind by the Bond Trustee, any Obligor or any other Person or any other circumstances whatsoever which might (but for this provision) constitute a discharge of any Guarantor, it being agreed by such Guarantor that the Guarantee shall be absolute and unconditional in any and all circumstances.

12.5 Immediate recourse

The Bond Trustee shall when making a demand for payment under the Guarantee state the cause of the demand but the Guarantors shall not be entitled to refuse payment by reason of an Obligor or itself disputing such cause. Each Guarantor irrevocably waives any right it may have of first requiring the Bond Trustee to take any action against the Issuer or any other Person or with respect to any Security before claiming from a Guarantor.

12.6 Payments from an Obligor's bankruptcy estate

In case of an Obligor's bankruptcy, the Bond Trustee shall for the account of itself and the Bondholders be entitled to claim for and receive all payments by way of dividends or otherwise due from the bankruptcy estate to a Guarantor until all liabilities of the Issuer in respect of the Bonds have been finally and irrevocably paid in full and the Issuer's other obligations under the Bond Finance Documents are satisfied in full, unless mandatory provisions of applicable law provide otherwise.

12.7 Deferral of Guarantor's rights

Until all liabilities of the Issuer in respect of the Bonds have been finally and irrevocably paid in full and the Issuer's other obligations under the Bond Finance Documents are satisfied in full and at any time thereafter for as long as the Bond Trustee may demand, each Guarantor shall refrain from exercising any rights which it may have by reason of performance by it of its obligations under the Bond Finance Documents or by reason of any amount being payable or liability arising under this Guarantee (i) to be indemnified by an Obligor or any other member of the Group, (ii) to take the benefit (in whole or in part and whether by way of subrogation or



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otherwise) of any rights of the Bond Trustee and the Bondholders under the Bond Finance Documents or any other guarantee or security granted to the Bond Trustee and the Bondholders, (iii) to bring legal or other proceedings against any other Obligor or its bankruptcy estate (unless mandatory provisions of applicable law provide otherwise), (iv) to exercise any right of set-off against any other Obligor, and/or (v) to obtain any security or guarantee from any member of the Group.

12.8 Reinstatement

If any payment by an Obligor or any discharge or release given by the Bond Trustee (on behalf of itself and the Bondholders) (whether in respect of the obligations of any Obligor or any Security for those obligations or otherwise) is avoided or reduced as a result of insolvency or any similar event:

- (a) the Guarantee shall be reinstated, and the liabilities and obligations of the Obligors shall continue as if the payment or discharge or release had not occurred; and
- (b) the Bond Trustee and the Bondholders shall be entitled to recover the value or amount of that Security or payment from each of the Obligors, as if the payment or discharge or release had not occurred.

12.9 Continuing Guarantee

The Guarantee shall continue in effect until all sums whatsoever payable to the Bond Trustee and the Bondholders in respect of the Bonds and all other amounts payable by the Obligors under the Bond Finance Documents have been irrevocably paid in full, notwithstanding any intermediate payment, partial settlement or other matter, unless mandatory provisions of applicable law provide otherwise.

12.10 Additional Security

The Guarantee is in addition to and is not in any way prejudiced by any other guarantee or Security now or subsequently held by the Bond Trustee and the Bondholders.

12.11 Guarantee limitations for Guarantors incorporated in Denmark

The obligations and liabilities under this Clause 12, these Bond Terms or any other Bond Finance Document:

- (a) of any Guarantor incorporated in Denmark (a “**Danish Guarantor**”) (and such Danish Guarantor’s Subsidiaries) shall be deemed not to be assumed (and any Transaction Security created in relation thereto shall be limited) to the extent that the same would constitute unlawful financial assistance, including (without limitation) within the meaning of Sections 206 and 210 of the Danish Companies Act, and
- (b) of any Danish Guarantor shall be limited to an amount equivalent to the higher of:
 - (i) the Equity of such Danish Guarantor at the time(s) the Danish Guarantor is requested to make a payment (or security provided by it is enforced) under any Bond Finance Document; and



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- (ii) the Equity of such Danish Guarantor at the date of these Bond Terms or, if later, the date upon which it accedes to these Bond Terms as an Additional Guarantor,

provided that the limitations in this paragraph (b) shall only apply to obligations and liabilities of such Danish Guarantor which exceed the sum of any intra-Group loans received by such Danish Guarantor or its Subsidiaries directly or indirectly out of the proceeds of the Bonds.

- (c) For the purposes of paragraph (b) above, “**Equity**” shall mean the equity (in Danish: *egenkapital*) of such Danish Guarantor calculated in accordance with applicable generally accepted accounting principles at the relevant time, however, adjusted upwards if and to the extent any market value of an asset is higher than its book value.

12.12 Guarantee limitations for Guarantors incorporated in Lithuania

Notwithstanding any provision to the contrary in these Bond Terms, the obligations under these Bond Terms for the benefit of Bondholders of any Guarantor incorporated under the laws of Lithuania as a limited liability company shall be limited to the extent necessary to comply with mandatory provisions of Article 45² of the Law on Companies of the Republic of Lithuania (in Lithuanian: *Akcinių bendrovių įstatymas*) or other mandatory provisions of Lithuanian law in force from time to time and binding on the Lithuanian Guarantor regarding unlawful financial assistance (including prohibited loans, security and guarantees) to its shareholders in the acquisition of its shares, unlawful distributions (including profits and dividends) or other restrictions on a company’s ability to grant guarantees, loans or securities in favour of its shareholder(s) or other group companies.

13 Information undertakings

13.1 Information from the Issuer

(a) Financial Reports

- (i) The Issuer shall prepare Annual Financial Statements in the English language and make them available on its website (alternatively on another relevant information platform) as soon as they become available, and not later than 120 calendar days after the end of the financial year.
- (ii) The Issuer shall prepare Interim Accounts in the English language and make them available on its website (alternatively on another relevant information platform) as soon as they become available, and not later than 60 calendar days after the end of the relevant interim period.

(b) Requirements as to Financial Reports

- (i) The Issuer shall procure that the Financial Reports delivered pursuant to paragraph (a) (*Financial Reports*) are prepared using GAAP.
- (ii) The Annual Financial Statements shall include a profit and loss account, balance sheet, cash flow statement prepared for the Group and, for the Annual Financial Statements for 2021 and any financial year thereafter, reporting on Free Cash Flow for the relevant financial year.



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- (iii) The Interim Accounts shall include key financial metrics, including EBITDA and Net Interest Bearing Debt, for the Group.
- (c) Put Option Event
 - (i) The Issuer shall promptly notify the Bond Trustee in writing when the Issuer is or becomes aware that a Put Option Event is contemplated to occur and when a Put Option Event has occurred inform the Bond Trustee in writing as soon as possible after becoming aware that a Put Option Event has occurred, and, in each case, provide the Bond Trustee with such further information as the Bond Trustee may reasonably request following receipt of such notice.
- (d) Information: miscellaneous
The Issuer shall:
 - (i) promptly inform the Bond Trustee in writing of any Event of Default or any event or circumstance which the Issuer understands or could reasonably be expected to understand is likely to lead to an Event of Default, and in each case provide the Bond Trustee with such further information as the Bond Trustee may reasonably request following receipt of such notice;
 - (ii) at the request of the Bond Trustee, report the balance of the Issuer's Bonds (to the best of its knowledge, having made due and appropriate enquiries);
 - (iii) send the Bond Trustee copies of any statutory notifications of the Issuer, including but not limited to in connection with mergers, de-mergers and reduction of the Issuer's share capital or equity;
 - (iv) if the Bonds are listed on an Exchange, send a copy to the Bond Trustee of its notices to the Exchange;
 - (v) if the Issuer and/or the Bonds are rated, inform the Bond Trustee of its and/or the rating of the Bonds, and any changes to such rating;
 - (vi) inform the Bond Trustee of changes in the registration of the Bonds in the Securities Depository;
 - (vii) upon the occurrence of an Incurrence Test Event, issue a Compliance Certificate to the Bond Trustee. The Compliance Certificate shall be duly signed by the chief executive officer or the chief financial officer of the Issuer and setting out (in reasonable detail) calculations and figures in respect of the ratio of Net interest Bearing Debt to EBITDA and evidencing compliance with the Incurrence Test as at such date;
 - (viii) notify the Bond Trustee of any transaction (i) falling within paragraph (a) of the general undertaking in Clause 14.7 (*Mergers and de-mergers*) and (ii) falling within paragraph (b) of the general undertaking in Clause 14.7 (*Mergers and de-mergers*);



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- (ix) notify the Bond Trustee upon completing the buy-back or redemption of shares in the Issuer as contemplated by paragraph (a) of Clause 14.8 (*IFC Put-Option*) below;
- (x) prior to any Mortgages being released from Transaction Security as a result of the real estate (or the Group Company owning the real estate) being sold (or demerged and sold) by the Group in accordance with Clause 14.17 (*Disposals*), the Issuer shall certify to the Security Agent that the sale of such real estate (or Group Company, as applicable) is permitted in accordance therewith; and
- (xi) within a reasonable time, provide such information about the Issuer's and the Group's business, assets and financial condition as the Bond Trustee may reasonably request, subject to applicable securities trading rules and regulations.

13.2 Information from the Bond Trustee

The Bond Trustee is entitled to disclose to the Bondholders any event or circumstance directly or indirectly relating to the Issuer or the Bonds. The Bond Trustee shall notify the Bondholders of an Event of Default within 10 Business Days of the date on which the Bond Trustee received actual knowledge that an Event of Default has occurred and is continuing. Notwithstanding the foregoing: (i) the Bond Trustee will be entitled to take the time necessary to consider whether an occurred event constitutes an Event of Default and the time period referred to in the preceding sentence shall only commence when the Bond Trustee has determined that an Event of Default has occurred and is continuing; and (ii) the Bond Trustee may delay disclosure or refrain from disclosing information to the Bondholders if it considers it to be beneficial to the interests of the Bondholders to do so.

13.3 Publication of Bond Finance Documents

- (a) The Issuer shall keep the latest version of the Bond Terms available on its website.
- (b) The latest version of the Bond Terms, the Transaction Security Documents and the Intercreditor Agreement shall be available to the Bondholders at the office of the Bond Trustee for inspection during normal business hours.

14 General undertakings

The Issuer, and where applicable, each Guarantor undertakes to (and the Issuer shall, where applicable, procure that the other Group Companies will) comply with the undertakings set forth in this Clause 14.

14.1 Authorisations

Each Obligor shall (and the Issuer shall procure that each other Group Company will) obtain, maintain and comply with the terms of any authorisation, approval, license and consent required for the conduct of its business as carried out at the date of the Bond Terms if a failure to do so would have Material Adverse Effect.



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- 14.2 Compliance with laws
Each Obligor shall (and the Issuer shall procure that each Group Company will) comply with all laws and regulations to which it may be subject from time to time, if failure so to comply would have a Material Adverse Effect.
- 14.3 Continuation of business
The Issuer shall procure that no substantial change is made to the general nature of the business of the Group from that carried on by the Group at the Issue Date.
- 14.4 Corporate status
The Issuer shall not change its type of organisation or jurisdiction of incorporation.
- 14.5 Distributions
- (a) Except as permitted under paragraph (b) below, no Obligor shall (and the Issuer shall procure that no Group Company will) (i) pay any dividend on its shares (other than to another Group Company), (ii) repurchase any of its own shares, (iii) redeem its share capital or other restricted equity with repayment to direct or indirect shareholders of the Issuer, (iv) repay or pay interest under any shareholder loans granted to the Issuer ((i)–(iv) above are together and individually referred to as a “**Restricted Payment**”).
 - (b) Paragraph (a) above shall not prohibit any Restricted Payments by the Issuer to discharge its or JAST Holding ApS’ obligations under the IFC Put Option.
- 14.6 Insurances
Each Obligor shall (and the Issuer shall procure that all other Group Companies will) maintain insurances on and in relation to its business and assets against those risks and to the extent as is usual for companies carrying on the same or substantially similar business.
- 14.7 Mergers and de-mergers
- (a) Mergers: No Obligor shall (and the Issuer shall ensure that no Material Group Company or Restricted Subsidiary will) carry out any merger or other business combination or corporate reorganisation involving consolidating the assets and obligations of the Issuer or any such Material Group Company or Restricted Subsidiary with any other company or entity not being a member of the Group if such transaction would have a Material Adverse Effect.
 - (b) De-mergers: No Obligor shall (and the Issuer shall ensure that no Material Group Company or Restricted Subsidiary will) carry out any de-merger or other corporate reorganisation involving splitting the Issuer or any such Material Group Company or Restricted Subsidiary into two or more separate companies or entities, if such transaction would have a Material Adverse Effect.
- 14.8 IFC Put Option
- (a) The Issuer shall procure that all shares in the Issuer owned by IFC are either redeemed or purchased by JAST Holding ApS and/or the Issuer in accordance with the terms of the IFC Put Option upon the exercise of the IFC Put Option.



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- (b) Until the completion of the transaction(s) contemplated by paragraph (a) above, the Issuer shall maintain an amount of at least EUR 17,905,000 in cash or Cash Equivalent Investments in separate accounts to be applied (i) to cover contingent liabilities of the Issuer and JAST Holding ApS under the IFC Put Option, (ii) towards full or part settlement of the IFC Put Option or (iii) otherwise (directly or indirectly) purchase of all the shares in the Issuer owned by IFC, including by way of a share buy-back.

14.9 Acquisitions

- (a) No Obligor shall (and the Issuer shall ensure that no Group Company will) acquire any company, shares, securities, business or undertaking (or any interest in any of them), unless the transaction is carried out at fair market value and provided that it does not have a Material Adverse Effect.
- (b) No Obligor shall (and the Issuer shall ensure that no Group Company will) acquire any company, shares, business or undertaking (or any interest in any of them), unless:
 - (i) if it is a company or shares, the relevant entity is incorporated in Lithuania or Russia and the activities of such company, business or undertaking are carried out in Lithuania and/or Russia; or
 - (ii) if such acquisition is not permitted under paragraph (i) above, the Incurrence Test is met (tested pro forma as if such acquisition had been made).

14.10 Financial Indebtedness

- (a) Except as permitted under paragraph (b) below, no Obligor shall (and the Issuer shall procure that no Group Company will) incur any additional Financial Indebtedness or maintain or prolong any existing Financial Indebtedness.
- (b) Paragraph (a) above shall not prohibit any Group Company to incur, maintain or prolong any Permitted Financial Indebtedness.

14.11 Negative pledge

- (a) Except as permitted under paragraph (b) below, no Obligor shall (and the Issuer shall procure that no Group Company will), create or allow to subsist, retain, provide, prolong or renew any Security over any of its/their assets (whether present or future).
- (b) Paragraph (a) above does not apply to any Permitted Security.

14.12 Factoring and supply chain financing

- (a) Except as permitted under paragraph (b) below, no Obligor shall (and the Issuer shall procure that no Group Company will), assign or sell trade receivables originated by a member of the Group by way of factoring, supply chain financing or similar arrangements, irrespective of whether or not such assignment or sale of receivables is on recourse or non-recourse terms.
- (b) Paragraph (a) above does not apply to Permitted Factoring.



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- 14.13 Redeemable shares, etc.
No Obligor shall (and the Issuer shall procure that no Group Company will), raise any amount by the issue of redeemable shares which are redeemable (other than at the option of the Issuer) before the Maturity Date or are otherwise classified as borrowings under GAAP or grant any put option in respect of any shares of a Group Company which may be exercised (other than by the Issuer) before the Maturity Date.
- 14.14 Loans and guarantees
- (a) Except as permitted under paragraph (b) below, no Obligor shall (and the Issuer shall procure that no Group Company will) be a creditor in respect of any Financial Indebtedness or incur or allow to remain outstanding any guarantee in respect of any obligation of any person not being a Group Company.
- (b) Paragraph (a) above does not apply to:
- (i) any Permitted Loan or Permitted Guarantee; and
- (ii) any Financial Support to a Russian Subsidiary which is permitted under the general undertaking in Clause 14.15 (*Financial Support to Russian Subsidiaries*).
- 14.15 Financial Support to Russian Subsidiaries
- (a) Except as permitted under paragraph (b) below, the Issuer shall not (and shall procure that no Group Company (other than Russian Subsidiaries) shall) provide any Financial Support to any Russian Subsidiary.
- (b) Paragraph (a) above does not apply to:
- (i) the Structural Intra-Group Loan;
- (ii) Financial Support funded by the Super Senior RCF; and
- (iii) Financial Support to a Russian Subsidiary if (A) no Event of Default is continuing or would result from such Financial Support and (B) the Incurrence Test is met (calculated as if such Financial Support had been made).
- 14.16 Share issues
No Obligor shall (and the Issuer shall procure that no Group Company will) issue any shares, except (i) by the Issuer or (ii) by a Group Company to another Group Company or, (iii) to any existing minority shareholders *pro rata* to their existing ownership.
- 14.17 Disposals
- (a) No Obligor shall (and the Issuer shall procure that no Group Company will) sell or otherwise dispose of:
- (i) shares in any of the Original Guarantors or all or substantially all of the assets or operations in the Issuer or any of the Original Guarantors to any Person not being the Issuer or any of its wholly-owned Subsidiaries;



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- (ii) shares in or other assets or operations in any Material Group Company, outside the ordinary course of business, to any Person not being the Issuer or any of its wholly-owned Subsidiaries (a “**Restricted Disposal**”), unless any such Restricted Disposal is carried out at fair market value and would not have a Material Adverse Effect;
 - (iii) other assets or operations in any Group Company, outside the ordinary course of business, to any Person not being the Issuer or any Group Company, unless such disposal is carried out at fair market value and would not have a Material Adverse Effect; or
 - (iv) Mortgaged Real Property unless the aggregate book value of the disposed real property (based on the most recent audited financial statements prior to the sale or disposal) does not exceed 10 per cent. of the total book value of the Mortgaged Real Property (based on the most recent audited financial statements prior to the sale or disposal) during the term of the Bonds.
- (b) The net cash proceeds from a Restricted Disposal shall be applied:
- (i) to finance (in whole or in part) the acquisition of any replacement assets, over which new Security shall be granted (to the extent that the original assets were covered by the Transaction Security); or
 - (ii) at the Issuer's sole discretion at any time following the relevant disposal, and in any event, if such proceeds are not applied as set out in paragraph (i) within 12 months after receipt by the relevant Group Company (i) to redeem Bonds at a price equal to 100 per cent. of par value (plus accrued and unpaid interest on redeemed Bonds) and/or (ii) as additional working capital for the Group or for any other purpose subject to the restrictions set out herein (including the restrictions on distributions set out in Clause 14.5 (*Distributions*)).

14.18 Related party transactions

- (a) Each Obligor shall (and the Issuer shall procure that each Group Company will), conduct all business transactions with the direct or indirect shareholders of the Group Companies (other than the Group Companies), and/or any Affiliates (other than the Group Companies) of such direct and indirect shareholders at market terms and otherwise on an arm's length basis, provided always that the following payments shall be permitted:
- (i) salaries and other remuneration to executive management of the Issuer; and
 - (ii) bonuses, administration, management and similar fees to certain direct or indirect shareholders in the Issuer provided that any such payments do not exceed an aggregate amount of EUR 200,000 (or its equivalent in other currencies) in any financial year of the Issuer.



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14.19 Designation of Material Group Companies

- (a) The Issuer shall (on the dates set out in paragraph (c) below) nominate as Material Group Companies such Group Companies as are necessary to ensure that the Issuer and the Material Group Companies (excluding any Restricted Subsidiaries) in aggregate account for at least 95 per cent. of the gross assets, revenues and/or EBITDA of the Group (excluding any Restricted Subsidiaries).
- (b) The Issuer shall (on the dates set out in paragraph (c) below) ensure that a Group Company (other than any Restricted Subsidiaries) whose gross assets, revenues or EBITDA constitutes more than 10 per cent. of the gross assets, revenues and/or EBITDA of the Group (excluding any Restricted Subsidiaries) on a consolidated basis shall be nominated as a Material Group Company.
- (c) The Issuer shall once every year (simultaneously with the delivery to the Bond Trustee of the Annual Financial Statements, the first time for the Annual Financial Statements for 2020) (in addition to the Original Guarantors) identify and nominate the Group Companies which qualify as (A) Material Group Companies (other than any Restricted Subsidiaries) and (B) Restricted Subsidiaries, and ensure that no later than 60 calendar days after the nomination of a Material Group Company (which is not a Restricted Subsidiary) as such (or such later period as the Security Agent may agree to): (i) a share pledge is granted over each such Material Group Company and (ii) each such Material Group Company provides Guarantees and accedes to the Intercreditor Agreement and the Bond Terms (in each case, subject to such limitations as required or customary in the jurisdiction of incorporation of such Material Group Company).

14.20 Subsidiary distributions

No Obligor shall (and the Issuer shall procure that no other Group Company will) permit any of its Subsidiaries to create or permit to exist any contractual obligation (or encumbrance) restricting the right of any Subsidiary to pay dividends or make other distributions to its shareholders, other than (i) under the financing agreements (from time to time) relating to items (b) and (m) of the definition of Permitted Financial Indebtedness and (ii) permitting to subsist any other contractual obligation which is not reasonably likely to prevent the Issuer from complying with its payment obligations under these Bond Terms.

14.21 Clean down of Super Senior RCF

The Issuer shall procure that during each calendar year there shall be a period of three consecutive calendar days during which the amount outstanding under the Super Senior RCF less the aggregate book value of the Group's unrestricted, unpledged and freely available cash and the aggregate market value of the Group's unrestricted, unpledged and freely available Cash Equivalent Investments, other than the IFC Cash and Cash Equivalent Investments, amounts to zero or less. Not less than six months shall elapse between two such periods.

14.22 Condition subsequent

- (a) The Issuer shall procure that, no later than 30 calendar days after the Issue Date:



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- (i) the existing mortgages over the Mortgaged Property and share pledge over UAB IDAVANG relating to the Existing Financing are discharged and/or respectively amended; and
 - (ii) the Russian Share Pledges are registered and that the existing share pledges over the relevant Russian Subsidiaries relating to the Existing Financing are discharged.
- (b) The Issuer shall procure the delivery to and in favour of the Bond Trustee on the date of perfection of any of the Russian Share Pledges a legal opinion from the Issuer's Russian legal counsel in form and substance satisfactory to the Bond Trustee including in respect of the capacity of the pledgor and the legality, validity and enforceability of such Russian Share Pledge.

15 Incurrence Test

15.1 Incurrence Test

- (a) Upon the occurrence of an Incurrence Test Event, the Issuer must perform an incurrence test (the "**Incurrence Test**") and deliver a Compliance Certificate to the Bond Trustee evidencing compliance with the Incurrence Test cf. paragraph (d)(vii) of Clause 13.1 (*Information from the Issuer*).
- (b) The Incurrence Test is met if the ratio of Net Interest Bearing Debt to EBITDA is not greater than 3.00x.
- (c) No event relevant for the application of the Incurrence Test shall be permitted if an Event of Default is continuing or would occur following such event or if the Incurrence Test is not met.

15.2 Calculation of Incurrence Test

- (a) The calculation of the ratio of Net Interest Bearing Debt to EBITDA shall be made as per a testing date determined by the Issuer, falling no earlier than one month prior to the earlier of the Issuer or other member of the Group (as applicable) (i) legally committing to undertake the event relevant for the application of the Incurrence Test or (ii) completing the event relevant for the application of the Incurrence Test.
- (b) The Net Interest Bearing Debt shall be measured on the relevant testing date so determined, on a pro forma basis assuming the implementation of the proposed transaction in respect of which the Incurrence Test is being measured including the application of the net proceeds therefrom (in the case of new Financial Indebtedness, this shall be included where applicable, provided it is an interest bearing obligation (however, any cash balance resulting from the incurrence of the new Financial Indebtedness shall not reduce the Net Interest Bearing Debt)).
- (c) The figures for the EBITDA for the Relevant Period being reported on in the most recently delivered Financial Reports for the Issuer immediately prior to the testing date (unless the testing date is the last day of a Relevant Period) shall be used for the Incurrence Test, but adjusted so that:



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- (i) entities, assets or operations acquired, disposed or discontinued of by the Group during the Relevant Period, or after the end of the Relevant Period but before the relevant testing date, shall be included or excluded (as applicable), pro forma, for the entire Relevant Period; and
- (ii) any entity to be acquired with the proceeds from new Financial Indebtedness shall be included, pro forma, for the entire Relevant Period.

16 Events of Default and acceleration of the Bonds

16.1 Events of Default

Each of the events or circumstances set out in this Clause 16.1 shall constitute an Event of Default:

16.1.1 Non-payment

An Obligor fails to pay any amount payable by it under the Bond Finance Documents when such amount is due for payment, unless:

- (a) its failure to pay is caused by administrative or technical error in payment systems or the Securities Depository and payment is made within five Business Days following the original due date; or
- (b) in the discretion of the Bond Trustee, the Issuer has substantiated that it is likely that such payment will be made in full within five Business Days following the original due date.

16.1.2 Breach of other obligations

An Obligor does not comply with any provision of the Bond Finance Documents other than set out under Clause 16.1.1 (*Non-payment*) above, unless such failure is capable of being remedied and is remedied within 15 Business Days after the earlier of the Issuer's actual knowledge thereof, or notice thereof is given to the Issuer by the Bond Trustee.

16.1.3 Misrepresentation

Any representation, warranty or statement (including statements in Compliance Certificates) made under or in connection with any Bond Finance Documents is or proves to have been incorrect, inaccurate or misleading in any material respect when made or deemed to have been made, unless the circumstances giving rise to the misrepresentation are capable of remedy and are remedied within 15 Business Days of the earlier of the Bond Trustee giving notice to the Issuer or the Issuer becoming aware of such misrepresentation.

16.1.4 Cross default

If for any Group Company:

- (a) any Financial Indebtedness is not paid when due nor within any applicable grace period; or



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- (b) any Financial Indebtedness is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described); or
- (c) any commitment for any Financial Indebtedness is cancelled or suspended by a creditor as a result of an event of default (however described); or
- (d) any creditor becomes entitled to declare any Financial Indebtedness due and payable prior to its specified maturity as a result of an event of default (however described),

provided however (A) that the aggregate amount of such Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (a) to (d) above exceeds a total of EUR 1,000,000 (or the equivalent thereof in any other currency) and (B) that no event of default shall occur in case of any of the events referred to in paragraph (d) above or other defaults (other than payment defaults) under the financing agreement relating to item (m) of the definition of Permitted Financial Indebtedness.

16.1.5 Insolvency and insolvency proceedings Any Obligor:

- (a) is Insolvent; or
- (b) is object of any corporate action or any legal proceedings is taken in relation to:
 - (i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration, reconstruction or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) other than a solvent liquidation or reorganisation; or
 - (ii) a composition, compromise, assignment or arrangement with any creditor which may materially impair its ability to perform its obligations under the Bond Terms; or
 - (iii) the appointment of a liquidator (other than in respect of a solvent liquidation), receiver, administrative receiver, administrator, compulsory manager or other similar officer of any of its assets; or
 - (iv) enforcement of any Security over any of its or their assets having an aggregate value exceeding EUR 1,000,000; or
 - (v) for paragraphs (i) - (iv) above, any analogous procedure or step is taken in any jurisdiction in respect of any such company, however this shall not apply to any petition which is frivolous or vexatious and is discharged, stayed or dismissed within 20 Business Days of commencement.



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- 16.1.6 **Creditor's process**
Any expropriation, attachment, sequestration, distress or execution affects any asset or assets of any Obligor having an aggregate value exceeding EUR 1,000,000 and is not discharged within 20 Business Days (or in the event of an expropriation, reasonable compensation will be paid to the Obligor).
- 16.1.7 **Unlawfulness**
It is or becomes unlawful for an Obligor to perform or comply with any of its obligations under the Bond Finance Documents to the extent this may materially impair:
- (a) the ability of such Obligor to perform its obligations under the Bond Terms; or
 - (b) the ability of the Bond Trustee or any Security Agent to exercise any material right or power vested to it under the Bond Finance Documents.
- 16.2 **Acceleration of the Bonds**
If an Event of Default has occurred and is continuing, the Bond Trustee may, in its discretion in order to protect the interests of the Bondholders, or upon instruction received from the Bondholders pursuant to Clause 16.3 (*Bondholders' instructions*) below, by serving a Default Notice:
- (a) declare that the Outstanding Bonds, together with accrued interest and all other amounts accrued or outstanding under the Bond Finance Documents be immediately due and payable on demand at which time they shall become immediately due and payable on demand by the Bond Trustee;
 - (b) declare that the Outstanding Bonds, together with accrued interest and all other amounts accrued or outstanding under the Bond Finance Documents be immediately due and payable, at which time they shall become immediately due and payable; and/or
 - (c) exercise or direct the Security Agent to exercise any or all of its rights, remedies, powers or discretions under the Bond Finance Documents or take such further measures as are necessary to recover the amounts outstanding under the Bond Finance Documents.
- 16.3 **Bondholders' instructions**
The Bond Trustee shall serve a Default Notice pursuant to Clause 16.2 (*Acceleration of the Bonds*) if:
- (a) the Bond Trustee receives a demand in writing from Bondholders representing a simple majority of the Voting Bonds, that an Event of Default shall be declared, and a Bondholders' Meeting has not made a resolution to the contrary; or
 - (b) the Bondholders' Meeting, by a simple majority decision, has approved the declaration of an Event of Default.



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- 16.4 **Calculation of claim**
The claim derived from the Outstanding Bonds due for payment as a result of the serving of a Default Notice will be calculated at the prices set out in Clause 10.2 (*Voluntary early redemption - Call Option*) as applicable at the following dates (and regardless of the Default Repayment Date set out in the Default Notice):
- (a) for any Event of Default arising out of a breach of Clause 16.1.1 (*Non-payment*), the claim will be calculated at the price applicable at the date when such Event of Default occurred; and
 - (b) for any other Event of Default, the claim will be calculated at the price applicable at the date when the Default Notice was served by the Bond Trustee.
- 17 **Bondholders' decisions**
- 17.1 Authority of the Bondholders' Meeting
- (a) A Bondholders' Meeting may, on behalf of the Bondholders, resolve to alter any of these Bond Terms, including, but not limited to, any reduction of principal or interest and any conversion of the Bonds into other capital classes.
 - (b) The Bondholders' Meeting may not adopt resolutions which will give certain Bondholders an unreasonable advantage at the expense of other Bondholders.
 - (c) Subject to the power of the Bond Trustee to take certain action as set out in Clause 18.1 (*Power to represent the Bondholders*), if a resolution by, or an approval of, the Bondholders is required, such resolution may be passed at a Bondholders' Meeting. Resolutions passed at any Bondholders' Meeting will be binding upon all Bondholders.
 - (d) At least 50 per cent. of the Voting Bonds must be represented at a Bondholders' Meeting for a quorum to be present.
 - (e) Resolutions will be passed by simple majority of the Voting Bonds represented at the Bondholders' Meeting, unless otherwise set out in paragraph (f) below.
 - (f) Save for any amendments or waivers which can be made without resolution pursuant to paragraphs (a) and (b) of Clause 19.1 (*Procedure for amendments and waivers*), a majority of at least 2/3 of the Voting Bonds represented at the Bondholders' Meeting is required for approval of any waiver or amendment of any provisions of these Bond Terms, including a change of Issuer and change of Bond Trustee.
- 17.2 Procedure for arranging a Bondholders' Meeting
- (a) A Bondholders' Meeting shall be convened by the Bond Trustee upon the request in writing of:
 - (i) the Issuer;
 - (ii) Bondholders representing at least 1/10 of the Voting Bonds;



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(iii) the Exchange, if the Bonds are listed and the Exchange is entitled to do so pursuant to the general rules and regulations of the Exchange; or

(iv) the Bond Trustee.

The request shall clearly state the matters to be discussed and resolved.

- (b) If the Bond Trustee has not convened a Bondholders' Meeting within 10 Business Days after having received a valid request for calling a Bondholders' Meeting pursuant to paragraph (a) above, then the requesting party may itself call the Bondholders' Meeting.
- (c) Summons to a Bondholders' Meeting must be sent no later than 10 Business Days prior to the proposed date of the Bondholders' Meeting. The Summons shall be sent to all Bondholders registered in the Securities Depository at the time the Summons is sent from the Securities Depository. If the Bonds are listed, the Issuer shall ensure that the Summons is published in accordance with the applicable regulations of the Exchange. The Summons shall also be published on the website of the Bond Trustee (alternatively by press release or other relevant information platform).
- (d) Any Summons for a Bondholders' Meeting must clearly state the agenda for the Bondholders' Meeting and the matters to be resolved. The Bond Trustee may include additional agenda items to those requested by the person calling for the Bondholders' Meeting in the Summons. If the Summons contains proposed amendments to these Bond Terms, a description of the proposed amendments must be set out in the Summons.
- (e) Items which have not been included in the Summons may not be put to a vote at the Bondholders' Meeting.
- (f) By written notice to the Issuer, the Bond Trustee may prohibit the Issuer from acquiring or dispose of Bonds during the period from the date of the Summons until the date of the Bondholders' Meeting, unless the acquisition of Bonds is made by the Issuer pursuant to Clause 10 (*Redemption and repurchase of the Bonds*).
- (g) A Bondholders' Meeting may be held on premises selected by the Bond Trustee, or if paragraph (b) above applies, by the person convening the Bondholders' Meeting (however to be held in the capital of the Relevant Jurisdiction). The Bondholders' Meeting will be opened and, unless otherwise decided by the Bondholders' Meeting, chaired by the Bond Trustee. If the Bond Trustee is not present, the Bondholders' Meeting will be opened by a Bondholder and be chaired by a representative elected by the Bondholders' Meeting.
- (h) Each Bondholder, the Bond Trustee and, if the Bonds are listed, representatives of the Exchange, or any person or persons acting under a power of attorney for a Bondholder, shall have the right to attend the Bondholders' Meeting (each a "**Representative**"). The chair of the Bondholders' Meeting may grant access to



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the meeting to other persons not being Representatives, unless the Bondholders' Meeting decides otherwise. In addition, each Representative has the right to be accompanied by an advisor. In case of dispute or doubt with regard to whether a person is a Representative or entitled to vote, the chair of the Bondholders' Meeting will decide who may attend the Bondholders' Meeting and exercise voting rights.

- (i) Representatives of the Issuer have the right to attend the Bondholders' Meeting. The Bondholders Meeting may resolve to exclude the Issuer's representatives and/or any person holding only Issuer's Bonds (or any representative of such Person) from participating in the meeting at certain times, however, the Issuer's representative and any such other Person shall have the right to be present during the voting.
- (j) Minutes of the Bondholders' Meeting must be recorded by, or by someone acting at the instruction of, the chair of the Bondholders' Meeting. The minutes must state the number of Voting Bonds represented at the Bondholders' Meeting, the resolutions passed at the meeting, and the results of the vote on the matters to be decided at the Bondholders' Meeting. The minutes shall be signed by the chair of the Bondholders' Meeting and at least one other person. The minutes will be deposited with the Bond Trustee who shall make available a copy to the Bondholders and the Issuer upon request.
- (k) The Bond Trustee will ensure that the Issuer, the Bondholders and the Exchange are notified of resolutions passed at the Bondholders' Meeting and that the resolutions are published on the website of the Bond Trustee (or other relevant electronically platform or press release).
- (l) The Issuer shall bear the costs and expenses incurred in connection with convening a Bondholders' Meeting regardless of who has convened the Bondholders' Meeting, including any reasonable costs and fees incurred by the Bond Trustee.

17.3 Voting rules

- (a) Each Bondholder (or person acting for a Bondholder under a power of attorney) may cast one vote for each Voting Bond owned on the Relevant Record Date, cf. Clause 3.3 (*Bondholders' rights*). The chair of the Bondholders' Meeting may, in its sole discretion, decide on accepted evidence of ownership of Voting Bonds.
- (b) Issuer's Bonds shall not carry any voting rights. The chair of the Bondholders' Meeting shall determine any question concerning whether any Bonds will be considered Issuer's Bonds.
- (c) For the purposes of this Clause 17, a Bondholder that has a Bond registered in the name of a nominee will, in accordance with Clause 3.3 (*Bondholders' rights*), be deemed to be the owner of the Bond rather than the nominee. No vote may be cast by any nominee if the Bondholder has presented relevant evidence to the Bond Trustee pursuant to Clause 3.3 (*Bondholders' rights*) stating that it is the owner of the Bonds voted for. If the Bondholder has voted directly for any of its



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nominee registered Bonds, the Bondholder's votes shall take precedence over votes submitted by the nominee for the same Bonds.

- (d) Any of the Issuer, the Bond Trustee and any Bondholder has the right to demand a vote by ballot. In case of parity of votes, the chair of the Bondholders' Meeting will have the deciding vote.

17.4 Repeated Bondholders' Meeting

- (a) Even if the necessary quorum set out in paragraph (d) of Clause 17.1 (*Authority of the Bondholders' Meeting*) is not achieved, the Bondholders' Meeting shall be held and voting completed for the purpose of recording the voting results in the minutes of the Bondholders' Meeting. The Bond Trustee or the Person who convened the initial Bondholders' Meeting may, within 10 Business Days of that Bondholders' Meeting, convene a repeated meeting with the same agenda as the first meeting.
- (b) The provisions and procedures regarding Bondholders' Meetings as set out in Clause 17.1 (*Authority of the Bondholders' Meeting*), Clause 17.2 (*Procedure for arranging a Bondholders' Meeting*) and Clause 17.3 (*Voting rules*) shall apply *mutatis mutandis* to a repeated Bondholders' Meeting, with the exception that the quorum requirements set out in paragraph (d) of Clause 17.1 (*Authority of the Bondholders' Meeting*) shall not apply to a repeated Bondholders' Meeting. A Summons for a repeated Bondholders' Meeting shall also contain the voting results obtained in the initial Bondholders' Meeting.
- (c) A repeated Bondholders' Meeting may only be convened once for each original Bondholders' Meeting. A repeated Bondholders' Meeting may be convened pursuant to the procedures of a Written Resolution in accordance with Clause 17.5 (*Written Resolutions*), even if the initial meeting was held pursuant to the procedures of a Bondholders' Meeting in accordance with Clause 17.2 (*Procedure for arranging a Bondholders' Meeting*) and *vice versa*.

17.5 Written Resolutions

- (a) Subject to these Bond Terms, anything which may be resolved by the Bondholders in a Bondholders' Meeting pursuant to Clause 17.1 (*Authority of the Bondholders' Meeting*) may also be resolved by way of a Written Resolution. A Written Resolution passed with the relevant majority is as valid as if it had been passed by the Bondholders in a Bondholders' Meeting, and any reference in any Finance Document to a Bondholders' Meeting shall be construed accordingly.
- (b) The person requesting a Bondholders' Meeting may instead request that the relevant matters are to be resolved by Written Resolution only, unless the Bond Trustee decides otherwise.
- (c) The Summons for the Written Resolution shall be sent to the Bondholders registered in the Securities Depository at the time the Summons is sent and published at the Bond Trustee's web site, or other relevant electronic platform or via press release.



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- (d) The provisions set out in Clause 17.1 (*Authority of the Bondholders' Meeting*), 17.2 (*Procedure for arranging a Bondholders' Meeting*), Clause 17.3 (*Voting rules*) and Clause 17.4 (*Repeated Bondholders' Meeting*) shall apply *mutatis mutandis* to a Written Resolution, except that:
 - (i) the provisions set out in paragraphs (g), (h) and (i) of Clause 17.2 (*Procedure for arranging a Bondholders' Meeting*); or
 - (ii) provisions which are otherwise in conflict with the requirements of this Clause 17.5 (*Written Resolutions*),shall not apply to a Written Procedure.
- (e) The Summons for a Written Resolution shall include:
 - (i) instructions as to how to vote to each separate item in the Summons (including instructions as to how voting can be done electronically if relevant); and
 - (ii) the time limit within which the Bond Trustee must have received all votes necessary in order for the Written Resolution to be passed with the requisite majority (the “**Voting Period**”), such Voting Period to be at least three Business Days but not more than 15 Business Days from the date of the Summons, provided however that the Voting Period for a Written Resolution summoned pursuant to Clause 17.4 (*Repeated Bondholders' Meeting*) shall be at least 10 Business Days but not more than 15 Business Days from the date of the Summons.
- (f) Only Bondholders of Voting Bonds registered with the Securities Depository on the Relevant Record Date, or the beneficial owner thereof having presented relevant evidence to the Bond Trustee pursuant to Clause 3.3 (*Bondholders' rights*), will be counted in the Written Resolution.
- (g) A Written Resolution is passed when the requisite majority set out in paragraph (e) or paragraph (f) of Clause 17.1 (*Authority of the Bondholders' Meeting*) has been achieved, based on the total number of Voting Bonds, even if the Voting Period has not yet expired. A Written Resolution may also be passed if the sufficient numbers of negative votes are received prior to the expiry of the Voting Period.
- (h) The effective date of a Written Resolution passed prior to the expiry of the Voting Period is the date when the resolution is approved by the last Bondholder that results in the necessary voting majority being achieved.
- (i) If no resolution is passed prior to the expiry of the Voting Period, the number of votes shall be calculated at the close of business on the last day of the Voting Period, and a decision will be made based on the quorum and majority requirements set out in paragraphs (d) to (f) of Clause 17.1 (*Authority of the Bondholders' Meeting*).



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18 The Bond Trustee

18.1 Power to represent the Bondholders

- (a) The Issuer appoints the Bond Trustee to act as Bond Trustee (in Danish: *repræsentant*) of the Bondholders pursuant to Chapter 4 of the Capital Markets Act. The Bond Trustee accepts such appointment. The Bond Trustee shall be registered with the Danish Financial Supervisory Authority in accordance with the Capital Markets Act and Issuer and the Bond Trustee shall provide all information required by the Danish Financial Supervisory Authority (in Danish: *Finanstilsynet*) for registration in the Danish Financial Supervisory Authority's register of Representatives (in Danish: *Finanstilsynets register over repræsentanter for obligationsudstedelser*).
- (b) By virtue of being registered as a Bondholder (directly or indirectly) with the Securities Depository, the Bondholders are bound by these Bond Terms and any other Bond Finance Document, without any further action required to be taken or formalities to be complied with. The Bond Trustee has power and authority to act on behalf of, and/or represent, the Bondholders in all matters, including but not limited to taking any legal or other action, including enforcement of these Bond Terms, and the commencement of bankruptcy or other insolvency proceedings against the Issuer, or others.
- (c) The Issuer shall promptly upon request provide the Bond Trustee with any such documents, information and other assistance (in form and substance satisfactory to the Bond Trustee), that the Bond Trustee deems necessary for the purpose of exercising its and the Bondholders' rights and/or carrying out its duties under the Bond Finance Documents.

18.2 The duties and authority of the Bond Trustee

- (a) The Bond Trustee shall represent the Bondholders in accordance with the Bond Finance Documents, including, *inter alia*, by following up on the delivery of any Compliance Certificates and such other documents which the Issuer is obliged to disclose or deliver to the Bond Trustee pursuant to the Bond Finance Documents and, when relevant, in relation to accelerating and enforcing the Bonds on behalf of the Bondholders.
- (b) The Bond Trustee is not obligated to assess or monitor the financial condition of the Issuer or any other Obligor unless to the extent expressly set out in these Bond Terms, or to take any steps to ascertain whether any Event of Default has occurred. Until it has actual knowledge to the contrary, the Bond Trustee is entitled to assume that no Event of Default has occurred. The Bond Trustee is not responsible for the valid execution or enforceability of the Bond Finance Documents, or for any discrepancy between the indicative terms and conditions described in any marketing material presented to the Bondholders prior to issuance of the Bonds and the provisions of these Bond Terms.
- (c) The Bond Trustee is entitled to take such steps that it, in its sole discretion, considers necessary or advisable to protect the rights of the Bondholders in all matters pursuant to the terms of the Bond Finance Documents. The Bond Trustee may submit any instructions received by it from the Bondholders to a



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Bondholders' Meeting before the Bond Trustee takes any action pursuant to the instruction.

- (d) The Bond Trustee is entitled to engage external experts when carrying out its duties under the Bond Finance Documents.
- (e) The Bond Trustee shall hold all amounts recovered on behalf of the Bondholders on separated accounts.
- (f) The Bond Trustee will ensure that resolutions passed at the Bondholders' Meeting are properly implemented, provided, however, that the Bond Trustee may refuse to implement resolutions that may be in conflict with these Bond Terms, any other Bond Finance Document, or any applicable law.
- (g) Notwithstanding any other provision of the Bond Finance Documents to the contrary, the Bond Trustee is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- (h) If the cost, loss or liability which the Bond Trustee may incur (including reasonable fees payable to the Bond Trustee itself) in:
 - (i) complying with instructions of the Bondholders; or
 - (ii) taking any action at its own initiative,

will not, in the reasonable opinion of the Bond Trustee, be covered by the Issuer or the relevant Bondholders pursuant to paragraphs (e) and (g) of Clause 18.4 (*Expenses, liability and indemnity*), the Bond Trustee may refrain from acting in accordance with such instructions, or refrain from taking such action, until it has received such funding or indemnities (or adequate security has been provided therefore) as it may reasonably require.

- (i) The Bond Trustee shall give a notice to the Bondholders before it ceases to perform its obligations under the Bond Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Bond Trustee under the Bond Finance Documents.

18.3 Equality and conflicts of interest

- (a) The Bond Trustee shall not make decisions which will give certain Bondholders an unreasonable advantage at the expense of other Bondholders. The Bond Trustee shall, when acting pursuant to the Bond Finance Documents, act with regard only to the interests of the Bondholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in the Bond Finance Documents.
- (b) The Bond Trustee may act as agent, trustee, representative and/or security agent for several bond issues relating to the Issuer notwithstanding potential conflicts of interest. The Bond Trustee is entitled to delegate its duties to other professional parties.



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18.4 Expenses, liability and indemnity

- (a) The Bond Trustee will not be liable to the Bondholders for damage or loss caused by any action taken or omitted by it under or in connection with any Bond Finance Document, unless directly caused by its gross negligence or wilful misconduct. The Bond Trustee shall not be responsible for any indirect or consequential loss. Irrespective of the foregoing, the Bond Trustee shall have no liability to the Bondholders for damage caused by the Bond Trustee acting in accordance with instructions given by the Bondholders in accordance with these Bond Terms.
- (b) Any liability for the Bond Trustee for damage or loss is limited to the amount of the Outstanding Bonds. The Bond Trustee is not liable for the content of information provided to the Bondholders by or on behalf of the Issuer or any other Person.
- (c) The Bond Trustee shall not be considered to have acted negligently if it has:
 - (i) acted in accordance with advice from or opinions of reputable external experts; or
 - (ii) acted with reasonable care in a situation when the Bond Trustee considers that it is detrimental to the interests of the Bondholders to delay any action.
- (d) The Issuer is liable for, and will indemnify the Bond Trustee fully in respect of, all losses, expenses and liabilities incurred by the Bond Trustee as a result of negligence by the Issuer (including its directors, management, officers, employees and agents) in connection with the performance of the Bond Trustee's obligations under the Bond Finance Documents, including losses incurred by the Bond Trustee as a result of the Bond Trustee's actions based on misrepresentations made by the Issuer in connection with the issuance of the Bonds, the entering into or performance under the Bond Finance Documents, and for as long as any amounts are outstanding under or pursuant to the Bond Finance Documents.
- (e) The Issuer shall cover all costs and expenses incurred by the Bond Trustee in connection with it fulfilling its obligations under the Bond Finance Documents. The Bond Trustee is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Bond Finance Documents. The Bond Trustee's obligations under the Bond Finance Documents are conditioned upon the due payment of such fees and indemnifications. The fees of the Bond Trustee will be further set out in the Bond Trustee Agreement.
- (f) The Issuer shall on demand by the Bond Trustee pay all costs incurred for external experts engaged after the occurrence of an Event of Default, or for the purpose of investigating or considering (i) an event or circumstance which the Bond Trustee reasonably believes is or may lead to an Event of Default or (ii) a matter relating to the Issuer or any of the Bond Finance Documents which the Bond Trustee reasonably believes may constitute or lead to a breach of any of the Bond Finance Documents or otherwise be detrimental to the interests of the Bondholders under the Bond Finance Documents.



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- (g) Fees, costs and expenses payable to the Bond Trustee which are not reimbursed in any other way due to an Event of Default, the Issuer being Insolvent or similar circumstances pertaining to the Obligors, may be covered by making an equal reduction in the proceeds to the Bondholders hereunder of any costs and expenses incurred by the Bond Trustee or the Security Agent in connection therewith. The Bond Trustee may withhold funds from any escrow account (or similar arrangement) or from other funds received from the Issuer or any other person, irrespective of such funds being subject to Transaction Security, and to set-off and cover any such costs and expenses from those funds.
- (h) As a condition to effecting any instruction from the Bondholders (including, but not limited to, instructions set out in Clause 16.3 (*Bondholders' instructions*) or Clause 17.2 (*Procedure for arranging a Bondholders' Meeting*)), the Bond Trustee may require satisfactory Security, guarantees and/or indemnities for any possible liability and anticipated costs and expenses from those Bondholders who have given that instruction and/or who voted in favour of the decision to instruct the Bond Trustee.

18.5 Replacement of the Bond Trustee

- (a) The Bond Trustee may be replaced according to the procedures set out in Clause 17 (*Bondholders' decisions*), and the Bondholders may resolve to replace the Bond Trustee without the Issuer's approval.
- (b) The Bond Trustee may resign by giving notice to the Issuer and the Bondholders, in which case a successor Bond Trustee shall be elected pursuant to this Clause 18.5, initiated by the retiring Bond Trustee.
- (c) If the Bond Trustee is Insolvent, or otherwise is permanently unable to fulfil its obligations under these Bond Terms, the Bond Trustee shall be deemed to have resigned and a successor Bond Trustee shall be appointed in accordance with this Clause 18.5.
- (d) The change of Bond Trustee's shall only take effect upon execution of all necessary actions to effectively substitute the retiring Bond Trustee, and the retiring Bond Trustee undertakes to co-operate in all reasonable manners without delay to such effect. The retiring Bond Trustee shall be discharged from any further obligation in respect of the Bond Finance Documents from the change takes effect, but shall remain liable under the Bond Finance Documents in respect of any action which it took or failed to take whilst acting as Bond Trustee. The retiring Bond Trustee remains entitled to any benefits under the Bond Finance Documents before the change has taken place
- (e) Upon change of Bond Trustee the Issuer shall co-operate in all reasonable manners without delay to replace the retiring Bond Trustee with the successor Bond Trustee and release the retiring Bond Trustee from any future obligations under the Bond Finance Documents and any other documents.



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- 18.6 **Security Agent**
The Security Agent is appointed pursuant to the Intercreditor Agreement and may be replaced in accordance with the provisions of the Intercreditor Agreement.
- 19 Amendment and waivers**
- 19.1 **Procedure for amendments and waivers**
The Issuer and the Bond Trustee (acting on behalf of the Bondholders) may agree to amend the Finance Documents or waive a past default or anticipated failure to comply with any provision in a Finance Document, provided that:
- (a) such amendment or waiver is not detrimental to the rights and benefits of the Bondholders in any material respect, or is made solely for the purpose of rectifying obvious errors and mistakes; or
 - (b) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
 - (c) such amendment or waiver has been duly approved by the Bondholders in accordance with Clause 17 (*Bondholders' decisions*).
- 19.2 **Authority with respect to documentation**
If the Bondholders have resolved the substance of an amendment to any Bond Finance Document, without resolving on the specific or final form of such amendment, the Bond Trustee shall be considered authorised to draft, approve and/or finalise (as applicable) any required documentation or any outstanding matters in such documentation without any further approvals or involvement from the Bondholders being required.
- 19.3 **Notification of amendments or waivers**
The Bond Trustee shall as soon as possible notify the Bondholders of any amendments or waivers made in accordance with this Clause 19, setting out the date from which the amendment or waiver will be effective, unless such notice obviously is unnecessary. The Issuer shall ensure that any amendment to these Bond Terms is duly registered with the Securities Depository.
- 20 Miscellaneous**
- 20.1 **Limitation of claims**
All claims under the Bond Finance Documents for payment, including interest and principal, will be subject to the legislation regarding time-bar provisions of the Relevant Jurisdiction.
- 20.2 **Access to information**
(a) These Bond Terms will be made available to the public and copies may be obtained from the Bond Trustee or the Issuer. The Bond Trustee will not have any obligation to distribute any other information to the Bondholders or any other person, and the Bondholders have no right to obtain information from the Bond Trustee, other than as explicitly stated in these Bond Terms or pursuant to statutory provisions of law.



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- (b) The Issuer and the Bond Trustee to the extent permitted under applicable regulations, shall have access on demand to information on ownership of Bonds registered in the Securities Depository. At the request of the Bond Trustee, the Issuer shall promptly obtain such information and provide it to the Bond Trustee.
- (c) The Issuer hereby irrevocable appoints each of the Bond Trustee and such Persons employed by the Bond Trustee and the Paying Agent as its attorneys with full power and authority to independently obtain information directly from the Securities Depository. The Issuer may not revoke any such power of attorney while the Bonds are outstanding unless directed by the Bond Trustee. The Issuer shall without undue delay issue separate powers of attorney, if so requested by the Securities Depository.
- (d) The information referred to in paragraphs (b) and (c) above may only be used for the purposes of carrying out their duties and exercising their rights in accordance with the Bond Finance Documents and shall not disclose such information to any Bondholder or third party unless necessary for such purposes.

20.3 Notices, contact information

- (a) Written notices to the Bondholders made by the Bond Trustee will be sent to the Bondholders via the Securities Depository with a copy to the Issuer and the Exchange (if the Bonds are listed). Any such notice or communication will be deemed to be given or made via the Securities Depository, when sent from the Securities Depository.
- (b) The Issuer's written notifications to the Bondholders will be sent to the Bondholders via the Bond Trustee or through the Securities Depository with a copy to the Bond Trustee and the Exchange (if the Bonds are listed).
- (c) Unless otherwise specifically provided, all notices or other communications under or in connection with these Bond Terms between the Bond Trustee and the Issuer will be given or made in writing, by letter, e-mail or fax. Any such notice or communication will be deemed to be given or made as follows:
 - (i) if by letter, when delivered at the address of the relevant party;
 - (ii) if by e-mail, when received; and
 - (iii) if by fax, when received.
- (d) The Issuer and the Bond Trustee shall each ensure that the other party is kept informed of changes in postal address, email address, telephone and fax numbers and contact persons.
- (e) When determining deadlines set out in these Bond Terms, the following will apply (unless otherwise stated):
 - (i) if the deadline is set out in days, the first day of the relevant period will not be included and the last day of the relevant period will be included;



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- (ii) if the deadline is set out in weeks, months or years, the deadline will end on the day in the last week or the last month which, according to its name or number, corresponds to the first day the deadline is in force. If such day is not a part of an actual month, the deadline will be the last day of such month; and
- (iii) if a deadline ends on a day which is not a Business Day, the deadline is postponed to the next Business Day.

21 Governing law and jurisdiction

21.1 Governing law

These Bond Terms are governed by the laws of Denmark, without regard to its conflict of law provisions.

21.2 Main jurisdiction

The Bond Trustee, the Issuer and the Guarantors agree for the benefit of the Bond Trustee and the Bondholders that the City Court of Copenhagen shall have jurisdiction with respect to any dispute arising out of or in connection with these Bond Terms. The Issuer and the Guarantors agree for the benefit of the Bond Trustee and the Bondholders that any legal action or proceedings arising out of or in connection with these Bond Terms against the Issuer, the Guarantors or any of its or their respective assets may be brought in such court.

21.3 Alternative jurisdiction

Clause 21.2 (*Main jurisdiction*) is for the exclusive benefit of the Bond Trustee and the Bondholders and the Bond Trustee have the right:

- (a) to commence proceedings against the Issuer or any other Obligor or its/their respective assets in any court in any jurisdiction; and
- (b) to commence such proceedings, including enforcement proceedings, in any competent jurisdiction concurrently.

21.4 Service of process

- (a) Without prejudice to any other mode of service allowed under any relevant law, each Guarantor:
 - (i) irrevocably appoints the Issuer as its agent for service of process in relation to any proceedings in connection with these Bond Terms; and
 - (ii) agrees that failure by the Issuer or another agent for service of process to notify the relevant Guarantor of the process will not invalidate the proceedings concerned.
- (b) If any Person appointed as an agent for service of process is unable for any reason to act as agent for service of process, the relevant Guarantor must immediately (and in any event within 10 Business Days of such event taking place) appoint another agent on terms acceptable to the Bond Trustee. Failing this, the Bond Trustee may appoint another agent for this purpose.



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These Bond Terms have been executed in two originals, of which the Issuer and the Bond Trustee shall retain one each.




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SIGNATURES:

The Issuer


For and on behalf of Idavang A/S:


Name: MICHAEL T. HENRIKSEN
Title: CFO

Name:
Title:

The Original Guarantors

For and on behalf of UAB IDAVANG:


Name: MICHAEL T. HENRIKSEN
Title: CFO

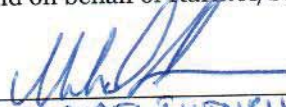
Name:
Title:

For and on behalf of Rus Invest ApS:


Name: MICHAEL T. HENRIKSEN
Title: CFO


Name:
Title:

For and on behalf of Rurik A/S:


Name: MICHAEL T. HENRIKSEN
Title: CFO

Name:
Title:

For and on behalf of Pskov Invest ApS:


Name: MICHAEL T. HENRIKSEN
Title: CFO

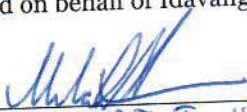
Name:
Title:





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For and on behalf of Idavang Russia A/S:


Name: MICHAEL T. HENRIKSEN
Title: CFO

Name:
Title:

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The Bond Trustee

For and on behalf of Nordic Trustee A/S:


Name: JACOB ARENANGREN
Title: CEO

Name:
Title:



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Schedule 1 – Compliance Certificate

To: Nordic Trustee A/S
Bredgade 30
1260 Copenhagen K
Denmark

From: Idavang A/S

[date]

Idavang A/S- 75,000,000 Floating Rate Senior Secured Bonds due 2025

We refer to the Bond Terms for the above captioned Bonds. Terms defined in the Bond Terms shall, unless otherwise defined herein, have the same meaning when used herein

This is a Compliance Certificate as mentioned in paragraph (d)(vii) of Clause 13.1 (*Information from the Issuer*).

[Description of Incurrence Test Event].

The Incurrence Test set out in (b) of Clause 15.1 (*Incurrence Test*) is met. Please see the calculations and figures in respect of the ratios attached hereto. We confirm that the calculations are made in accordance with Clause 15.2 (*Calculation of Incurrence Test*) and any other relevant provision in the Bond Terms.

We confirm that no Event of Default has occurred and is continuing or would occur following such event.

We hereby certify that all information delivered under cover of this Compliance Certificate is true and accurate and there has been no material adverse change to the financial condition of the Issuer since the reference date used in testing whether the Incurrence Test has been met.

Yours faithfully,
Idavang A/S

Name of authorised person



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Schedule 2 – Form of Guarantor Accession Letter

To: Nordic Trustee A/S
Bredgade 30
1260 Copenhagen K
Denmark

From: [Name of Additional Guarantor]
[Address]
[Postal code and City]
[Country]

and

Idavang A/S

[date]

Idavang A/S- EUR 75,000,000 Floating Rate Senior Secured Bonds due 2025

We, [Name and address of Additional Guarantor] a company incorporated under the laws of [Country] with [company registration] [CVR] number [●] (the “**Additional Guarantor**”), refer to the Bond Terms for the above captioned Bonds a copy of which we have received. Terms defined in the Bond Terms shall, unless otherwise defined herein, have the same meaning when used herein.

1. The Additional Guarantor agrees that it shall accede to the Bond Terms as an Additional Guarantor with respect to the Guarantee and confirms:
 - (a) the undertakings contained in Clause 14 (*General undertakings*) of the Bond Terms applicable to it have been complied with;
 - (b) that no Event of Default has occurred and is continuing; and
 - (c) that it shall become an Additional Guarantor immediately upon the Bond Trustee countersigning this Accession Letter.
2. This Accession Letter shall be governed by the laws of Denmark, without regard to its conflict of law provisions and the terms set out in 21.2 (*Main jurisdiction*) and Clause 21.3 (*Alternative jurisdiction*) of the Bond Terms shall apply to this Accession Letter.
3. The Additional Guarantor irrevocably appoints the Issuer on its behalf to act and receive all notices and/or services of legal process in any legal action or proceeding arising out of or in connection with any Bond Finance Document and the Issuer hereby accepts such appointment. This paragraph 3 shall, however, not affect the Bond Trustee's right to serve process in any other manner provided by Danish law.
- [4. With respect to the guarantee made by the Additional Guarantor hereby the following limitation shall apply: [●]]



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74 af 74

Yours faithfully
[Name of Additional Guarantor]:

Name:
Title:

Name:
Title:

Accepted as Issuer,
Idavang A/S:

Name:
Title:

Name:
Title:

Accepted and agreed by the Bond Trustee,
Nordic Trustee A/S:

Name:
Title:

Name:
Title:


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2
3

APPENDIX B - ANNUAL REPORTS FOR THE ISSUER 2019 AND 2020

(Enclosed separately)

Idavang A/S
Tofthøjvej 41, DK-7321 Gadbjerg
CVR 20 95 61 43

Approved at the
Company's Annual General Meeting
on 25 May 2020



Annual Report 2019



IDAVANG

Statement by the Board of Directors and the Executive Board	3	Group	Parent Company
Independent Auditors' Report	4	Financial Statements for the Period 1 January - 31 December	Financial Statements for the Period 1 January - 31 December
Management's Review	7	26	56
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Group Chart	9	Statement of Other Comprehensive Income 27	Statement of Other Comprehensive Income 57
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Business Review 2019	14	Statement of Changes in Equity 29	Statement of Changes in Equity 59
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Click or tap the content list on this page to jump to appropriate chapter.

Click or tap Menu button on the top right of other pages to jump back to this page.

Statement

by the Board of Directors and the Executive Board

Gadbjerg, 26 February 2020

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Idavang A/S for the financial year 1 January - 31 December 2019.

The annual report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish requirements for annual reports.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2019 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 1 January - 31 December 2019.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the Parent Company's operations and financial matters and the results of the Group's and the Parent Company's operations and financial position.

We recommend that the annual report be approved at the annual general meeting.

Executive Board



Claus Baltersen
CEO



Michael Henriksen
CFO

Board of Directors



Niels Hermansen
Chairman



Jytte Rosenmaj



Leo Grønval



Ole Bjerremand Hansen



Carsten Lund Thomsen

Independent Auditor's Report

to the shareholders of Idavang A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Idavang A/S for the financial year 1 January – 31 December 2019, which comprise income statement, statement of other comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies, for the Group and the Parent Company. The consolidated financial statements and the parent company financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2019 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 1 January – 31 December 2019 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

Our opinion is consistent with our long-form audit report to the Audit Committee and the Board of Directors.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements

applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent company financial statements" (hereinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

To the best of our knowledge, we have not provided any prohibited non-audit services as described in article 5(1) of Regulation (EU) no. 537/2014.

Appointment of auditor

Idavang A/S has issued bonds, which was listed on the NASDAQ Copenhagen Stock Exchange in July 2018. We were initially appointed as auditor of Idavang A/S on 15 July 2011 for the financial year 2011.

We have been reappointed annually by resolution of the general meeting for a total consecutive period of 9 years

up until and including the financial year 2019.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year 2019.

These matters were addressed during our audit of the financial statements as a whole and in forming our opinion thereon.

We do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the "Auditor's responsibilities for the audit of the financial statements" section, including in relation to the key audit matters below.

Accordingly, our audit included the design and performance of procedures to respond to our assessment of the risks of material misstatement of the financial statements.

The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the financial statements.

Independent Auditor's Report

to the shareholders of Idavang A/S

Key audit matters

Fair value of commercial and breeding herd

The Group's biological assets in terms of commercial and breeding herd are measured at fair value less selling costs at the balance sheet date.

At the 31 December 2019 the fair value of the group's herds amount to EUR 43,434 thousand (2018: EUR 35,933 thousand).

The Group's model applied for determining the fair value is complex and involves significant judgements, as local prices are not available in all relevant markets for all stages in the production from piglet to slaughter pigs and from young females to sows. The model includes information, quotations and prices from known markets with necessary adjustments appropriate for each local market.

We refer to note 16 in the consolidated financial statements.

How our audit addressed the key audit matter

We have evaluated and tested the appropriateness of the Group's model for determining the fair value of the herd throughout all stages of production.

We challenged Management's assumptions applied in the models with reference to historical data and, where applicable, external documented quotations and prices based on age, breed and genetic heritage.

We tested the valuation models for consistency with previous years. Further, we evaluated the appropriateness of the related disclosures provided.

Statement on the Management's review

Management is responsible for the Management's review. Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Management's responsibilities for the financial statements

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the

preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain

Independent Auditor's Report

to the shareholders of Idavang A/S

professional scepticism throughout the audit. We also:

- > Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- > Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- > Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- > Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the

Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.

Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.

- > Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- > Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including

any significant deficiencies in internal control that we identify during our audit.

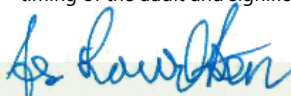
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements and the parent company financial statements of the current period and are therefore the key audit matters.

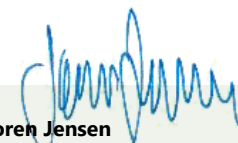
We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Aarhus
26 February
2020

ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Jes Lauritzen
State Authorised Public Accountant
mne10121



Søren Jensen
State Authorised Public Accountant
mne34132

Annual
Report
2019

Management's Review



Company Details

Name	Idavang A/S
Address, zip code, city	Toftthøjvej 41 DK-7321 Gadbjerg
CVR no.	20 95 61 43
Established	1998
Financial year	1 January - 31 December
Website	www.idavang.com
Telephone	+45 75 87 64 15
Board of Directors*	Niels Hermansen, Chairman Jytte Rosenmaj, Deputy chairman Claus Baltersen Ole Bjerremann Hansen Carsten Lund Thomsen
Executive Board*	Claus Baltersen, CEO Michael Henriksen, CFO
Shareholders	Jast Holding ApS, Toftthøjvej 41, DK-7321 Gadbjerg, 80% International Finance Corporation, 2121 Pennsylvania Ave., Washington, D.C. 20433, USA, 20%
Ultimate parent company	Jast Holding ApS, Toftthøjvej 41, DK-7321 Gadbjerg, 80%
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Vaerkmestergade 25, DK-8000 Aarhus C

(*) See note 23 for further information

Financial Highlights

EUR'000,000

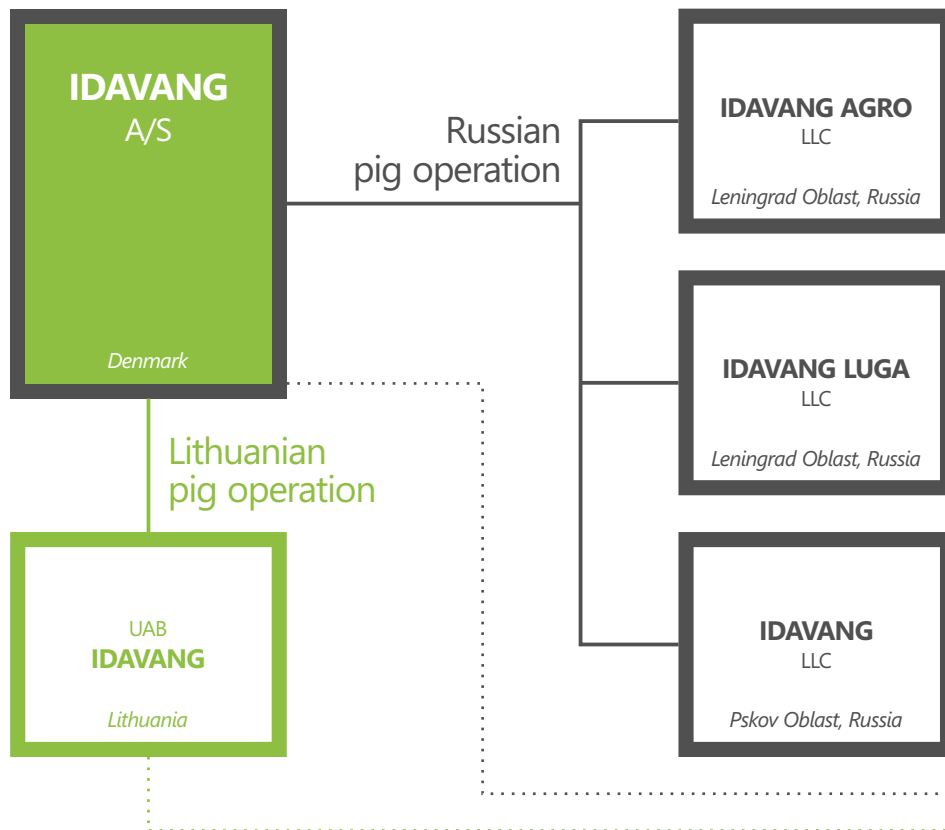
Key Figures	2019	2018	2017	2016	2015
Revenue	110.5	99.5	109.6	95.1	91.2
EBITDA (*)	26.9	17.6	21.6	26.0	20.3
Profit/loss before net financials (EBIT)	18.4	10.1	13.8	18.7	12.3
Net financials	-4.8	-9.3	-5.9	-3.8	-6.3
Profit/loss for the year	11.0	1.2	6.1	14.3	5.9
Tangible assets	96.7	86.8	88.6	94.0	87.6
Biological assets (herd and crop)	45.0	37.4	37.3	43.8	32.6
Total assets	200.1	181.0	179.1	165.0	145.5
Equity	67.3	50.4	54.1	72.3	50.0
Net interest-bearing debt (NIBD)	90.1	78.3	73.0	68.1	74.4
Non-current liabilities	98.0	100.1	95.3	64.6	56.9
Current liabilities	34.8	30.4	29.7	28.2	38.5
Cash flows from operating activities	2.7	5.3	19.6	14.6	10.9
Investment in property, plant and equipment	-9.3	-12.6	-6.3	-3.5	-4.6
Cash flows from financing activities	-2.8	9.8	-11.4	-11.5	-2.7
Total cash flows	-9.7	3.2	2.0	0.2	4.3
EBITDA margin	24%	19%	20%	27%	22%
Current ratio	245%	255%	254%	196%	109%
Equity ratio	34%	28%	30%	44%	34%
Return on equity	16%	2%	10%	20%	12%
Sold volume liveweight (kMT)	89	88	86	86	75
Return on average invested capital (ROIC)	13%	7%	10%	14%	9%
Average number of full-time employees	830	809	807	787	767

(*) Refer to note 3 Segments. Financial ratios are calculated in accordance with the recommendations of the Danish Finance Society. For terms and definitions, please see the accounting policies in note 1. Historical figures have not been adjusted for IFRS 9, 15 and 16.

Management's Review

Annual
Report
2019
IDAVANG A/S

Group Chart



Above group chart shows only operational entities. All group enterprises are 100% directly or indirectly owned by Idavang A/S.

Revenue for the Idavang group was EUR 110.5m in 2019 against EUR 99.5m in 2018. EBITDA was EUR 26.9m against EUR 17.6m (at fixed herd prices it was EUR 22.8m against 2018 of EUR 15.1m) and profit after tax was EUR 10.8m against EUR 1.2m in 2018.

Implementation of IFRS 16 have had EUR 0.2m effect on EBITDA and EUR 0.0m on profit after tax.

Production flow has during 2019 been changed in Russia with our new farm Luga started operations with slaughterpigs in May and sold first pigs in August, currently eight stables are operational and additional two will follow start 2020. In Lithuania more production has been in-sourced reducing contracting operation (in Poland) with 34%, and with the rental of Berzai farm end 2019 it is expected to in-source the remaining production in 2020.

The massive outbreaks of African Swine Fever (ASF) in China started affecting the European pork market in April, driving sales prices significant upwards in Lithuania. The positive effect resulted in that prices end 2019, where the highest (nominal terms) the last 30 years in Europe. Nevertheless, it has not benefitted sales from Russia that the Asian pork prices are booming, as limited export has existed before 1st January 2020, where Vietnam was opened for import from Russia.

Overall the sales prices increase from 1,14 EUR/kg to 1,23 EUR/kg for the full year compared to 2018 (+22% in Lithuania and -7% in Russia). The price increase was dominated by higher prices on pork from Q2-Q4 in Lithuania, where the increase was +32% compared to the same period in 2018.

Feed average prices were in 2019 4.5% higher than in 2018 (EUR 2.6m), but from new harvest Q4, 2019 has prices been reduced again mainly due to cheaper grain. The reduction in feed price in Q4 2019 was 6% compared to Q1-Q3, equal to EUR 0.9m saving in Q4.

Field activities had a strong harvest in 2019 (EUR 3.8m), improving EUR 1.7m compared to 2018. The yields of grain where 6,9T/ha by far the best recorded (4.3T/ha average last five years).

The Group invested EUR 9.3m in 2019, which is more than the depreciation of EUR 8.5m, the investments were driven mainly by expansion on the Luga site with EUR 7.3m.

Equity on 31 December 2019 amounted to EUR 67.2m at an equity ratio of 34%.

Net interest-bearing debt (NIBD) increased to EUR 90.1m in 2019, being EUR 11.8m higher than in 2018. The adverse development in NIBD has been driven by four different elements first the expansion on Luga site with EUR 7.3m, IFRS 16 Leases implementation EUR 2,2m, a higher focus on buying grain in Russia in the harvest (driving higher inventories with EUR 5.4m) and optimizing networking capital where possible to save interest.

Vision

Our vision is to achieve and maintain the highest quality of pigs while strictly adhering to all ethical and environmental standards

Mission

Our mission is to be the top producer of pigs in the Baltic states and North Western Russia, renowned for high quality pigs produced in accordance with top ethical and environmental standards.

We strive to be an important and dependable partner to our clients, an actively benevolent member of the surrounding communities, an employer who provides an exciting and appealing workplace environment while offering our employees personal and professional development opportunities, as well as steady career possibilities.

Core Activity

Idavang's core activity is the production and sale of high-quality slaughter pigs and weaners in Russia and Lithuania.

Idavang specialises in both brown field and green field pig production projects in Lithuania and Russia.

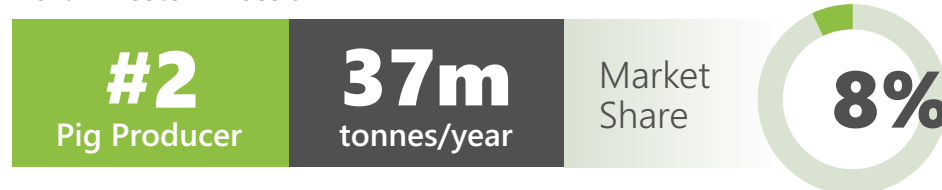
We acquire and invest along with International Finance Corporation (part of World Bank Group) in larger production sites. We refurbish the facilities and renew the technology and knowhow with the companies well-developed production solutions. Production sites are within a reasonable geographic area to enhance synergies.

Key Market Facts

Lithuania



North Western Russia



Management's Review

Historical Development

- 1999 ● Idavang A/S started operating the first farm Šalnaičiai (Lithuania) with an initial investment of EUR 800 thousand.
- 2002 ● Rupinskai farm was acquired; in total, 3,000 sows were held.
- 2006 ● Mūša, Sajas and Kalvarija farms were acquired, and the production volume exceeded 11 kMT by 2005. Idavang paired off with IØ Fund (Danish Government) in Lithuanian operations from 2001-2005.
- 2010 ● Skabeikiai, Lekėčiai and Pasodėlė farms were bought, bringing sows in operation up to 19,000.
- 2011 ● Activities were expanded to Russia as Farm Idavang Ostrov was acquired where the construction of a green field farm began in 2011 and Farm Vostochny was acquired (mid-2008). Farm Vostochny totals 6,600 sows. Furthermore, in 2011 the International Finance Corporation (part of World Bank Group) became an Idavang A/S shareholder and Joniškis, Šeduva and Šešupė farms were acquired in Lithuania.
- 2013 ● Russian expansion continued. Farm Ostrov went into operation, and field operations increased significantly.
- 2014 ● Construction of biogas sites in Lithuania in cooperation with Modus Energy and establishment of contracting in Poland. Idavang Lithuania started to use as a boars station.
- 2017 ● Idavang Group issues re-financing using a EUR 85m bond.
- 2018 ● Bond was listed on Nasdaq and construction on Luga site in Russia started.
- 2019 ● Luga slaughter pig stables in operation, and Berzai farm was rented in Lithuania to reduce contracting in Poland.

Knowledge Resources

Idavang produces commodities in an international, competitive environment.

One of the only ways we can secure our position as market leader in regard to productivity and quality is to retain our employees, develop their skills and enable them to constantly improve.

Business Focus

Lithuania

Lithuania, our focus is on pig production within brown field projects, as it utilize our core competencies and superior efficiency in pig production.

Sales is made weekly auctioneering of slaughter pigs for the best possible prices based on demand and supply in the Lithuanian and Polish market.

Production, utilize our core competencies and superior efficiency in pig production.

> Sourcing of feed component is done predominantly from a limited number of larger local agricultural companies, to which we have long relations.

> Manure is sold to local farmers as fertilizer instead of cultivating the fields, but Idavang spread most of it on the farmer's fields to secure the correct handling.

Russia

Russia, our focus has an extended value chain as it include farmland, grain production and pig production in both green field and brown field projects.

Sales is made weekly auctioneering of slaughter pigs for the best possible prices based on demand and supply in the Leningrad and Pskov Oblast market.

Production, utilize our core competencies and superior efficiency in pig production.

> Grain production on own fields supply significant part of feed removing dependency on Russian Farmers. Sourcing of remaining of feed is done from a number of medium and larger agriculture companies predominant in Russia.

> Manure is used on own fields as fertilizer, but some part is also supplied to local farmers for their fields as fertilizer.

Value Chain

Lithuania Value Chain



Russia Value Chain



Management's Review

Business Review 2019

Development in Segments

	EUR'000	FY2019	FY2018
Lithuania	Revenue	65,052	53,257
	Value adjustment, biological assets	7,894	-1,206
	Production costs	-54,833	-53,158
	Administrative costs	-1,904	-2,054
	Other income	1,324	1,095
	Other expense	-153	0
	Operating profit	17,380	-2,066
	Net financials	-1,211	-1,034
	Foreign exchange adjustments	106	-8
	Profit before tax	16,275	-3,108
Lithuania accounted for 59% of Group revenue in FY2019 (54% in FY2018).	Tax on profit for the year	-2,382	413
	Profit for the period	13,893	-2,695
	Depreciations included in production cost	3,895	3,270
	EBITDA	21,275	1,204
	EBITDA fixed herd prices	13,381	2,410

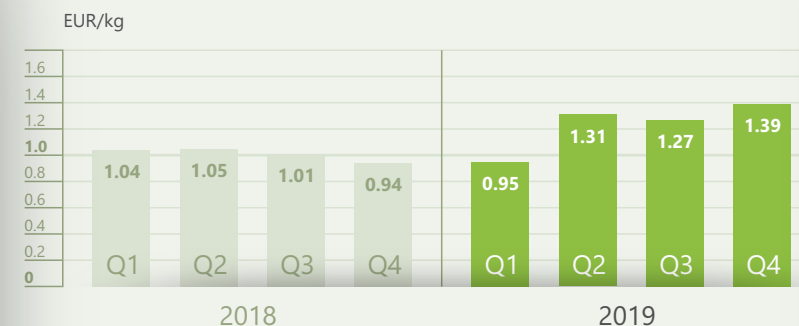
EBITDA fixed herd prices reflect that the above EBITDA has been adjusted for the unrealized value adjustment related to biological assets.

The EBITDA fixed herd price for 2019 amounted to 13.381 kEUR corresponding to an EBITDA margin of 20.6% (2018: 2,410 kEUR and EBITDA margin 4.5 %). The EBITDA increased compared to 2018 of 10,971 kEUR is mainly due to positive development in sales prices with 11,120 kEUR, whereas feed had the same average price of 228 EUR/T compared to 2018.

The sales price increased 18% compared to 2018 to an average 1,23 EUR per kilo slaughter pigs' live weight in 2019 (2018: 1,01 EUR per kilo live weight slaughter pigs) with 11,120 kEUR positive effect. The sales price increases have been driven by demand from Asia, especially China, due to African Swine Fever breakouts which have reduced the world production of pork significant. Feed prices have in Q4 2019 decreased to 220 EUR/T compared to 231 EUR/T (Q1-Q3 2019).

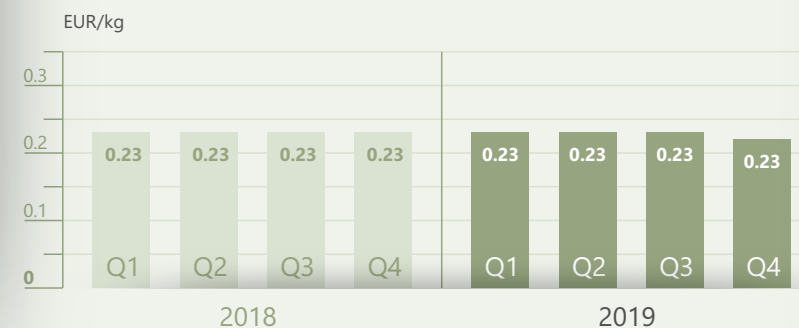
Live weight sales price

Lithuania



Feed price

Lithuania



Management's Review

Business Review 2019

Development in Segments

	EUR'000	FY2019	FY2018
Russia Russia accounted for 41% of Group revenue in FY2019 (46% in FY2018).	Revenue	45,488	46,261
	Value adjustment, biological assets	-3,805	3,762
	Production costs	-38,828	-35,692
	Administrative costs	-1,496	-1,414
	Other income	981	579
	Other expense	-109	-102
	Operating profit	2,231	13,394
	Net financials	-2,119	-2,192
	Foreign exchange adjustments	503	26
	Profit before tax	615	11,228
	Tax on profit for the year	-256	-30
	Profit for the period	359	11,198
	Depreciations included in production cost	4,598	4,235
	EBITDA	6,829	17,629
	EBITDA fixed herd prices	10,634	14,867

EBITDA fixed herd prices reflect that the above EBITDA has been adjusted for the unrealized value adjustment related to biological assets.

The EBITDA fixed herd price for 2019 amounted to 10,634 kEUR corresponding to an EBITDA margin of 23.4% (2018: 13,867 kEUR and EBITDA margin 30.0 %). The EBITDA decreased compared to 2018 of 4,101 kEUR is mainly due to negative development in sales prices with 3,118 kEUR, and higher feed price equal to 2.413 kEUR due to average price of 256 EUR/T compared to 2018 price of 232 EUR/T.

The sales price decreased 8% compared to 2018 to an average 1,23 EUR per kilo slaughter pigs' live weight in 2019 (2018: 1,33 EUR per kilo live weight slaughter pigs) with 3,118 kEUR positive effect. The sales price has not had a positive impact from increases in demand from Asia Fever breakouts, as Russia first from 1st January 2020 got it's first full export agreement in place to Asia (Vietnam). Feed prices have in Q4 2019 reduced to 240 EUR/T compared to 261 EUR/T (Q1-Q3 2019).

Live weight sales price

Russia



Feed price

Russia



Revenue

Revenue increased from EUR 99.5 m to EUR 110.5 m (+11%). The increase of EUR 11.0 m due to higher sales prices (EUR 9.0 m), as Lithuania increase of EUR 12.1 m compensated the decrease of Russia of EUR 3.1m

Sales prices in EUR / Averages	2019	2018	2017	2016
Slaughter pigs Lithuania - Price / Kg live weight	1.23	1.01	1.17	1.08
Weaners Lithuania - Price / Unit	71	53	64	-
Slaughter pigs Russia - Price / Kg live weight	1.23	1.33	1.43	1.24
Weaners Russia - Price / Unit	49	53	60	53

Herd value adjustment

In 2019, the fair value adjustment for herd comprised EUR 4.1m. The adjustment consists sole of an increase in the commercial herd, due to increase in prices in Lithuania with average of 42% (equal to EUR 7.3m); this is partly reduced by decreasing prices in Russia (equivalent to EUR 3.2m) hence in total a EUR 4.1m increase to commercial herd and the breeding herd has overall unchanged price with EUR 0.0m.

Production cost

Production costs increased by EUR 4.8m to EUR 93.7m from EUR 88.9m (5.4%). The increase was mainly due to the following two factors:

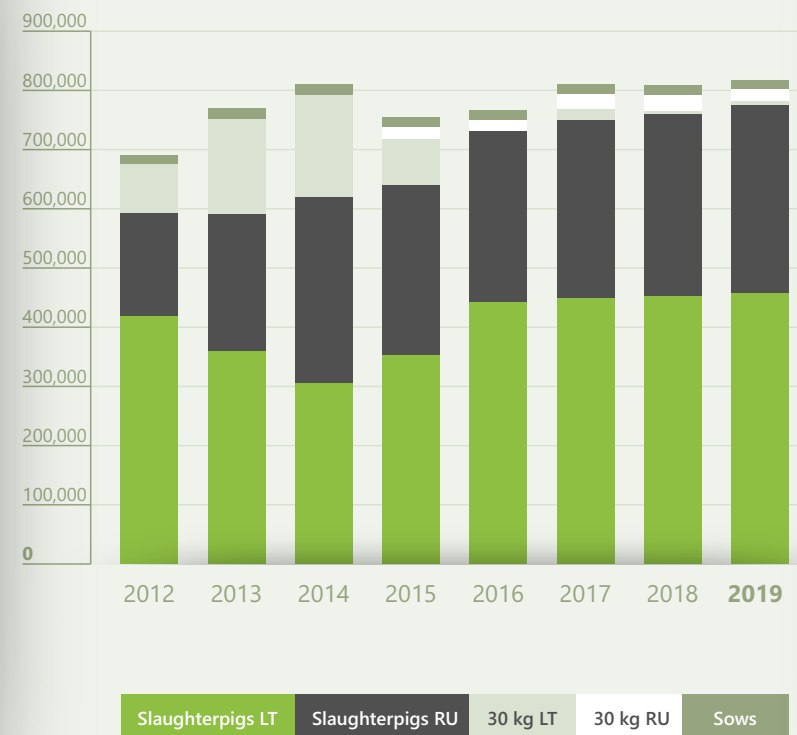
- > Feed cost impacted production cost with EUR -3.5m (an increase compared to 2018 equals 6.0%, of which volume is 1.5% and price 4.5%)
- > Improved EBITDA from field of EUR +1.8m mainly due to higher yields

Grant

The Government level of direct subsidies for meat and grain (excluding interest subsidies) is slightly higher in 2019 (EUR 0.6m) due to an additional payment compared to 2018 (2018: EUR 0.2m).

The interest subsidy structure is so that the subsidy goes directly to the bank from the government, and the bank then provide loans with lower interest instead. All Russian loans have fixed interest rates of 3,5-4,0% in RUB.

Product mix



Management's Review

Outlook

The company expects a higher EBITDA at fixed herd prices for 2020 compared to 2019 (EBITDA 22.8 mEUR) due to meat prices, driven by Asian demand.

Meat prices

Assumptions below are made based on the continuation of the current USD/EUR level and demand from China/Asia from Europe on at least current levels.

EU/Lithuania average prices for 2020 are expected to be higher than in 2019 (1,23 EUR/kg)

Russian pork prices 2020 are expected to be slightly above 2019 (1,23 EUR/kg)

Feed price

Feed price is expected to be lower than in 2019, mainly due to grain prices.

Current Risks

Fluctuations in prices of pork	Fluctuations in Russian customs, subsidies and if Russia allows import of pork and live pigs from the EU	Current situation regarding support from the Russian government
<p>As pork is a global commodity, global supply and demand influences prices in all markets to a higher or lower degree, Idavang mitigates this by focusing on markets where there is an undersupply of pork.</p> <p>Thereby, we compete with producers in other markets, which need to transport the pork to North Western Russia or Lithuania.</p>	<p>Russia wants to support domestic development of agriculture business and especially pork production where there is an undersupply.</p>	<p>Import has been closed for European due to veterinarian reasons (from 2014) and embargo (from 2015).</p> <p>Therefore, the main competitive product is imported chilled and frozen meat within or outside quotas from Brazil. The quota system should change from January 1st 2020, where it should be replaced with a flat rate of 25% on all import to Russia.</p> <p>Interest subsidies of apx. 7% on loans, which fulfil a number of criteria, typical a net interest of 3.5%.</p>

Management's Review

Current Risks

Fluctuations in prices of raw materials	Concentration of production facilities in North Western Russia and Lithuania	Russian, EU and global economic conditions	Diseases	Financial risks
<p>Pigs are fed grain, protein (e.g. soya and sunflower) and premixes (vitamin and minerals), which account for a significant part of production costs.</p> <p>An increase in these prices, together with an inability to transfer such increased costs to slaughterhouses, may have a material adverse effect on Idavang's profit. Over time, such an imbalance will lead to inefficient producers and closed productions; hence supply will be reduced, which will increase prices again.</p> <p>Idavang mitigates this exposure by being a cost-efficient producer with high productivity and operations in markets with natural premiums.</p>	<p>The concentration of production facilities in North Western Russia and Lithuania means that Idavang's operations are dependent on the degree to which raw materials can be imported and the possibility of exporting from Lithuania to EU and especially Russia (if it opens up borders) ensures the best prices for Lithuanian live pigs.</p> <p>Two areas can disrupt this export possibility: the political situation and outbreaks of diseases.</p> <p>Currently, Russian borders are closed for all imports of live commercial pigs and for chilled and frozen meat from a number of countries due to veterinarian and/or political reasons (embargo).</p> <p>Polish borders are closed for all imports of live commercial pigs from ASF Zone 2+3 in Lithuania, whereas pork meat from ASF Zone 2 can be sold in Poland, chilled and frozen.</p>	<p>An economic downturn or an uncertain economic outlook in the Russian economy could adversely affect consumers' meat and pork consumption habits.</p> <p>Similarly, a global economic downturn or an uncertain economic outlook in the world economy could adversely affect global consumers' meat and pork consumption habits. With pork being a global commodity, the individual regions as EU or Russia will also be effect, but the effects might be lower as regional markets have own fluctuations.</p>	<p>An outbreak of a serious disease could potentially cause a loss of earnings from the relevant farm for a period during which a replacement herd would be put into operation.</p> <p>Production management places high focus on the risk, and the highest biosecurity measures are taken. Furthermore, the herd is insured for all diseases to mitigate the risk to the highest possible degree.</p>	<p>During 2019, the RUB has fluctuated within a range of 13% against the EUR. The total effect for 2019 was a 13% appreciation EUR/RUB, which among others affected equity negatively by EUR 6.3m, as all Russian tangible assets are measured in RUB.</p> <p>For more information about financial risks, see note 24.</p>

Management's Review

Corporate Social Responsibility

Idavang's CSR policy covers the four areas of the UN Global Compact:

Human Rights

Labour Rights

Environment

Anti-corruption

The CSR policy also has special focus on climate change, occupational health and safety, animal welfare and community development.

The company focuses on the following five values:

Respect & Trust

Quality & Ethic

Transparency

Environmental Responsibility

Constant Development

The Idavang Group is constantly working on safeguarding these values throughout our organisation. Historically, the Idavang Group has always placed high focus on CSR, including animal welfare. Consequently Idavang have had group-housed sows and used partly slatted floors since its establishment in 1999.

Intellectual Capital Resources

Idavang considers the employees and the organizational culture as the most important assets of the company. The Company's long term success is highly linked to attracting, retaining and developing the employees. which is why both internal and external training and education are priorities of Idavang.

Anti-corruption Policy

The aim of the company's anti-corruption policy is to define Idavang's business practice for countering corruption and bribery and to provide guidance to employees. Idavang has a zero tolerance policy towards bribery and corruption.

All our partners and employees are informed about our attitude and principles towards corruption.

Warning signs are place on walls, doors and info boards around on the farms as well as in the country headquarters.

This policy extends to all Idavang's business dealings and transactions in all countries in which we operate. The policy is fully implemented in both Lithuania and Russia. Suppliers and business contacts are periodically being informed about requirements.

Risk identified

Small gifts and corruption from suppliers

Actions

Small gifts (especially around Christmas) are mainly consumed at work.

In cases of corruptions are contract with both employees and suppliers terminated without any limitation. Idavang has not identified any cases of corruption in 2019.

Management's Review

Environmental Matters

Environmental matters are an integrated part of Idavang's mission and we make no compromises. We constantly strive to take care of the environment in all everyday actions, and we acknowledge the need to take care of natural resources to the benefit of future generations.

Our focus is to reduce any negative impact that our production may have on the environment. We do not have full ownership of the entire value chain. However, we urge all our business partners to help us take care of the environment.

The manure is a valuable fertilizer which, however, has a specific odor. Putting the fertilizer to efficient use and causing no inconveniences to our neighbors, we carry out careful maintenance and continuous improvements of the manure collection, storage and fertilization systems.

Many of our complexes in Lithuania and Russia have successfully functioning manure management equipment that separates the liquid and solid fraction of manure and removes excess phosphorus and ammonia.

Furthermore there closed Lagoons on every farm

with top and double liners to prevent the emission of ammonia, nitrogen (greenhouse gas). Closed lagoons also ensure that no odour will be released into the air.

Key risk/targets identified

Reducing the amount of mineral fertilizer by supplying organic fertilizer (manure) to farmers on the optimal time.

Actions

Improve coordination with farmers so that the organic fertilizer has the highest effect hence reducing the volume of mineral fertilizer.

KPI is the price paid for organic fertilizer as we assume it equals mineral fertilizer reduced, revenue in 2019 was EUR 687k (2018: EUR 493k, 2017: EUR 598k). An increase in revenue was due to better weather conditions (than 2018) and increased focus.

Animal Welfare

The ethical treatment of animals is one of our fundamental values. Our work is based on the criteria of fairness, transparency and European and national legislation on animal welfare. We carry out regular reviews and assessments of our activities to ensure top-level animal welfare and efficiency of production.

Health and Safety Policy

The main purpose of the Occupational Health and Safety system is to protect employees' life and health

and to ensure good working conditions by avoiding injuries and accidents. The Occupational health and Safety tasks are structured in seven main tasks:

1. Strengthen and develop health and safety systems by forming socially responsible approach to the employees' health and safety
2. Perform an occupational risk assessment of all workplaces
3. Improve the system of training certification and instruction of employees on issues of the employees safety and health
4. Increase preventive efficiency of the employees health care
5. Increase fire safety
6. Improve safety of employees performing dangerous work
7. Providing safe, healthy work conditions for every employee

Key risk/targets identified

Work accident

Actions

Activities within this area has top priority, therefore after every accident happens an e-mail is sent to all users, to ensure learning from the case.

Accident reports include all details, for example "During pig vaccination, the pig climbed on employee's left foot", followed by pictures, employee account, etc.

KPI is accidents 18 (2019), 19 (2018), 16 (2017)

Management's Review

Human Rights

We care about human rights, hence we do not tolerate discrimination of any kind, be it about nationality, gender, age, sexual orientation or other. Neither do we tolerate violence physical nor psychological against employees or management.

Key risk/targets identified

Child labor and discrimination in our company / supply chain

Actions

Suppliers are periodically reviewed for fulfilling Idavang standards of, among others, anti-corruption, human rights (including child labor and discrimination), and animal welfare.

During reviews done in 2019, there were no identified violations of Idavang standards.

Community Relationships

We will continue our work on supporting the neighboring communities, paying special attention to educational initiatives, social issues and sustainable development of rural territories.

Climate

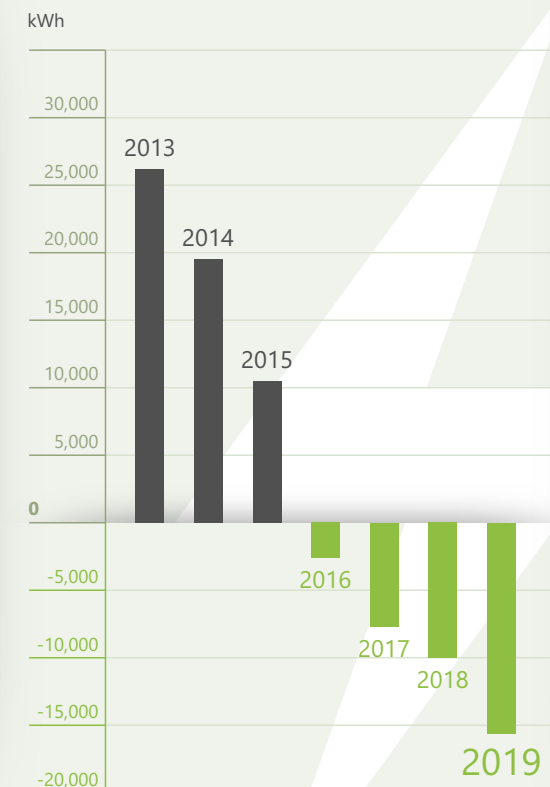
Focus in our business relates not only to our production facility, but also to our partner companies.

Focus is on reducing energy consumption, which is done in many areas implementing efficient straw boilers as source of heat, ensuring that our partners use new EURO4/EURO5 trucks that use AdBlue technology and utilizing gas in manure through biogas.

Biogas, where we use our efforts together with a business partner (Modus Energy) we have established biogas plants with the aim to improve environmental targets.

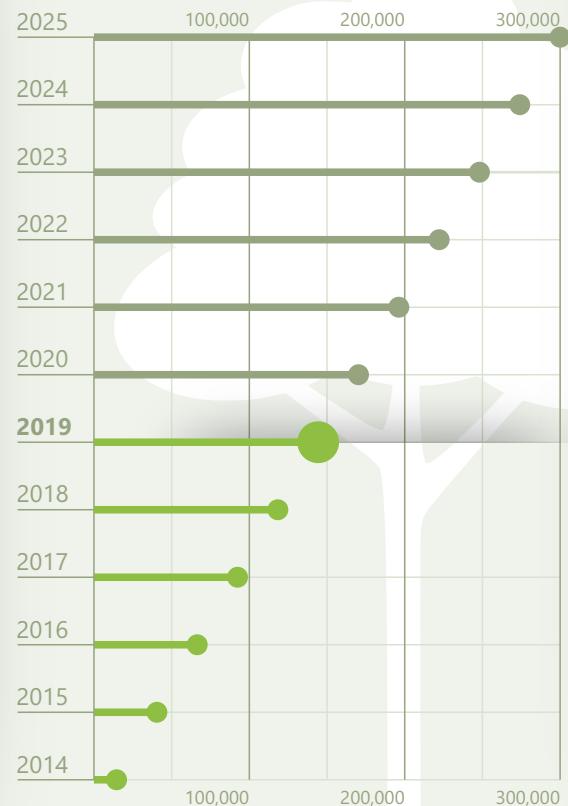
In 2016 we managed to become net supplier of energy, and as you can see in the graph we are increasing the net supply in 2019.

Net consumption



Management's Review

Biogas plant = planting trees



An important benefit of the biogas plants is also to save CO₂. With the current plants the decrease in CO₂ emissions is equivalent to planting more than 300,000 trees over the next 10 years.

Key risk/targets identified

Minimize energy consumption and CO₂

Actions

Minimize energy focuses on replacing all lamps with LED, utilizing slurry to biogas in partnership with Modus and general focus on utilizing best energy source.

See graph for development.

Additional information

The company provides additional information on CSR on our webpage **www.idavang.com**, which complement the information provided in this annual report.

Corporate Governance

Shareholders

Shareholders can exercise their rights at the general meeting of shareholders, which is the company's supreme governing body.

Board of Directors

The overall task of Idavang's Board of Directors is to create value for the shareholders by managing the company.

The Board resolves matters relating to Idavang's strategic development, budgets, risk factors, acquisitions and divestments as well as major development and investment projects. Furthermore, the Board of Directors supervises the Executive Board.

Executive Board

The Executive Board of Idavang is appointed by the Board of Directors and is responsible for the company's day-to-day management, including the development and results of the company's operations as well as the company's internal development.

Management's Review

The Executive Board is responsible for implementing Idavang's strategy and the overall resolutions approved by the Board of Directors.

For details on the Board of Directors or Executive Board see note 23.

Audit Committee

The Board of Directors has set up an Audit Committee to assist it in supervising the financial reporting process and the efficiency of Idavang's internal control and risk management systems.

The Executive Board is responsible for maintaining controls and an effective risk management system and it has taken the necessary steps to address the risks identified in relation to financial reporting.

The composition of the Board of Directors, Audit Committee and Executive Board ensures the availability of relevant competencies with respect to internal controls and risk management.

Financial reporting

In relation to its financial reporting process, Idavang has set up a number of internal controls to ensure that

the company's financial reporting gives a true and fair view free from material misstatement. The internal control and risk management systems also ensure that the financial reporting complies with applicable laws and standards.

The financial reporting process is subject to systematic assessment on an ongoing basis in collaboration with the Audit Committee. The tasks and focus areas of the Audit Committee are updated every year in the form of an annual wheel. According to the annual wheel, the tasks of the Audit Committee include monitoring the financial reporting process in connection with the publication of annual and interim reports, including a review of accounting policies and significant accounting estimates and judgments.

Internal controls and risk management systems in relation to the financial reporting

Corporate Finance conducts regular control inspections at Lithuanian and Russian subsidiaries to ensure that corporate standards for internal controls have been implemented and operate effectively.

Any proposals for improvement are reported to the audit committee. The audit committee chairman is the board member Jytte Rosenmaj.

The duties of the audit committee are to monitor the following:

- > The financial reporting process.
- > The company's internal control systems and risk management systems, including insurance matters.
- > The statutory audit of the financial statements.
- > The independence of the auditors, including in particular the provision of non-audit services to the Group.

Management's Review

Remuneration

Remuneration of members of the Board of Directors and the Executive Board

Idavang seeks to ensure that the remuneration of the Board of Directors and the Executive Board is at a competitive and reasonable level compared with companies of the same size and with the same complexity as that of Idavang to ensure that Idavang is able to attract and retain competent executives.

The members of the company's Board of Directors receive a fixed fee, the amount of which is subject to shareholder approval.

The remuneration and employment terms of the members of the Executive Board are determined by the Board of Directors, which also evaluates the work of the Executive Board.

The members of the Executive Board receive a fixed annual salary, and either have a performance-related cash bonus or a share-based long-term incentive program.

The remuneration paid for 2019 is specified in note 5 in the Group Notes.

Remuneration General

Idavang has a competitive remuneration system for all employees.

Idavang pays competitive salaries to our employees. The salary structure has standardized principles and is transparent to all employees.

Furthermore do we provide free meals, working clothes and footwear for our employees.

Intellectual Capital Resources

Idavang considers the employees and the organizational culture as the most important assets of the company.

The Company's long-term success is highly linked to attracting, retaining and developing the employees, which is why both internal and external training and education are priorities of Idavang.

Management's Review

Human Resource Policy

The company's goal is to ensure that both genders are always represented on the Board of Directors, which they currently are.

The company is committed to observing the Group's human resource policy, which first key principles are the equality of employees.

The Board of Directors has one female board member out of five, equal to 20% (1 of 5). The company's management today (by the end of 2019) is represented by eight individuals. One of whom is female; the gender representation is unchanged compared to end of 2018.

It is the Idavang Group's objective that both genders should represent a minimum of 25% of the company's management and board in 2022 compared to 14% females and 86% males today.

The external board process ended in 2019 with the election of a man for the board of directors, as no female candidates had a similar background within the slaughter industry.

The company wishes to honor diversity and equal gender representation in all parts of management.

When selecting new board members or new management members, the company strives toward that both genders are represented among the last three candidates.

We want the company's employees to experience equal opportunities for employment, improvement, career-making and gaining management positions regardless of gender, age or nationality.

The company measures and monitors how this goal is met through satisfaction surveys, which include questions like "I know what is expected of me at work" (rated 4,6 out of 5,) and "I receive recognition or praise for doing good job" (rated 3.9 out of 5) to ensure that the company adheres to the goals mentioned above.

Post Balance Sheet Events

No events materially affecting the Group and the Company's financial position have occurred subsequent to the financial year-end.

Group Financial Statements



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Income Statement

NOTE	EUR'000	2019	2018
3	Revenue	110,540	99,518
16	Value adjustment, biological assets	4,089	2,556
5 7	Production costs	-93,666	-88,854
4 5 6 7	Administrative costs	-4,586	-4,666
8	Other income	2,305	1,674
	Other expense	-262	-102
	Operating profit	18,420	10,126
9	Financial income	2,171	236
10	Financial expenses	-6,974	-9,532
	Profit before tax	13,617	830
12	Tax on profit for the year	-2,638	383
	Profit for the year	10,979	1,213

Statement Of Other Comprehensive Income

EUR'000	2019	2018
Profit for the year	10,979	1,213
Other comprehensive income		
Exchange adjustment, foreign subsidiaries	6,321	-5,785
Hedge accounting transferred to production cost	- 364	537
Value adjustment at hedge instrument of the year	12	364
Other comprehensive income to be reclassified to profit or loss in subsequent periods	5,969	-4,884
Other comprehensive income not be reclassified to profit or loss in subsequent periods	0	0
Total comprehensive income	16,948	-3,671

Group

Financial Statements for the period January 1 - December 31

Balance Sheet

NOTE	EUR'000	Assets	2019	2018
Non-current assets				
13	Intangible assets		1,305	1,296
15	Property, plant and equipment		96,745	86,755
16	Biological assets		15,772	14,194
Other non-current assets				
18	Deferred tax		757	757
	Financial assets		445	445
	Total other non-current assets		1,202	1,202
	<i>Total non-current assets</i>		115,024	103,447
Current assets				
19	Inventories		15,599	10,160
16	Biological assets		29,251	23,192
Receivables				
20	Trade receivables		5,664	2,194
	Other receivables		1,715	1,930
	Prepayments		2,192	1,117
	Income tax		351	465
	<i>Total receivables</i>		9,922	5,706
21	Cash		30,286	38,462
	<i>Total current assets</i>		85,058	77,520
Total assets			200,082	180,967

NOTE	EUR'000	Equity & Liabilities	2019	2018
22	Equity			
	Share capital		1,000	1,000
	Exchange adjustments		-26,228	-32,549
	Other reserves		12	364
	Retained earnings		92,564	81,585
	<i>Total equity</i>		67,348	50,400
Non-current liabilities				
24	Credit institutions and issued bonds		92,735	96,436
11	Government grants		2,003	1,925
18	Deferred tax		3,069	1,594
	Provisions		134	134
	Other non-current liabilities		39	39
	<i>Total non current liabilities</i>		97,980	100,128
Current liabilities				
24	Credit institutions		14,828	9,659
24	Payable to credit institutions		12,866	10,686
	Trade payables		5,332	8,208
12	Income taxes		0	0
	Other payables		1,728	1,886
	<i>Total current liabilities</i>		34,754	30,439
	<i>Total liabilities</i>		132,734	130,567
Total equity & liabilities			200,082	180,967

Group

Financial Statements for the period January 1 - December 31

Statement Of Changes In Equity

EUR'000	Share Capital	Exchange Adjustment	Other Reserves	Retained Earnings	Total
Equity at 31 December 2017	1,000	-26,764	-537	-80,372	54,071
Profit/loss for the year				1,213	1,213
Exchange rate adjustments, foreign subsidiaries		-5,785		0	-5,785
Hedge instrument transferred to production cost			537		537
Value adjustment of hedge instrument of the year			364		364
Total comprehensive income	0	-5,785	901	1,213	-3,671
Equity at 31 December 2018	1,000	-32,549	364	81,585	50,400
Profit/loss for the year				10,979	10,979
Exchange rate adjustments, foreign subsidiaries		6,321			6,321
Hedge instrument transferred to production cost			-364		-364
Value adjustment of hedge instrument of the year			12		12
Total comprehensive income	0	6,321	-352	10,979	16,948
Equity at 31 December 2019	1,000	-26,228	12	92,564	67,348

Group

Financial Statements for the period January 1 - December 31

Cash Flow Statement

NOTE	EUR'000	2019	2018
	Operating profit/loss	18,420	10,126
7	Depreciation and amortisation	8,498	7,508
	Profit from sale of tangible assets	-29	-279
	Accrual of hedging accounting	-352	901
	Changes in inventories	-4,390	-2,112
	Changes in receivables	-4,299	-909
	Changes in trade payables	-3,289	1,252
	Changes in other current liabilities	-242	-459
6	Share-based payments	0	0
	Addition of biological assets	-393	-817
16	Value adjustment, biological assets	-4,089	-2,556
	Total	9,835	12,655
	Interest received	389	236
	Interest paid	-6,465	-6,589
	Corporation tax paid	-1,049	-1,027
	Cash flows from operating activities	2,710	5,275

NOTE	EUR'000	2019	2018
13	Acquisition of intangible assets	-13	-15
15	Acquisition of property, plant and equipment	-9,254	-12,601
	Disposal of property, plant and equipment	279	452
16	Acquisition/disposal of biological assets	-605	740
	Acquisition of investments	0	-441
	Cash flows from investing activities	-9,593	-11,865
24	Proceeds from borrowings	18,500	24,558
24	Repayment of borrowings	-21,269	-14,744
	Dividends paid	0	0
	Cash flows from financing activities	-2,769	9,814
	Net cash flows from operating, investing and financing activities	-9,652	3,224
	Cash and cash equivalents at 1 January	13,586	12,457
	Exchange adjustments	1,590	-2,095
21	Cash and cash equivalents at 31 December	5,524	13,586

The Group owns EUR 1,2m (2018: EUR 1.2m) Idavang A/S bonds year end, furthermore the Group has EUR 1.1m overdraft (2018: EUR 7: 0.0m).

NOTES: Group

Financial Statements for the period January 1 - December 31

1

Note 1. Significant Accounting Policies

Basis of preparation

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the EU and additional Danish disclosure requirements for financial statements prepared by large reporting class D enterprises.

The consolidated financial statements are presented in EUR. The parent's functional currency is DKK.

The financial statements have been prepared on the historical cost basis except for biological assets and hedging contracts, which are measured at fair value, and amortized cost for loans were relevant.

New and amended statements effective for 2019

IFRS 16 "Leases" sets out the principles for the recognition, measurement, presentation, and disclosure of leases for both parties to a contract, i.e., the customer ('lessee') and the supplier ('lessor'). The Group has also elected to use the recognition exemptions for lease contracts that at commencement date have a lease term of 12 months or less and do not contain a purchase option (Short-term leases) and lease contracts for which the underlying assets is of low value (low value assets). Furthermore Idavang A/S Group has elected to use the transition practical expedient to not reassess whether a contract is, or contains a lease, hence applied the standard only to contracts that were previously identified as leases when applying IAS 17.

The new standard requires lessees to recognize most leases on their financial statements. Lessees will have a single accounting model for all leases, with certain exemptions. Lessor accounting is substantially unchanged. IFRS has been implemented using the modified retrospective approach; hence no adjustment of comparison figures has been made; hence presentation is made in accordance with rules in IAS17 and IFRIC 4 as material difference exists.

Several other amendments and interpretations apply for the first time in 2019, including IFRIC 23 - uncertainty over income tax, but do not have any significant impact on the consolidated financial statement of Idavang A/S Group. Idavang A/S Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

Implementing IFRS 16 has effected the balance sheet end 2019 in following way leasing assets EUR 2,254k, prepayments EUR 69k, leasing obligation EUR 2,233k, and equity EUR 47k.

Evaluation of the expected renting period is based on contract length in agreements added with a predicted extension period. Rental contracts for operating lease equipment and land are only original contracts, as limited experience for extension exists and they do not have strategic value.

Rental agreements on both office and production facilities have been included with expected extensions as real rental periods typically are longer than base agreements. The discount rate used is 2%-6,25%.

New and amended statements and bases for conclusions not yet effective

IASB has issued a number of new standards, amendments to existing standards and bases for conclusions, which have not yet come into force, but which will become effective in the financial year 2019 or later. These are not expected to have a significant effect on recognition and measurement in future annual reports.

Consolidated financial statements

The consolidated financial statements comprise the parent, Idavang A/S, and entities in which the parent, directly or indirectly, holds more than 50% of the voting rights or otherwise has a controlling interest (see group chart on page 9).

The consolidated financial statements are prepared by aggregating the parent's and the subsidiaries' financial statements, prepared in accordance with the accounting policies applied by the group. Intra-group income and expenses, shareholdings, etc., intra-group balances and dividends and realized and unrealized gains on transactions between the consolidated entities are eliminated on consolidation.

Currency translation

Transactions denominated in foreign currencies are translated into EUR at the exchange rates at the date of the transaction. Monetary items denominated in foreign currencies are translated into EUR at the exchange rates at the balance sheet date. Realized and unrealized exchange gains and losses are recognized in profit or loss as financial income/expenses.

Non-monetary assets and liabilities measured at historic cost in foreign currencies are translated into EUR at the exchange rates at the date of recognition. Non-monetary assets and liabilities measured at fair value in foreign currencies are translated into EUR at the exchange rates at the date of determination of the fair value.

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Derivative financial instruments

The Group enters into commodity contracts with respect to grain in order to secure future supply.

Derivate financial instruments are initially measured at fair value at the time of conclusion of the contract and subsequently at fair value at the balance sheet date. They are recognised in other receivables when the fair value is positive and in other payables when the fair value is negative. Changes in the fair values of derivate financial instruments that are designated and qualify as hedges of future commodity purchases are recognised in other comprehensive income. Income and expenses relating to such hedging transactions are transferred from other comprehensive income on realisation of the hedged item and are recognised in the same entry as the hedged item.

Any gains or losses arising from changes in the fair value of derivative financial instruments that not qualify as hedges are recognised under net financials in the income statement.

Purchase contracts

The company enters into purchase contracts on feed components, for future delivery, for use in pig production (executory contracts). The cost price for the grain is the agreed contract price which is recognised in the books at time of delivery.

An onerous executory contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. An executory contract for purchase of inventory is deemed onerous if the economic benefit expected to be received from the products produced with it (net realisable value of the inventories to be obtained) is lower than the costs. For onerous contract a provision is recognised.

Share-based payments

Employees in the Group receive compensation in the form of share-based payments with the employees providing services as consideration for equity instruments ('equity-settled share-based payments').

Expenses incurred in connection with equity-settled share-based payments to employees are measured on the basis of the fair value at the grant date. The fair value is determined using an appropriate pricing model, see note 6.

Expenses related to equity-settled share-based payments are recognised over the vesting period. The

total expenses recognised in respect of equity-settled share-based payments at the balance sheet date reflect the share of the vesting period that has passed and the group's best estimate of the number of equity instruments that will eventually vest.

The amount recognised in profit or loss represents the change in the total expenses recognised at the beginning and at the end of the year.

Income statement

Revenue

Revenue from the sale of slaughter pigs and piglets are recognised in profit or loss, when control of them are transfer to the customer based on incoterms in sales agreement. Revenue is reduced for VAT and is measured at the fair value of the consideration received or receivable.

Production costs

Production costs comprise expenses incurred in generating the revenue for the year. Such costs include direct and indirect production costs relating to raw materials and consumables, wages and salaries, rent and leases, and depreciation, amortisation and impairment losses in respect of production plant.

Also operating expenses relating to investment property are recognised.

Dividend

Dividend revenue is recognised when the Group's right to receive the dividend has been established.

Net financials

Financial income and expenses are recognised in profit or loss at the amounts that relate to the reporting period. Net financials include interest income and expenses, realised and unrealised capital and exchange gains and losses on securities and foreign currency transactions and surcharges and allowances under the advance-payment-of-tax scheme, etc.

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Government grants

The Group's government grants are subject to IAS 20 and comprise:

Government grants related to expenses

In Russia, the Group receives government grants in the form of reimbursement of interest expenses on loans, cost recovery for cost related to the production of crops and compensation for high grain prices.

Government grants related to expenses are recognised as income as the right to the grant is earned and received, i.e. as the eligible expenses are incurred and the grant is deposited in a bank account.

Government grants related to property, plant and equipment

In Lithuania, the Group receives government grants for the investment of property, plant and equipment in return for the Group's commitment to carry on pig production for a certain number of years.

Government grants for assets are recognised as deferred income, which is reduced in step with the depreciation of the related asset and recognised in profit or loss under depreciation.

Income taxes

Income taxes include current tax on the year's expected taxable income and the year's deferred tax adjustments less the share of the tax for the year that concerns changes in equity.

Current and deferred taxes related to items recognised directly in equity are taken directly to equity.

Balance sheet

Intangible assets

Intangible assets with indefinite lives comprise goodwill. Goodwill is not amortised but is tested for impairment on an annual basis. The impairment test is performed for the cash-generating unit to which the goodwill belongs.

The carrying amount of goodwill is reduced to the higher of the value in use and the fair value less costs to sell of the activity or the business area to which the assets relate (recoverable amount) if it is lower than the carrying amount.

Intangible assets with definite lives

Intangible assets with definite lives comprise electricity rights and the right to buy leased land in Russia. The rights are measured at cost less accumulated amortisation and impairment.

Rights are depreciated using the straight-line method on the basis of the cost over the following useful lives:

		Useful life, years
Intangible assets	Rights	20-25

The rights are tested for impairment whenever there is an indication that they might be impaired. The impairment test is performed for each individual asset or group of assets, respectively. The carrying amount of the assets is reduced to the higher of the value in use and the fair value less costs to sell of the asset or group of assets (recoverable amount) if it is lower than the carrying amount.

Property, plant and equipment

Property, plant and equipment include land and buildings, plant and machinery and other fixtures and fittings, tools and equipment. Property, plant and equipment are measured at cost less accumulated depreciation and impairment. The cost includes the cost of acquisition, expenses directly attributable to the acquisition of the asset and expenses incurred to prepare the asset until such time as it is ready to be put into operation.

Depreciation is calculated on the basis of cost price reduced by the residual value and any impairment losses. The residual value is determined at the date of acquisition and is reviewed on an annual basis. If the residual value exceeds the carrying amount of the asset, depreciation is discontinued. Where the depreciation period or the residual value changes, the effect on depreciation is recognized prospectively as a change in accounting estimates.

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Property, plant and equipment are depreciated using the straight-line method on the basis of the cost over the following useful lives:

		<i>Useful life, years</i>
Fixed assets	Buildings	25-40
	Plant and machinery	8-15
	Other fixtures and fittings, tools and equipment	3-10
Leasing assets	Buildings - office	5
	Buildings - production	10
	Other (contract length)	3-70

Land is not depreciated. Gains and losses from the sale of property, plant and equipment are calculated as the difference between the selling price less selling costs and the carrying amount at the time of sale. Gains or losses are recognised in profit or loss.

Property, plant and equipment are tested for impairment whenever there is an indication that an asset might be impaired. The impairment test is performed for each individual asset or group of assets, respectively. The carrying amount of the assets is reduced to the higher of the value in use and the fair value less costs to sell of the asset or group of assets (recoverable amount) if it is lower than the carrying amount.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset, which is an asset which requires a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of the asset concerned until such time as it is essentially ready for its intended use or sale. Borrowing costs comprise interest and other expenses incurred in connection with borrowing.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use-assets. The Group recognizes right-of-use assets at the commencement date of the lease. Initially right-of-use assets are measured at the present value of the future lease payment plus the cost of obligations to refurbish the assets. Payments mainly consist of fixed payment and is adjusted for any remeasurement of lease liabilities. The leased assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Right-of-use assets are tested for impairment whenever there is an indication that the asset may be impaired.

Lease liabilities. At the commencement date of the lease, the Group recognize lease liabilities measured at the present value of lease payment to be made over the lease term. The lease payments include fixed payments. In calculating the present value of the lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable.

After the commencement date, the amount of lease liabilities is reduced for the lease payments made and the carrying amount of the lease liability is re-measured if there is a modification, a change in the lease payments or a change in the assessment of an option to either extend or terminate the contract. The Group's lease liabilities are included in interest bearing debt (see note 24).

Short-term leases and leases of low value assets. The Group applies the recognition exemption to its short-term (lease term of less than 12 months that do not contain a purchase option) and low value asset leases. Lease payments on these contracts are recognized as expenses.

Biological assets

Biological assets are recognized when the Group controls the asset and it is probable that future economic benefits associated with the asset will flow to the Group and the cost or fair value of the asset can be measured reliably. Biological assets are measured at fair value less selling costs.

Value adjustments of biological assets are recognized in profit or loss for the period to which they relate.

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The value of crops is calculated at cost plus production overheads. At the time of harvest, crops are reclassified from biological assets to inventories, measured at fair value less the cost of transportation, which subsequently makes up the cost.

Breeding herds are classified as non-current. Commercial herd (slaughter pigs) are classified as current.

Inventories

Inventories are measured at cost by reference to the FIFO method. Where the net realizable value is less than the cost, the carrying amount is reduced to such lower value.

Receivables

Receivables are recognized initially at fair value and subsequently measured at amortized cost less impairment assessment is based on the Expected Credit Loss model (ECL).

The ECL model involves a three-stage approach under which financial assets move through the stages as their credit quality changes.

The stages determine how impairment losses are measured and the effective interest is applied. For trade receivables, the Group applies the simplified approach, which permits the use of lifetime ECL. Provisions rates are determined based on groupings of trade receivables sharing the same credit risk characteristics and days past due.

Regarding Group intercompany loans, impairment losses will be recognized based on 12-months or lifetime ECL depending on whether a significant increase in credit risk has arisen since initial recognition.

Prepayments

Prepayments comprise prepaid expenses.

Equity

Foreign currency translation adjustments

Foreign currency translation adjustments comprise exchange adjustments in connection with the translation of foreign subsidiaries' balance sheets from their functional currency into the Group's presentation currency.

Other reserves

Other reserves comprise hedge accounting in Lithuania.

Income taxes

Current taxes are recognized in the balance sheet as the estimated tax in respect of the expected taxable income for the year, adjusted for tax on prior years' taxable income and tax paid in advance.

Provisions for deferred tax are calculated at local rates of all temporary differences between carrying amounts and tax values, with the exception of temporary differences occurring at the time of acquisition of assets and liabilities neither affecting the results of operations nor the taxable income, and temporary differences on goodwill.

Deferred tax assets are recognized at the value at which they are expected to be utilized, either through elimination against tax on future earnings or a set-off against deferred tax liabilities.

Financial liabilities

Financial liabilities comprise mortgage debt, payables to other credit institutions and subordinated loans. Financial liabilities are recognized at the inception of the loan at the proceeds received, net of transaction costs incurred. Financial liabilities are subsequently measured at amortized cost, determined by reference to the effective interest rate at the time of borrowing.

Leasing liabilities is measured after signing contract at NPV of the future leasing payment discounted with market interest.

Fair value

Fair value measurements are based on the principal market. If no principal market exist, the measurement is based on the most advantageous market, i.e. the market that maximizes the price of the asset or liability less transaction and/or transport costs.

All assets and liabilities which are measured at fair value, or whose fair value is disclosed, are classified based on the fair value hierarchy, see below:

Level 1:

Value in an active market for similar assets/liabilities

Level 2:

Value based on recognized valuation methods on the basis of observable market information

Level 3:

Value based on recognized valuation methods and reasonable estimates (non-observable market information).

Cash flow statement

The cash flow statement shows the Group's and the parent company's net cash flow during the year, the year's changes in cash and cash equivalents and the cash and cash equivalents at the beginning and at the end of the year.

Cash flows from operating activities are presented using the indirect method and are calculated as the profit or loss for the year, adjusted for non-cash operating items, changes in working capital, paid financial expenses and paid income taxes.

Cash flows from investing activities comprise payments related to additions and disposals of fixed assets, securities related to investing activities and dividends received from subsidiaries. Cash flows from financing activities comprise dividends paid to shareholders, borrowings and repayments of interest-bearing debt.

Cash and cash equivalents comprise cash and near money securities in respect of which the risk of changes in value is insignificant.

Financial highlights

Financial ratios are calculated in accordance with the recommendations of the Danish Finance Society.

Segment information

Revenue, result, total assets and liabilities has been allocated according to geographical markets.

Ratios

Term	Description
EBITDA	Earnings before interest, tax, depreciation and amortization
EBITDA margin	EBITDA x 100 / Revenue
Current ratio	Current assets x 100 / Current liabilities
Equity ratio	Total equity x 100 / Total assets
Return on equity	Profit for the year x 100 / Equity
Sold volume liveweight	Weight of slaughter pigs, piglets, weaners and sows sold
kMT	1,000,000 kg
Capital invested	Assets less cash, less bonds less non-interest-bearing debt including provisions
Return on average invested capital	EBIT x 100 / Average invested capital
Net interest-bearing debt	Non-current interest-bearing liabilities plus debt to credit institutions less cashless bonds

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Note 2.

Critical Accounting Estimates And Judgements

In connection with the preparation of the consolidated financial statements, Management makes a number of judgements and estimates, which form the basis of the recognition and measurement of income, expenses, assets, liabilities and disclosures of contingent assets and liabilities at the balance sheet date.

Accounting judgements

In the process of applying the Group's accounting policies, management has not exercised judgements which may have a significant effect on the amounts recognized in the consolidated financial statements.

Accounting estimates

Recognition and measurement of certain assets and liabilities at the balance sheet date require that management makes assumptions and estimates of future events. If these assumptions and estimates are not realized as expected, it may result in significant corrections of the carrying amounts of the affected assets and liabilities in the subsequent financial year.

In 2019, Management made assumptions and estimates in connection with the recognition and measurement of biological assets.

Idavang Group value the herd based on fair value.

Slaughter pigs above 60 kg are valued based on recent sales price per kg.

The sales price for weaners in Lithuania is based on official quotes plus volume fee agreed with customers. The valuation of piglets is based on official quotes. Sows (and the remaining breeding herd) are valued based on, official quotes, a number of elements genetics, cost and expected piglets.

The carrying amount at 31 December 2019 is EUR 43,434 thousand (2018: EUR 35,933 thousand). Please refer to note 16.

EUR	2019	2018
Slaughterpig sales price liveweight – Russia end year	1.50	1.30
Slaughterpig sales price liveweight – Lithuania end year	1.05	0.93
Weaners (30 kg) sales price – Lithuania end year	78	47
Piglets (7 kg)	48	21
Premium/discount for Russian meat (relation between slaughter pig prices)	-30%	40%
Sows unit price – Russia	664	630
Sows unit price – Lithuania	508	475

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Note 3. Segments

EUR'000	2019	Lithuania	Russia	Other / Eliminations	Group
Revenue		65,052	45,488	-	110,540
Value adjustment, biological assets (non-cash item)		7,894	-3,805	-	4,089
Production costs		-54,833	-38,828	-5	-93,666
Administrative costs		-1,904	-1,496	-1,186	-4,586
Other income		1,324	981	-	2,305
Other expense		-153	-109	-	-262
Operating profit		17,380	2,231	-1,191	18,420
Net financials		-1,211	-2,119	-3,644	-6,974
Foreign exchange adjustments		106	503	1,562	2,171
Profit before tax		16,275	615	-3,273	13,617
Tax on profit for the year		-2,382	-256	-	-2,638
Profit for the year		13,893	359	-3,273	10,979
Depreciations included in production cost		3,895	4,598	5	8,498
EBITDA		21,275	6,829	-1,186	26,918
EBITDA fixed herd prices (excluding value adjustment)		13,381	10,634	-1,186	22,829
Total assets		78,370	95,623	26,089	200,082
Liabilities		-36,611	-45,803	-50,320	-132,734
Net assets		41,759	49,820	-24,231	67,348

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Note 3. Segments

EUR'000	2018	Lithuania	Russia	Other / Eliminations	Group
Revenue		53,257	46,261	0	99,518
Value adjustment, biological assets (non-cash item)		-1,206	3,762	0	2,556
Production costs		-53,158	-35,692	-4	-88,854
Administrative costs		-2,054	-1,414	-1,198	-4,666
Other income		1,095	579	0	1,674
Other expense		0	-102	0	-102
Operating profit		-2,066	13,394	-1,202	10,126
Net financials		-1,034	-2,192	-3,660	-6,886
Foreign exchange adjustments		-8	26	-2,428	-2,410
Profit before tax		-3,108	11,228	-7,290	830
Tax on profit for the year		413	-30	0	383
Profit for the period		-2,695	11,198	-7,290	1,213
Depreciations included in production cost		3,270	4,235	3	7,508
EBITDA		1,204	17,629	-1,199	17,634
EBITDA fixed herd prices (excluding non-cash items)		2,410	13,867	-1,199	15,078
Total assets		66,656	85,467	28,844	180,967
Liabilities		38,741	42,320	49,809	130,567
Net assets		27,915	43,147	-20,965	50,400

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Note 4.
Fees Paid To Auditors Appointed At The Annual General Meeting

EUR'000	2019	2018
Fee regarding statutory audit	111	99
Assurance engagements	14	18
Tax assistance	1	0
Other assistance	0	0
Total	126	117

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Note 5.
Staff Costs

EUR'000	2019	2018
Wages and salaries	12,295	10,074
Other social security costs	1,203	2,515
Share-based payments (note 6)	-	0
Other staff costs	612	523
Total	14,110	13,112

Staff costs are recognized as follows in the financial statements:

EUR'000	2019	2018
Production	11,151	10,309
Fixed assets	142	50
Administration	2,817	2,753
	14,110	13,112

Of which:

Remuneration for executive board	622	653
Salaries to other executive officers	555	539
Remuneration for board of directors	138	169
Share-based payments (note 6), executive board and officers	0	0

Total	1,315	1,361
Average number of full-time employees	830	809

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Note 6. Share-based Payments

Idavang A/S has in 2013 set up an equity-based compensation plan under which options are granted to one group executive. The options vests on 31 December 2022 or on an earlier change in the Company's ownership structure (exit).

Management has estimated the expected vesting period.

If all the options vest, the executives become entitled to subscribe for shares in the Company worth a total nominal amount of up to EUR 24,000. Each option granted provides the owner with a right, but not an obligation, to purchase one share with a nominal value of EUR 84.00 in the Company in 2015 indexed up to EUR 269.56 in 2022.

The market value of the options is calculated using the Black-Scholes model. The calculation of present market values is based on the following assumptions:

Volatility 22.3%, risk-free interest rate 1.0%, exercise price up to EUR 269.56, and no dividend before after 2022.

The volatility is calculated on the basis of a peer group of comparable enterprises. These peers were analyzed over a period, following which the volatility for purposes of the valuation was calculated as the median. As at 31 December 2019, the fair value amounts to EUR 134,000 (2018: EUR 134,000).

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Note 7. Amortization, Depreciation And Impairment

EUR'000	2019	2018
Buildings & land	3,841	3,634
Buildings & land IFRS16	120	-
Plant and machinery	3,293	3,600
Plant and machinery IFRS16	109	-
Other fixtures and fittings, tools and equipment	383	243
Plants under construction	712	-
Intangible assets	40	31
Total	8,498	7,508

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Note 8. Other Income

EUR'000	2019	2018
Grants in Russia on meat and grain	637	125
Sale of slurry	687	493
Delivery of pigs	650	558
Sale of fixed assets	29	-
Miscellaneous	302	498
Total	2,305	1,674

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Note 9. Financial Income

EUR'000	2019	2018
<i>> Financial income from financial assets and liabilities at fair value through profit or loss:</i>		
Interest, derivative financial instruments	55	29
Exchange gains	1,782	0
Interest income, banks	251	204
Other	83	3
Total financial income	2,171	236

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Note 10. Financial Expenses

EUR'000	2019	2018
<i>> Financial expenses from financial assets and liabilities at fair value through profit or loss:</i>		
Interest, derivative financial instruments	0	0
<i>> Financial expenses originating from loans and receivables measured at amortized cost:</i>		
Exchange losses	-	-2,410
Interest payables to credit institutions	-853	-1,235
Interest, bonds	-5,561	-5,381
Interest, subordinated loans	-42	0
Other	-518	-507
Total financial expenses	-6,974	-9,532

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Note 11. Government Grants

The Group receives government grants in the form of reimbursement of interest on loans, grants for crop production and compensation for high grain prices.

The Group also receives grants for the maintenance of property, plant and equipment in return for a commitment to carry on pig production for a certain number of years.

EUR'000	2019	2018
Carrying amount 1/1	1,925	2,221
Received in the year - investments	106	86
Received in the year - other	638	865
Recognised in profit or loss in the year - investments received current year	-9	-7
Recognised in profit or loss in the year - investments received previous years	-180	-193
Recognised in profit or loss in the year - other	-638	-865
Exchange adjustment	161	-182
Carrying amount 31/12	2,003	1,925

The carrying amount of the grants partly relates to the EU SAPARD. The carrying amount is no longer subject to non-fulfilment terms if the underlying assets are not used.

Government grants relating to interest on loans from credit institutions have been deducted in financial expenses.

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Note 12. Income Taxes

EUR'000	2019	2018
<i>Income tax expense recognized in profit or loss:</i>		
Estimated tax on the taxable income for the year	-1,016	-96
Adjustment regarding prior year	-147	0
Change in deferred tax	-1,475	479
Income taxes	-2,638	383
<i>Reconciliation of tax rate:</i>		
Danish tax rate	22%	22%
Difference, tax rate in foreign subsidiaries	-7%	-68%
Tax loss carry forward not capitalized	4%	0%
Effective tax rate	19%	-46%
<i>Income taxes:</i>		
Carrying amount 1/1	-464	470
Payment	-691	-1,027
Tax on taxable income for the year	1,155	96
Exchange rate adjustment	0	-3
Carrying amount 31/12	0	-464

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Note 13. Intangible Assets

EUR'000	Goodwill	Right	Total
Cost at 1 January 2018	1,967	648	2,615
Additions	0	15	15
Disposals	0	0	0
Exchange adjustments	0	-64	-64
Cost at 31 December 2018	1,967	599	2,566
Amortization at 1 January 2018	948	314	1,262
Amortization	0	31	31
Disposals	0	0	0
Impairment	0	0	0
Exchange adjustments	0	-23	-23
Impairment losses and amortization at 31 December 2018	948	322	1,270
Carrying amount at 31 December 2018	1,019	277	1,296
Cost at 1 January 2019	1,967	599	2,566
Additions	0	0	-
Disposals	0	13	13
Exchange adjustments	0	61	61
Cost at 31 December 2019	1,967	673	2,640
Amortization at 1 January 2019	948	322	1,270
Amortization	0	40	40
Disposals	0	0	0
Impairments	0	0	0
Exchange adjustments	0	25	25
Impairment losses and amortization at 31 December 2019	948	387	1,335
Carrying amount at 31 December 2019	1,019	286	1,305

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Note 14.

Impairment Test, Intangible Assets

Intangible assets with indefinite lives (goodwill) are tested for impairment on an annual basis.

Goodwill

Goodwill relates to Lithuania: Šalnaičių (1999) and Skabeikių (2006).

Goodwill is tested for the smallest group of cash-generating units in respect of which goodwill is monitored by Management and which is not larger than the group's operating segments.

As sales and production are managed centrally in each individual country, goodwill is monitored at country level. Goodwill has been allocated to Lithuania, the carrying amount of goodwill at 31 December totaled:

Lithuania	2019	2018
EUR'000	1,019	1,019

The recoverable amount is determined on the basis of a calculation of the value in use using cash flow calculations based on budgets and forecasts for 2020-2022 (2018: 2019-2021), as approved by management. The calculation of the value in use is based on the following estimates:

Lithuania	2019	2018
Discount factor before tax	9.1%	9.1%
Growth rate in terminal period	2%	2%

The key assumptions used in cash flow projections are as follows:

Selling price per kilo pork compared with cost price per kilo grain

For Lithuania, a conservative expectation as to average sales prices and grain prices has been used, based on 2020 budget. Forward estimates are based on historical averages and EU forecasts.

Investments

Lithuania's investments are expected to be EUR 2.8m, but in terminal value investment is included equal to depreciations to be conservative. It is therefore Management's judgement that investments will be lower than depreciation charges going forward.

Working capital

In Management's opinion, working capital reached a normal level in 2019 in the cash generating units. Management does not expect significant changes to the level of working capital in future.

As the estimated value in use is considerably higher than the carrying amount, the impairment test shows no indication of impairment of goodwill.

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Note 15. Property, Plant And Equipment

EUR'000	2019	Land and buildings	IFRS16 Land and buildings	Plant and machinery	IFRS16 Plant and machinery	Fixtures, fittings, tools, equipment	Plants under construction	Total
Cost at 1 January 2019		95,826		37,364		3,634	8,383	145,207
Additions		5,460	2,092	1,644	391	411	1,737	11,735
Disposals		0	0	-845	0	-385	0	-1,230
Transfers		3,380	0	1,207	0	23	-4,610	0
Exchange adjustments		6,447	0	3,092	0	65	902	10,506
Cost at 31 December 2019		111,113	2,092	42,462	391	3,748	6,412	166,218
Impairment losses and depreciations at 1 January 2019		31,921		24,075		2,456		58,452
Depreciations and impairments		3,841	120	3,293	109	383	712	8,458
Reversed depreciation on disposals		0	0	-781	0	-199	0	-980
Exchange adjustments		1,661	0	1,813	0	69	0	3,543
Impairment losses and depreciations at 31 December 2019		37,423	120	28,400	109	2,709	712	69,473
Carrying amount at 31 December 2019		73,690	1,972	14,062	282	1,039	5,700	96,745
Land which is not depreciated		3,411						
Of which is financial leased				1,304				
Written off still in use								
Capitalized interest								

Cost amount of assets written off but still in use is EUR 15,588 thousand.

The amount of borrowing costs capitalised during the year ended 31 December 2019 was EUR 335k (2017: EUR 50k).

See note 24 for financial liabilities relating to right-to-use assets.

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Note 15. Property, Plant And Equipment

Cost amount of assets
written off but still in use
is EUR 15,588 thousand.

The amount of borrowing
costs capitalised during
the year ended
31 December 2018
was EUR 50k (2017: EUR 0)

EUR'000	2018	Land and buildings	Plant and machinery	Fixtures, fittings, tools, equipment	Plants under construction	Total
Cost at 1 January 2018		100,329	36,359	3,690	3,501	143,879
Additions		673	3,255	244	8,429	13,444
Disposals		-1	-1,108	-138	0	-1,247
Transfer		1,049	1,802	-93	-2,758	0
Exchange adjustments		-6,260	-2,944	-69	-789	-10,063
Cost at 31 December 2018		95,826	37,364	3,634	8,383	146,014
Impairment losses and depreciation at 1 January 2018		29,811	23,003	2,473	0	55,287
Depreciation		3,634	3,600	243	0	8,346
Reversed depreciation on disposal		0	-969	-116	0	-1,085
Exchange adjustments		-1,586	-1,559	-144	0	-3,289
Impairment losses and depreciation at 31 December 2018		31,921	24,075	2,456	0	59,259
Carrying amount at 31 December 2018		63,905	13,289	1,178	8,383	86,755
Land which is not depreciated		2,708				
Of which financial leased			2,064			

NOTES: Group

Financial Statements for the period January 1 - December 31

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**Note 16.
Biological
Assets**

Value adjustment
of biological assets.

2018

2019

EUR'000	Crops	Commercial herd	Total current assets	Non current assets
Carrying amount at 1 January 2018	579	22,454	23,033	14,235
Gains/losses from fair value changes	0	943	943	1,613
Additions	4,356	77,752	82,108	3,398
Disposals	-3,332	-75,985	-79,317	-6,110
Transfers	0	-1,973	-1,973	1,973
Exchange adjustments	-150	-1,452	-1,602	-915
Carrying amount at 31 December 2018	1,453	21,739	23,192	14,194
Biological assets provided as security for loans	0	0	0	0
Carrying amount at 1 January 2019	1,453	21,739	23,192	14,194
Gains/losses from fair value changes	0	4,058	4,058	31
Additions	4,207	83,237	87,444	4,174
Disposals	-4,280	-80,119	-84,399	-6,221
Transfers	0	-2,653	-2,653	2,653
Exchange adjustments	209	1,400	1,609	941
Carrying amount at 31 December 2019	1,589	27,662	29,251	15,772
Biological assets provided as security for loans	0	0	0	0

Idavang uses the following hierarchy for determining and disclosing the fair value:

Level 1:

Quoted (unadjusted) prices in active markets for identical assets

Level 2:

Significant observable inputs

Level 3:

Significant unobservable inputs

Commercial and breeding herd are measured at fair value level 2 due to significant links to observable quotes on pigs and recent sales prices.

	2019	2018
Crops	An area of 7,096 ha, was harvested mainly wheat, and by the end of 2019 5,499 ha, were seeded	An area of 6,926 ha, was harvested mainly wheat, and by the end of 2018 5,903 ha, were seeded
Commercial herd	Stock decreased and at year-end stock was 372,610 pigs. During the year 776,419 slaughter pigs, 26,461 weaners and 14,689 sows were sold	Stock decreased due to one farm not in operations and at year-end stock was 369,352 pigs. During the year 759,945 slaughter pigs, 31,778 weaners and 15,773 sows were sold
Breeding herd	Stock increased and the year ended with a total of 29,809 sows, gilts and boars	Stock decreased and the year ended with a total of 28,880 sows, gilts and boars

Crops are based on cost of seed, fertilizer, chemical, variable cost and salary to field production. Revaluation of consumable biological assets was made based on the prices of the most recent sales prices and official quotes.

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Note 17.

**Loans, Receivables And Liabilities
Measured At Amortised Cost**

	2019		2018	
EUR'000	Carrying amount	Fair value	Carrying amount	Fair value
> Loans and receivables at amortized cost:				
Trade receivables	5,664	5,664	2,194	2,194
Other receivables	1,715	1,715	1,930	1,930
Cash	30,286	30,286	38,462	38,462
Total cash and receivables measured at amortised cost	37,665	37,665	42,586	42,586
> Financial liabilities measured at amortized cost:				
Payables to credit institutions	118,196	118,196	116,781	116,781
Payables to IFRS16	2,233	2,233	-	-
Trade payables	5,332	5,332	8,208	8,208
Total financial liabilities measured at amortised cost	125,761	125,761	127,639	127,639

Idavang uses the following hierarchy for determining and disclosing the fair value:

Level 1:

Quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2:

Other techniques for which all input that have a significant effect on the recorded fair value are observable, either directly or indirectly.

All financial assets and liabilities are classified as level 2 except bonds, which are level 1.

NOTES: Group

Financial Statements for the period January 1 - December 31

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Note 18. Deferred Tax

	Consolidated balance sheet			Income statement	
EUR'000	2019	2018	1/1 2018	2019	2018
Property, plant and equipment	-802	-829	-856	27	29
Biological assets	-2,276	-1,101	-1,241	-1,175	140
Other non-current assets	1	1	1	-24	0
Current assets and liabilities	8	32	23	-303	7
Tax loss carry forward	757	1,060	760		
Deferred tax income/(expense)				-1,475	176
Deferred tax asset/(liability)	-2,312	-837	-1,313		

Deferred tax asset/liability is recognised in the balance sheet as follows:

Deferred tax asset	757	757	761
Deferred tax liability	3,069	1,594	2,073
Deferred tax, net	-2,312	-837	-1,312

Tax losses carry forward not capitalized are EUR 3,542 thousand due to uncertainties of utilizing it in the future.

Deferred tax assets (tax loss carry forward) are recognised when it is assumed highly probable that the assets will be utilised.

Effect of income statement is the difference of opening and closing deferred tax.

Reconciliation of deferred tax, net:

At 1/1	-837	-1,313
The year's tax income/expense recognized in profit or loss	-1,475	479
Exchange adjustments	0	-3
At 31/12	-2,312	-837

NOTES: Group

Financial Statements for the period January 1 - December 31

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Note 19. Inventories

EUR'000	2019	2018
Raw materials and consumables	15,599	10,160
Cost of sales recognised in profit or loss (feed)	62,798	59,228
<i>Non-Cash EBITDA recognised in Profit and Loss and still on inventory:</i>		
Primo	664	0
Previous year harvest EBITDA consumed	-725	0
Harvest EBITDA	3,835	1,152
Current year harvest EBITDA consumed	-1,636	-437
Exchange adjustments	169	-50
Harvest EBITDA on stock end period	2,306	664

Harvest EBITDA primo 2018 is zero as EBITDA on harvest EBITDA was negative in 2017

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Note 20. Trade Receivables

Trade receivables at 31 December 2019 include receivables at a nominal value of EUR 5,664 thousand (2018: EUR 2,194 thousand), the carrying amount of which has been reduced by EUR 0 thousand (2018: EUR 0 thousand) regarding write downs.

Trade receivables overdue by more than 30 days are EUR 155 thousand (2018: EUR 358 thousand).

The reason why trade receivables are low compared to revenue is that all sales in Russia are prepaid by the customer and sales in the EU (mainly Lithuania) have been covered through credit insurance agreements since 2006.

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Note 21. Cash

EUR'000	2019	2018
Cash	5,524	13,586
Escrow account	24,762	24,876
Total	30,286	38,462

Cash deposit on escrow account in order for JAST Holding ApS to manage the put option from IFC if IFC wants to utilize it.

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Note 22. Capital Structure

Capital management

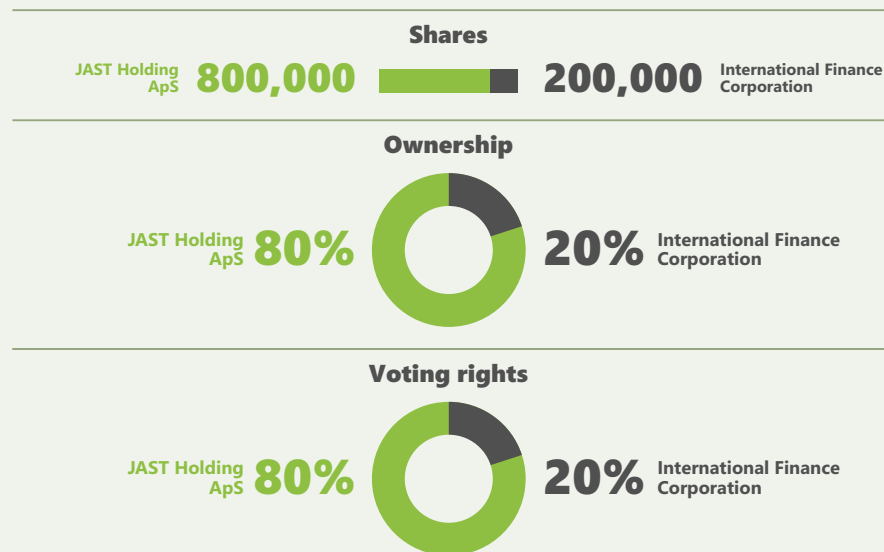
The Group aims to create the room required to secure its strategic development activities and be able to provide a competitive return for its shareholders.

The Board of Directors generally intends to distribute excess cash to the shareholders by way of dividends. However, dividends will always take into account the Group's growth plans and funding requirements.

Share and authorisations

Idavang A/S has only one share class with equal rights. Shares have a denomination of EUR 1 per share. The shares are non-negotiable instruments.

Idavang's Ownership



Capital Structure

The share capital has been paid in full.

All resolutions at the general meetings of shareholders must be adopted by a simple majority of the votes of the shares present at the meeting, unless one of the listed voting right restrictions or the Danish

Companies Act provides otherwise.

In the event of a tie, the proposal will lapse.

The Company must not make the following decisions or actions without the prior written consent of IFC:

1. Amend the articles of association
2. Change the designations, powers, rights, preferences or privileges, or qualifications, limitations or restrictions of the shares owned by IFC
3. Create, authorise or issue any shares in the capital, equivalent to shares or other equity security
4. Perform any disposal, including, but not limited to, any sale, or arranging for the disposal of:
 - a) More than five per cent (5%) of the total assets of the company on a consolidated basis during any financial year
 - b) Shares in the company or any subsidiary
5. Carry through any amalgamation, merger, consolidation, reconstruction, restructuring or similar transaction of the company except for mergers of any subsidiaries with the company or mergers between subsidiaries
6. Authorise or undertake any liquidation event, unless such decision is mandatory under Danish law or ordered by the Danish Business Authority
7. Authorise or undertake any listing, any offering or any delisting of the shares of the company
8. Authorise or undertake any reduction of capital or share repurchase
9. Change the primary business of the company
10. Remove or replace the external auditor or change the financial year
11. Declare or pay any dividend, distribution or redemption of shares

The Company is managed by a Board of Directors counting 5-9 members who are elected for one year at a time. Directors are eligible for re-election.

The Company must have at least one independent director for as long as IFC is a shareholder. IFC is entitled to appoint one director for as long as IFC is a shareholder in the Company.

NOTES: Group

Financial Statements for the period January 1 - December 31

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Note 23. Management

Board Of Directors						Executive Board	
Name	Niels Hermansen	Jytte Rosenmaj	Ole Bjerremand Hansen	Carsten Lund Thomsen	Leo Grønvall	Claus Baltersen	Michael Henriksen
Role	CHAIRMAN	DEPUTY CHAIRMAN	BOARD MEMBER	BOARD MEMBER	BOARD MEMBER	CEO	CFO
Born	1953	1964	1960	1967	1968	1971	1974
Gender	Male	Female	Male	Male	Male	Male	Male
Nationality	Danish	Danish	Danish	Danish	Danish	Danish	Danish
First elected	2013	1999	1999	1999	2019	2017	
Employed since						1998	2009
Independent	Yes	No	No	No	Yes	No	
Audit Committee	Member	Chairman	Member	Member	Member		
Securities 31.12.2018	0	0	0	0	0	0	0
JAST Holding ¹⁾	0	0	125,000 ²⁾	83,332	0	41,668	0
Directorships	Chairman	Fredericia Furniture A/S, Vikan A/S, Vissingfonden	Nutriflow Aps, CubAgro Holding Aps, CerCa A/S, Tofthøj Agro Aps, Danish Farmers Abroad, Commoditrader Aps	Jast Holding Aps, CMC Agro A/S, Ejendomsselskabet Niels Bugges Kro og Hotel A/S, Naturbiogas, Sode A/S			
	Deputy Chairman		AgroSkandia Holding A/S				
	Member	Stjernesansen Holding Aps, Vissing Holding A/S	Jast Holding Aps, Meta Mariehjemmet, DCH International A/S, Premium Pork International A/S	Jast Holding Aps, Nutriflow Aps, CerCa A/S, CubAgro Holding Aps, Tofthøj Agro Aps	Slovakian Farm Invest A/S, Danish Pig Consulting Group A/S, Akset A/S, Sundgaard Invest A/S, Biogastechnik A/S	Dane Pork A/S, LHTS Invest A/S, Slagtergården Biprodukter A/S	Jast Holding Aps

1) JAST Holding A/S is Idavang A/S's majority shareholder with 80%, and the company has issued 250,000 shares in total.

2) Include all shares controlled

NOTES: Group

Financial Statements for the period January 1 - December 31

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Note 24.

Financial Risks

Sales price risk

The Group is highly exposed to global and EU developments in the price of pork.

Lithuanian sales are fully linked to EU and German prices. A 1% change would affect profit by EUR 0.6m (2018: EUR 0.6m), all other things being equal.

Russian sales due to closed borders towards the EU more linked to the global market. A 1% change would affect profit by EUR 0.5m (2018: EUR 0.5m), all other things being equal.

Raw material price risk

The Group is highly exposed to global and EU developments in the price of grain and protein (soy and sunflower). A change of 10% on grain prices is estimated to affect profit by +/- EUR 3.4m in 2019 (2018: EUR 3.1m), all other things being equal.

Furthermore, a similar 10% change in protein prices is estimated to affect profit by +/- EUR 2.0m in 2019 (2018: EUR 1.9m), all other things being equal.

Credit risk

The Group positively wants to minimise its credit risks, which mainly relate to sales transactions and bonds/cash holdings.

Sales transactions should therefore for all Russian customers be carried through up-front in cash, and for EU clients, credit insurance need to be taken out in advance.

Liquidity risk

The Idavang Group has its main financing in a 4 year bond with bullet payment on expiry in December 2022, hence limited debt service. The Group monitors its risk to a shortage of funds, high-level liquidity planning tool and detailed budgets. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, cash and bonds.

The Group have targets for reduction of net interest bearing debt during the next 3 years, so that refinancing the bond will be unproblematic.

The Bond loan agreements is not subject to financial covenants.

There is breach on covenants as at 31 December 2019 on Russian subsidy loans of EUR 26,723k, hence classified as short term.

Foreign exchange risk

The Group's indebtedness is roughly split evenly between Lithuanian and Russia currencies to make natural hedge against fluctuations in revenue streams.

Consolidated profit and loss and financial debt divided by foreign exchange risk (without change in herd and depreciation).

EUR'000	2019	RUB	USD	EUR
Revenue		45,488	0	65,052
Production cost		-15,636	-23,192	-54,838
Administration expenses		-1,496	0	-3,090
Net exposure		28,357	-23,192	7,123
Payables to credit institutions		27,090	0	93,339
Net exposure		27,090	0	93,339

The following assumptions are made in the overview above: revenue in Russia is RUB-denominated. Grain and soy in Russia are linked to USD also when formally invoiced in RUB. EUR includes DKK as it is tied up to the EUR.

Interest rate risk

The Group's funding from bonds has variable interest rates and the remaining have fixed rates. It is the Group's policy not to enter into interest rate swaps.

A 1% change in Euribor 3 months would, all other things being equal, affect P/L by EUR 0.9m (2018: EUR 0.9m), but as it has a floor of 0% is the increase from negative 0.4% to 0% without effect.

The Group's policy is to minimize current payables to credit institutions. The Group has assessed the concentration of risk with respect to refinancing of its debt, finding it to be low and spread among a number of banks. Access to sources of funding is sufficiently available and debt maturing within 12 months is expected to a high degree to be rolled over with existing lenders.

EUR'000	2019	1/1	Cash flow	FX/Other	12/31
Payables to credit institutions		14,019	1,601	-8,271	7,349
Payables to credit institutions, IFRS16			-223	2,456	2,233
Issued bonds		82,822	0	331	83,153
Current portion of non-current liabilities to credit institutions		9,254	-4,628	10,202	14,828
Payable to credit institutions		10,686	480	1,700	12,866
Total		116,781	-2,769	6,417	120,429

Issued bonds include prepaid cost of EUR 647k 31.12.2019, which is written off over the tenor of the loan. For 2019 the Group has paid EUR 223k regarding lease contracts of which EUR 42k is related to interest and EUR 181k is related to repayment of lease debt.

EUR'000	2018	1/1	Cash flow	FX/Other	12/31
Payables to credit institutions		12,148	3,145	-1,274	14,019
Issued bonds		78,715	3,733	374	82,822
Current portion of non-current liabilities to credit institutions		2,578	7,509	-833	9,254
Payable to credit institutions		17,004	-4,573	-1,745	10,686
Total		110,445	9,814	-3,478	116,781

Payables to credit institutions are recognised in the balance sheet as follows:

Currency	Interest	2019	Within 1 year	1-5 years	More than 5 years
EUR	6.9%	83,153	0	83,153	0
EUR	2.5-3.5%	9,494	971	7,902	621
RUB	3.5-4.5%	27,090	26,723	367	0
DKK	2.5%*	692	0	692	0
Total		120,429	27,694	92,114	621

Currency	Interest	2018	Within 1 year	1-5 years	More than 5 years
EUR	6.9%	82,822	0	82,822	0
EUR	2.5-3.5%	6,713	349	6,364	0
RUB	3.5-4.5%	26,173	19,996	6,177	0
DKK	2.5%*	1,073	0	1,073	0
Total		116,781	20,345	96,436	0

* Partly subsidy loans with higher interest where reimbursement goes directly to Idavang, the interest illustrated is net of subsidy.

Payables to credit institutions and bonds including interest have the following maturity terms:

EUR'000	2019	2018
Within 1 year	24,308	20,891
1-5 years	107,497	108,204
More than 5 years	922	0
Total	132,727	129,095

Quoted bond is included with EUR 5,771k with 1 year and EUR 89,344k 1-5 years. See note 25 for more information.

NOTES: Group

Financial Statements for the period January 1 - December 31

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Note 25. Bond

Issuer	Idavang A/S
Security package:	(i) share pledges over Guarantors and Russian operating companies, excluding Idavang LLC (Ostrov), (ii) mortgages over substantially Lithuanian real estate, (iii) Danish registered negative pledges, (iv) account pledge over IFC Deposit account and (v) assignment over intra-group loan (RUB 1.37bn) from the Issuer to Idavang Agro LLC
Original Guarantors:	Rus Invest Aps, Rurik A/S, Pskov Invest Aps, Idavang Russia A/S, UAB Idavang, UAB Idavang Pasodele and UAB Kepaliai
Status of the bond:	Senior secured
Currency:	EUR
Initial debt amount:	EUR 85 millions
Other facilities:	Super senior RCF up to 9 mEUR, governed under an inter-creditor agreement with bondholders. Basket of leasing, factoring and other of 6,5 mEUR and permitted indebtedness of RUB 1,750m in Russia (apx. EUR 25m)
Tenor	4 years
Pricing:	3m EURIBOR + 650 bps p.a., quarterly interest payments, EURIBOR floor of 0%
Rating:	Unrated
Call options:	Non call during the first 24 months, then 50/30/10/0 after 24/30/36/42
Incurrence test	"NIBD/EBITDA LTM fixed herd price (net leverage) of 3.00 and No Event of Default is continuing or occurring upon the incurrence or payment"
Restricted payments	No financial support (by way of loans, capital or similar) by the Issuer to Russian subsidiaries, except if funded by the super senior facility or if the incurrence test is met (excluding the IFC Deposit from Net Interest Bearing Debt)
Information covenants:	Annual audited statements, quarterly unaudited reports
Change of control:	Investor put at 101%
Listing of bonds:	Nasdaq Copenhagen
Trustee:	Nordic Trustee
Governing law:	Danish law

NOTES: Group

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Note 24.

Contingent Liabilities, Securities And Other Financial Obligations

Contingent liabilities

Securities

The following assets have been provided as security for the group's bankers:

EUR'000	2019	2018
Land, buildings and machinery	40,300	49,035
IFRS16 land, buildings and machinery	2,254	0
Herd	0	0
Inventories	0	0
Cash and cash equivalents	24,762	24,876
Total	67,316	73,911

Other obligations

IFC has a put option on its 200,000 nom. Shares in Idavang A/S to Idavang A/S and Jast ApS. The put option can be exercised from 2016 to 2020. The put option is recognised and disclosed in the financial statements for the parent company, Jast Holding ApS.

IFC's put option is based on market values, hence it fluctuates, end 2019 the full obligation of Idavang A/S and Jast Holding ApS constitute a payment of EUR 18.0 million.

Purchase contracts of grain, soy and sunflower in Lithuania and Russia of EUR 15.2m (2018: EUR 17.3m).

The Idavang Group is party of a credit facility agreement with Jyske Bank and Nordic Trustee. See details in Parent Company note 17.

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Note 27.

Post Balance Sheet Events

No events materially affecting the Group's financial position have occurred subsequent to the financial year-end.

Parent Company Financial Statements



**Annual
Report
2019**

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Parent Company

Financial Statements for the period January 1 - December 31

Income Statement

NOTE	EUR'000	2019	2018
	Revenue	150	150
3 4 5	Administration costs	-1,341	-1,353
	Operating profit	-1,191	-1,203
6	Financial income	4,490	14,107
7	Financial expenses	-6,284	-8,996
	Profit before tax	-2,985	3,908
8	Tax on profit for the year	680	0
	Profit for the year	-2,305	3,908
	Attributable to:		
	Transferred to equity	-2,305	3,908

Statement Of Other Comprehensive Income

EUR'000	2019	2018
Profit for the year	-2,305	3,908
Other comprehensive income		
Exchange adjustment, foreign subsidiaries	-2	-4
Other comprehensive income not be reclassified to profit or loss in subsequent periods	0	0
Total comprehensive income	-2,307	3,904

Parent Company

Financial Statements for the period January 1 - December 31

Balance Sheet

Assets

NOTE	EUR'000	2019	2018
Non-current assets			
10	Property, plant and equipment	13	18
	<i>Other non-current assets</i>		
9	Shares in subsidiaries	28,507	28,516
14	Deferred tax	180	0
	Other receivables	441	441
	Total non-current assets	29,141	28,975
Current assets			
	<i>Receivables</i>		
12	Receivables from group companies	51,353	23,193
	Other receivables	13	98
	Total receivables	51,366	23,291
13	Cash	24,864	50,539
	Total current assets	76,230	73,830
	Total assets	105,371	102,805

Equity & Liabilities

NOTE	EUR'000	2019	2018
Equity			
	Share capital	1,000	1,000
	Exchange adjustments	-39	-37
	Retained earnings	1,681	3,986
	Total equity	2,642	4,949
Non-current liabilities			
11 12	Credit institutions and issued bonds	89,609	83,895
	Provisions	134	134
	Total non-current liabilities	89,743	84,029
Current liabilities			
12	Credit institutions	0	0
	Payable to group companies	12,627	13,469
12	Other payables	359	358
	Total current liabilities	12,986	13,827
	Total liabilities	102,729	97,856
	Total equity & liabilities	105,371	102,805

Parent Company

Financial Statements for the period January 1 - December 31

Statement Of Changes In Equity

EUR'000	Share Capital	Exchange Adjustment	Retained Earnings	Total
Equity at 1 January 2018	1,000	-33	78	1,045
Profit/loss for the year			3,908	3,908
Other comprehensive income		-4		-4
Total comprehensive income	0	-4	3,908	3,904
Equity at 31 December 2018	1,000	-37	3,986	4,949
Profit/loss for the year			-2,305	-2,305
Other comprehensive income		-2		-2
Total comprehensive income	0	-2	-2,305	-2,307
Equity at 31 December 2019	1,000	-39	1,681	2,642

Cash Flow Statement

NOTE	EUR'000	2019	2018
	Operating profit/loss	-1,191	-1,203
5	Depreciation and amortisation	5	5
	Changes in receivables	-27,575	12,292
	Changes in non-current receivables	0	-441
	Changes in other current liabilities	1,010	5,026
4	Share-based payments	0	0
	Total	-27,751	15,679
	Interest received	2,204	2,426
	Dividend received	442	11,681
	Interest paid	-5,821	-6,195
	Corporation tax paid	0	0
	Cash flows from operating activities	-30,926	22,843

NOTE	EUR'000	2019	2018
10	Acquisition of property, plant and equipment	0	0
	Disposal of property, plant and equipment	0	0
	Cash flows from investing activities	0	0
	Proceeds from borrowings	5,365	4,806
	Repayment of borrowings	0	-3,180
	Dividends paid	0	0
	Reserved cash on escrow account	0	0
	Cash flows from financing activities	5,365	1,626
	Net cash flows from operating, investing and financing activities	-25,561	25,217
	Cash and cash equivalents at 1 January	25,663	322
	Exchange adjustments	0	0
13	Cash and cash equivalents at 31 December	102	25,539

NOTES: Parent Company

Financial Statements for the period January 1 - December 31

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Note 1. Significant Accounting Policies

The financial statements of Idavang A/S are prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the EU and additional Danish disclosure requirements for financial statements.

The financial statements are presented in EUR. The company's functional currency is DKK.

The accounting policies applied by Idavang A/S are consistent with those applied by the group, cf. note 1 to the consolidated financial statements and the below:

Revenue

Revenue consists of management fee allocated to subsidiaries in the group and is recognized on a straight-line bases as the services are provided.

Revenue is measured at the fair value of the agreed consideration excl. VAT and taxes charged on behalf of third parties.

Investments in subsidiaries

Investments in subsidiaries are measured at cost. If the cost exceeds the recoverable amount, the carrying amount is reduced to such lower value.

Dividends

Dividends from investments in subsidiaries are recognised in the parent company's income statement in the reporting year in which the dividends are declared.

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Note 2. Critical Accounting Estimates And Judgements

In connection with the preparation of the financial statements, management makes a number of judgements and estimates, which form the basis of the recognition and measurement of income, expenses, assets, liabilities and disclosures of contingent assets and liabilities at the balance sheet date.

Accounting judgements

In the process of applying the company's accounting policies, management exercises judgements which

may have a significant effect on the amounts recognised in the financial statements.

The judgements made with respect to the parent company's accounting policies are consistent with those stated in note 2 to the consolidated financial statements.

Accounting estimates

Recognition and measurement of certain assets and liabilities at the balance sheet date require that Management makes assumptions and estimates of future events. If these assumptions and estimates are not realised as expected, it may result in significant corrections of the carrying amounts of the affected assets and liabilities in the subsequent financial year.

In 2011, Management made assumptions and estimates in connection with the recognition and measurement of share-based payments and deferred tax assets.

Reference is made to the description in note 2 to the consolidated financial statements.

Changes in accounting estimates

It may become necessary to change estimates due to changes in the circumstances underlying the estimates or to new information or subsequent events.

Changes in accounting estimates are recognised in the financial year in which the change takes place and in subsequent financial years where appropriate.

3

Note 3. Fees Paid To Auditors Appointed At The Annual General Meeting

Audit fees are recognised under administration expenses.

EUR'000	2019	2018
Fee regarding statutory audit	34	35
Assurance engagements	15	0
Tax assistance	1	0
Other assistance	0	11
Total	50	46

NOTES: Parent Company

Financial Statements for the period January 1 - December 31

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Note 4. Staff Costs

EUR'000	2019	2018
Wages and salaries	1,137	1,151
Other social security costs	0	0
Share-based payments	0	0
	1,137	1,151
Of which:		
Remuneration for executive board	447	459
Salaries to other executive officers	0	0
Remuneration for board of directors	138	169
Share-based payments	0	0
	585	628
Average number of full-time employees	1	1

Staff costs are recognised under administration expenses.

5

Note 5. Amortisation, Depreciation And Impairment Losses

EUR'000	2019	2018
Other fixtures and fittings, tools and equipment	5	5

Amortisation, depreciation and impairment losses are recognised under administration expenses.

6

Note 6. Financial Income

EUR'000	2019	2018
Exchange gains	1,844	0
Interest income from credit institutions	0	4
Interest income, related parties	2,183	2,422
Dividend	442	11,681
Other	21	0
Total financial income	4,490	14,107

Financial income originating from loans and receivables measured at amortised cost.

7

Note 7. Financial Expenses

EUR'000	2019	2018
Exchange losses	0	2,427
Interest payables to credit institutions	6,132	6,085
Interest, payables to related parties	152	484
Write-down of shares in subsidiaries	0	0
Total financial expenses	6,284	8,996

Financial expenses originating from financial liabilities measured at amortised cost.

NOTES: Parent Company

Financial Statements for the period January 1 - December 31

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Note 8. Income Taxes

EUR'000	2019	2018
Income tax expense recognised in profit or loss:		
Estimated tax on the taxable income for the year	0	0
Group taxation contribution	500	0
Adjustment regarding prior year	0	0
Change in deferred tax	180	0
Income taxes	680	0
Reconciliation of tax rate:		
Danish tax rate	22%	22%
Adjustment regarding prior year	0%	0%
Not recognized tax assets	1%	-22%
Tax	0%	0%
Effective tax rate	23%	0%

9

Note 9. Investments In Subsidiaries Of The Group

EUR'000	2019	2018	1/1 2018
Cost 1/1	28,516	28,604	31,859
Additions	0	0	0
Disposals	0	0	0
Write-down	0	0	-3,250
Exchange adjustments	-9	-88	-5
Cost 31/12	28,507	28,516	28,604

Subsidiaries Of The Group

Lithuania	Subsidiary	Interest
	UAB Idavang	100%

Denmark

<i>Pskov Invest Aps</i>	100%
<i>Rus Invest Aps</i>	100%
<i>Idavang Russia A/S</i>	100%
<i>Rurik A/S</i>	100%

Russia

Idavang Agro LLC	100%
<i>Idavang Invest LLC</i>	100%
Idavang LLC	100%
<i>Nordrik Invest LLC</i>	100%
Idavang Luga LLC	100%
<i>Rurik Russia LLC</i>	100%
<i>MPK-Vostochny LLC</i>	100%
<i>Sovhoz Vostochny LLC</i>	100%

Active / No activities

NOTES: Parent Company

Financial Statements for the period January 1 - December 31

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Note 10.
**Property,
Plant And
Equipment**

Carrying amount of
assets written off but
still in use is EUR 0.

The amount of
borrowing costs
capitalised during
the year ended
31/12 2019 was EUR 0
(2018 - EUR 0).

2019

EUR'000	Fixtures, fittings, tools, equipment	Total
Cost at 1/1 2019	26	26
Additions	0	0
Disposals	0	0
Cost at 31/12 2019	26	26
Impairment losses and depreciation 1/1 2019	-8	-8
Depreciation	-5	-5
Reversed depreciation on disposal	0	0
Impairment losses and depreciation 31/12 2019	-13	-13
Carrying amount 31/12 2019	13	13

+

Note 10.
**Property,
Plant And
Equipment**

2018

EUR'000	Fixtures, fittings, tools, equipment	Total
Cost at 1/1 2018	26	26
Additions	0	0
Disposals	0	0
Cost at 31/12 2018	26	26
Impairment losses and depreciation 1/1 2018	-3	-3
Depreciation	-5	-5
Impairment losses and depreciation 31/12 2018	-8	-8
Carrying amount 31/12 2018	18	18

NOTES: Parent Company

Financial Statements for the period January 1 - December 31

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Note 11. Payables to credit institutions and issued bonds

EUR'000	2019	2018
Non-current liability	89,609	83,895
Current liability	0	0
Book value in total	89,609	83,895

Payables to credit institutions
and bonds including interest have
the following maturity terms:

EUR'000	2019	2018
Within 1 year	5,447	0
1-5 years	94,830	101,218
More than 5 years	0	0
Total	100,277	101,218

Quoted bond is included with
EUR 5,771k with 1 year and 89,344k 1-5 years.

2019

EUR'000	Avg. nominal interest	Avg. effective interest	Currency	Interest period	Book value
Variable loans	2.5%	2.5%	EUR	2 years	6,457
Issued bonds	6.5%	6.9%	EUR	2 years	83,152
Total					89,609

2018

Variable loans	2.5%	2.5%	EUR	3 years	1,073
Issued bonds	6.5%	6.9%	EUR	3 years	82,822
Total					83,895

NOTES: Parent Company

Financial Statements for the period January 1 - December 31

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Note 12. Financial Assets And Liabilities

Receivables from group entities are based on agreements with 3rd party, hence assumed equal to fair value.

EUR'000	Carrying amount 2019	Fair value 2019	Carrying amount 2018	Fair value 2018
<i>Loans and receivables at amortised cost:</i>				
Receivables from group entities	51,353	51,353	23,193	23,193
Other receivables	13	13	539	539
Cash	24,864	24,864	50,539	50,539
Total loans and receivables measured at amortised cost	76,230	76,230	74,271	74,271
Total financial assets	76,230	76,230	74,271	74,271
<i>Financial liabilities measured at amortised cost:</i>				
Payables to credit institutions	89,609	89,609	83,895	83,895
Payable to group entities	12,627	12,627	13,469	13,469
Other payables	359	359	358	358
Total financial liabilities measured at amortised cost	102,595	102,595	97,722	97,722
Total financial liabilities	102,595	102,595	97,722	97,722

EUR'000	2019	1/1	Cash flow	FX/other	12/31	2018	1/1	Cash flow	FX/other	12/31
Payables to credit institutions		1,073	5,384	0	6,457		0	1,073	0	1,073
Issued bonds		82,822	0	330	83,152		78,715	3,733	-374	82,822
Payable to credit institutions		0	0	0	0		3,180	-3,180	0	0
Total		83,895	5,384	330	89,609		81,895	1,626	-374	83,895

NOTES: Parent Company

Financial Statements for the period January 1 - December 31

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Note 13.

Cash

EUR'000	2019	2018
Cash deposit on escrow account in order for JAST Holding ApS to manage the put option from IFC if IFC wants to utilize it.		
Cash	102	25,663
Escrow account	24,762	24,876
Total	24,864	50,539

Balance sheet

Income statement

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Note 14.

Deferred Tax

EUR'000	2019	2018	1/1 2018	2019	2018
Loss bought forward/group taxation	180	0	0	203	0
Deferred tax income/(expense)				0	0
Deferred tax asset/(liability)	0	0	0		
Deferred tax asset/liability is recognised in the balance sheet as follows:					
Deferred tax asset	180	0	0		
Deferred tax liability	0	0	0		
Deferred tax, net	180	0	0		
Reconciliation of deferred tax, net:					
At 1/1	0	0	0		
Transferred in connection with the group taxation	180	0	0		
The year's tax income/expense recognised in profit or loss	0	0	0		
The year's tax income/expense recognised in other comprehensive income	0	0	0		
At 31/12	180	0	0		

Tax losses carry forward are capitalized with EUR 203 thousand (out of EUR 2,941 thousand) due to uncertainties of utilizing it in the future.

NOTES: Parent Company

Financial Statements for the period January 1 - December 31

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Note 15. Related Party Transactions

2019

In addition to the related parties mentioned in the consolidated financial statements, Idavang A/S's related parties include the subsidiaries set out in note 10 and executive board and board of directors.

The tables show transactions with related parties in the financial year.

Transactions with executive board and board of directors are enclosed in note 4.

All transactions with related parties are carried out on an arm's length basis.

Rus Invest Aps and Idavang Agro LLC's creditworthiness have been evaluated due to high equity ratio, it has been concluded that the receivables do not have any risk for losses, hence they are not written down.

EUR'000	Management fee and salary	Dividend
<i>Owners:</i>		
Shareholders in Jast Holding ApS (excluding Executive Board)	601	0
IFC	0	0
Total	601	0

EUR'000	Management fee	Interest net	Loan to/from
<i>Subsidiaries:</i>			
UAB Idavang	-	870	25,074
Idavang Agro LLC	75	1,313	14,633
Idavang LLC	75	0	75
Pskov Invest ApS	-	-1,400	-12,627
Rus Invest ApS	-	1,248	11,571
Total	150	2,031	38,726

+

Note 15. Related Party Transactions

2018

EUR'000	Management fee and salary	Dividend
<i>Owners:</i>		
Shareholders in Jast Holding ApS (excluding Executive Board)	535	0
IFC	0	0
Total	535	0

EUR'000	Management fee	Interest net	Loan to/from
<i>Subsidiaries:</i>			
UAB Idavang	-	591	0
UAB Idavang Pasodele	-	70	0
UAB Idavang Kepaliai	-	103	0
Idavang Agro LLC	75	1,658	12,793
Idavang LLC	75	0	-1,224
Pskov Invest ApS	-	-1,310	-12,245
Rus Invest ApS	-	826	10,400
Total	150	1,938	9,724

NOTES: Parent Company

Financial Statements for the period January 1 - December 31

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Note 16.

Contingent Liabilities, Securities And Other Financial Obligations

Contingent liabilities

IFC has a put option on its 200,000 nom. Shares in Idavang A/S to Idavang A/S and Jast ApS. The put option can be exercised from 2016 to 2020. The put option is recognised and disclosed in the financial statements for the parent company, Jast ApS.

IFC's put option is based on market values, hence it fluctuates, end 2019 the full obligation of Idavang A/S and Jast ApS constitute a payment of EUR 18.0m.

The Company is taxed on a joint basis with its parent, Jast Holding ApS. The Company is thus jointly and severally liable for all tax liabilities under the joint taxation arrangement until and including the financial year ended 31 December 2019.

Securities

The Idavang Group is party of a credit facility agreement with Jyske Bank and Nordic Trustee. Under this agreement, the following assets are held collateral:

- > Bank deposits with a book value of:
 - EUR 24,762 thousand as of 31 December 2019
- > Receivables from group entities:
 - Idavang Agro LLC (Russia) EUR 14,633k.
- > Shares in:
 - Rus Invest ApS (Denmark)
 - Rurik A/S (Denmark)
 - Pskov Invest ApS (Denmark)
 - Idavang Russia A/S (Denmark)
 - Idavang Agro LLC (Russia)
 - Idavang Luga LLC (Russia)
 - UAB Idavang (Lithuania)

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In addition, the following companies in the Idavang group participate in a cross guarantee to Jyske Bank as the lender of this agreement: all except Russians.

The above mentioned securities have been provided as collaterals for bank mortgages of EUR 92,800 thousand at 31 December 2019.

Other obligations

None

Note 17.

Post Balance Sheet Events

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Annual
Report
2019



Annual Report 2020



Statement by the Board of Directors and the Executive Board		Group		Parent Company	
	3				
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by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Idavang A/S for the financial year 1 January - 31 December 2020.

The annual report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish requirements for annual reports.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2020 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 1 January - 31 December 2020.

Further, in our opinion, Management review gives a true and fair statement of the development of the group and parent company's activities and financial situation, net profit for the year and of the group and parent company's financial positions and describes the most significant risks and uncertainties pertaining to the group and parent company.

We recommend that the annual report be approved at the annual general meeting.

Executive Board

Claus Baltersen
CEO

Michael Henriksen
CFO

Board of Directors

Niels Hermansen
Chairman

Jytte Rosenmaj

Claus Baltersen

Ole Bjerremund Hansen

Carsten Lund Thomsen

Independent Auditor's Report

to the shareholders of Idavang A/S

to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions,

misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's

report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Vejle, 26 February 2021

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Palle H. Jensen

State Authorised
Public Accountant
mne32115

Henrik Forthoft Lind

State Authorised
Public Accountant
mne34169

Annual
Report
2020

Management's Review



Company Details

Name	Idavang A/S
Address, zip code, city	Toftthøjvej 41 DK-7321 Gadbjerg
CVR no.	20 95 61 43
Established	1998
Financial year	1 January - 31 December
Website	www.idavang.com
Telephone	+45 75 87 64 15
Board of Directors*	Niels Hermansen, Chairman Jytte Rosenmaj, Deputy chairman Claus Baltersen Ole Bjerremann Hansen Carsten Lund Thomsen
Executive Board*	Claus Baltersen, CEO Michael Henriksen, CFO
Shareholders	Jast Holding ApS, Toftthøjvej 41, DK-7321 Gadbjerg, 100%
Ultimate parent company	Jast Holding ApS, Toftthøjvej 41, DK-7321 Gadbjerg, 100%
Auditors	Pricewaterhousecoopers Statsautoriseret Revisionspartnerselskab Esbjerg Brygge 28, DK-6700 Esbjerg

(*) See note 23 for further information

Financial Highlights

EUR'000,000

Key Figures	2020	2019	2018	2017	2016
Revenue	101.8	110.5	99.5	109.6	95.1
EBITDA (*)	10.5	26.9	17.6	21.6	26.0
Profit/loss before net financials (EBIT)	2.8	18.4	10.1	13.8	18.7
Net financials	-11.2	-4.8	-9.3	-5.9	-3.8
Profit/loss for the year	-7.8	11.0	1.2	6.1	14.3
Tangible assets	79.5	96.7	86.8	88.6	94.0
Biological assets (herd and crop)	33.7	45.0	37.4	37.3	43.8
Total assets	146.4	200.1	181.0	179.1	165.0
Equity	29.9	67.3	50.4	54.1	72.3
Net interest-bearing debt (NIBD)	87.8	90.1	78.3	73.0	68.1
Non-current liabilities	83.4	98.0	100.1	95.3	64.6
Current liabilities	33.1	34.8	30.4	29.7	28.2
Cash flows from operating activities	21.8	2.7	5.3	19.6	14.6
Investment in property, plant and equipment	-4.6	-9.3	-12.6	-6.3	-3.5
Cash flows from financing activities	-6.0	-2.8	9.8	-11.4	-11.5
Total cash flows	11.6	-9.7	3.2	2.0	0.2

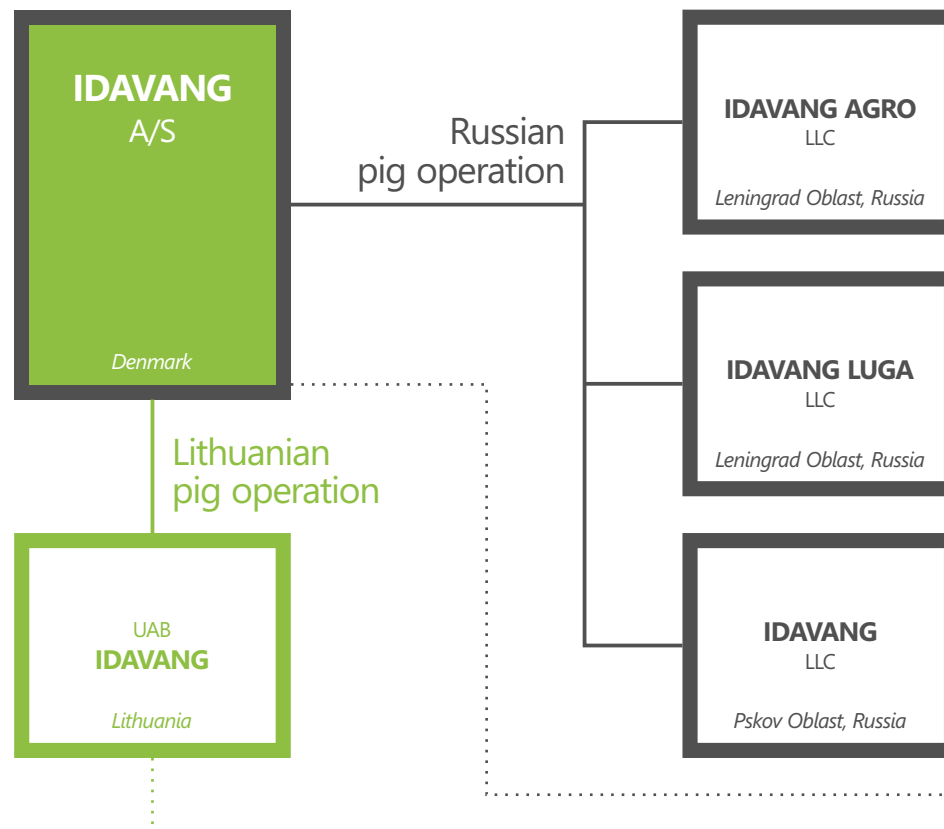
Financial Ratios

EBITDA margin	10%	24%	19%	20%	27%
Current ratio	148%	245%	255%	254%	196%
Equity ratio	20%	34%	28%	30%	44%
Return on equity	-26%	16%	2%	10%	20%
Sold volume liveweight (kMT)	92	89	88	86	86
Return on average invested capital (ROIC)	2%	13%	7%	10%	14%
Average number of full-time employees	799	830	809	807	787

(*) Refer to note 3 Segments. Financial ratios are calculated in accordance with the recommendations of the Danish Finance Society. For terms and definitions, please see the accounting policies in note 1. Historical figures have not been adjusted for IFRS 9,15 (2016-2017) and 16 (2016-2018).

Management's Review

Group Chart



Above group chart shows only operational entities. All group enterprises are 100% directly or indirectly owned by Idavang A/S.
Please see Parent Company Note 9 on page 63 for details.



Core Activity

Idavang specialises in both brown field and green field pig production projects in Lithuania and Russia.

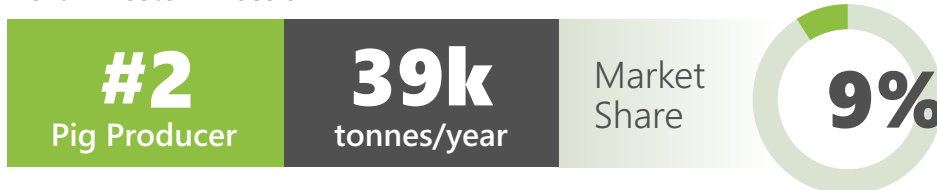
We acquire and invest in larger production sites. We refurbish the facilities and renew the technology and knowhow with the companies well-developed production solutions. Production sites are within a reasonable geographic area to enhance synergies.

Key Market Facts

Lithuania




North Western Russia



Management's Review

Historical Development

- 
- The timeline is a vertical line with green circular markers at each year. The years are listed on the left in a green, sans-serif font. The descriptions are in a black, sans-serif font, aligned to the right of the timeline line.
- 1999** Idavang A/S started operating the first farm Šalnaičiai (Lithuania) with an initial investment of EUR 800 thousand.
 - 2002** Rupinskai farm was acquired; in total, 3,000 sows were held.
 - 2006** Mūša, Sajas and Kalvarija farms were acquired, and the production volume exceeded 11 kMT by 2005. Idavang paired off with IØ Fund (Danish Government) in Lithuanian operations from 2001-2005.
 - 2008** Activities were expanded to Russia as Farm Vostochny (Idavang Agro LLC) was acquired and reached a total of 6,600 sows the next year.
 - 2010** Skabeikiai, Lekėčiai and Pasodėlė farms were bought, bringing sows in operation up to 19,000.
 - 2011** Construction of Farm Idavang Ostrov, a green field farm, began in Russia and in Lithuania Joniškis, Šeduva and Šešupė farms were acquired. Furthermore, the International Finance Corporation (part of World Bank Group) became a Idavang A/S shareholder.
 - 2013** Russian expansion continued. Farm Ostrov went into operation, and field operations increased significantly.
 - 2014** Construction of biogas sites in Lithuania in cooperation with Modus Energy and establishment of contracting in Poland. Idavang Lithuania started to use as a boars station.
 - 2017** Idavang Group issues re-financing using a EUR 85m bond.
 - 2018** Bond was listed on Nasdaq and construction on Luga site in Russia started.
 - 2019** Luga slaughter pig stables in operation, and Berzai farm was rented in Lithuania to reduce contracting in Poland.
 - 2020** Refinanced 85 mEUR bond with 75 mEUR bond and reduced share capital with 20% by acquiring IFC shares.

Knowledge Resources

Idavang produces commodities in an international, competitive environment.

One of the only ways we can secure our position as market leader in regard to productivity and quality is to retain our employees, develop their skills and enable them to constantly improve.

Management's Review

Business Focus

Lithuania

Lithuania, our focus is on pig production within brown field projects, as it utilize our core competencies and superior efficiency in pig production.

Sales is made weekly auctioneering of slaughter pigs for the best possible prices based on demand and supply in the Lithuanian and Polish market.

Production, utilize our core competencies and superior efficiency in pig production.

- > Sourcing of feed component is done predominantly from a limited number of larger local agricultural companies, to which we have long relations.

- > Manure is sold to local farmers as fertilizer instead of cultivating the fields, but Idivang spread most of it on the farmer's fields to secure the correct handling.

Russia

Russia, our focus has an extended value chain as it include farmland, grain production and pig production in both green field and brown field projects.

Sales is made weekly auctioneering of slaughter pigs for the best possible prices based on demand and supply in the Leningrad and Pskov Oblast market.

Production, utilize our core competencies and superior efficiency in pig production.

> Grain production on own fields supply significant part of feed removing dependency on Russian Farmers. Sourcing of remaining of feed is done from a number of medium and larger agriculture companies predominant in Russia.

- > Manure is used on own fields as fertilizer, but some part is also supplied to local farmers for their fields as fertilizer.

Value Chain

Lithuania Value Chain



Russia Value Chain



Business Review 2020

Development in Segments

	EUR'000	FY2020	FY2019
<div>Lithuania</div> <div> Lithuania accounted for 60% of Group revenue in FY2020 (59% in FY2019). </div>	Revenue	60,551	65,052
	Value adjustment, biological assets	-11,270	7,894
	Production costs	-53,098	-54,833
	Administrative costs	-1,844	-1,904
	Other income	1,615	1,324
	Other expense	2	-153
	Operating profit	-4,044	17,380
	Net financials	195	106
	Foreign exchange adjustments	-1,251	-1,211
	Profit before tax	-5,100	16,275
	Tax on profit for the year	765	-2,382
	Profit for the period	-4,335	13,893
	Depreciations included in production cost	3,182	3,895
	EBITDA	-862	21,275
	EBITDA fixed herd prices	10,408	13,381

The sales price decreased 9% compared to 2019 to an average 1,13 EUR per kilo slaughter pigs' live weight in 2020 (2019: 1,23 EUR per kilo live weight slaughter pigs) with 5,470 kEUR negative effect. The sales price was in Q1 supported by high demand from Asia, especially China, due to African Swine Fever breakouts. But sales prices from Q2 started being reduced due to COVID, and Q4 was furthermore impacted by African Swine Fever breakouts in Germany.

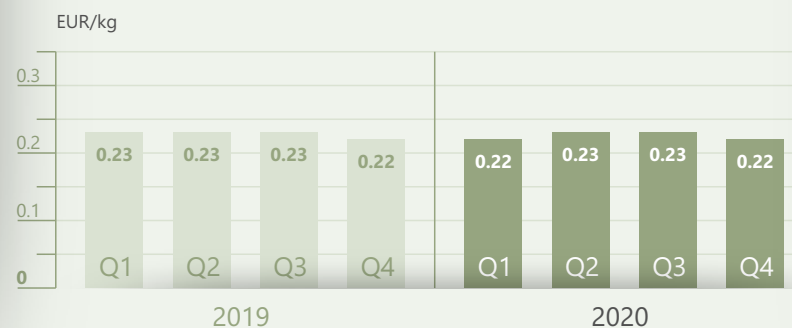
Live weight sales price

Lithuania



Feed price

Lithuania



Business Review 2020

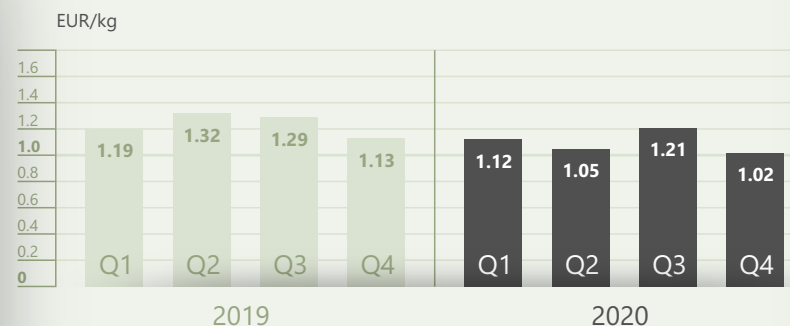
Development in Segments

	EUR'000	FY2020	FY2019
<div>Russia</div> <div>Russia accounted for 40% of Group revenue in FY2020 (41% in FY2019).</div>	Revenue	41,203	45,488
	Value adjustment, biological assets	2,006	-3,805
	Production costs	-35,516	-38,828
	Administrative costs	-1,038	-1,496
	Other income	821	981
	Other expense	-67	-109
	Operating profit	7,409	2,231
	Net financials	1,071	503
	Foreign exchange adjustments	-2,643	-2,119
	Profit before tax	5,837	615
	Tax on profit for the year	-83	-256
	Profit for the period	5,754	359
	Depreciations included in production cost	4,514	4,598
	EBITDA	11,923	6,829
	EBITDA fixed herd prices	9,917	10,634

The sales price decreased 11% compared to 2019 to an average 1,10 EUR per kilo slaughter pigs' live weight in 2019 (2019: 1,23 EUR per kilo live weight slaughter pigs) with 4,652 kEUR negative effect. The sales price in 2020 has had a positive impact from increases in export to Vietnam. Feed prices have been stable throughout 2020.

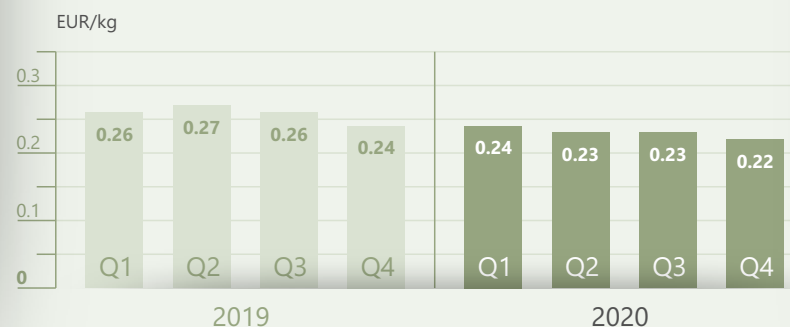
Live weight sales price

Russia



Feed price

Russia



Revenue

Revenue decreased from EUR 110.5 m to EUR 101.8 m (-8%). The decrease of EUR 8.7 m due to lower sales prices (EUR 10.1 m), as increasing volume partly compensate for reduction in prices (EUR 1.4m).

Sales prices in EUR / Averages	2020	2019	2018	2017
Slaughter pigs Lithuania - Price / Kg live weight	1.13	1.23	1.01	1.17
Weaners Lithuania - Price / Unit	87	71	53	64
Slaughter pigs Russia - Price / Kg live weight	1.10	1.23	1.33	1.43
Weaners Russia - Price / Unit	45	49	53	60

Herd value adjustment

In 2020, the fair value adjustment for herd comprised EUR -9.3m. The adjustment consists almost sole of a decrease in the commercial herd, due to decrease in prices in Lithuania with average of 56% (equal to EUR -10.8m); this is partly reduced by increasing prices in Russia (equivalent to EUR +0.4m) hence in total a EUR -10.4m increase to commercial herd and the breeding herd has overall increased price with EUR +1.1m due to Russia.

Production cost

Production costs decreased by EUR 5.1m to EUR 88.6m from EUR 93.7m (5.4%). The decrease was mainly due to the following four factors:

- > Feed cost impacted production cost with EUR-0.8m (a decrease compared to 2019 equals -1.0%, of which volume is +6.1% and price -5.1%)
- > Lower maintenance cost of EUR -0.9m
- > Increase in herd of EUR -1.7m higher (EUR 2.6 m in 2020 – EUR 0.9m in 2019), as size of slaughter pigs on stock is higher (as sale of weaners have finished), which reduce production cost
- > Devaluation of RUB by 11% (average 2019 EUR/RUB rate compared to average 2020 improved)

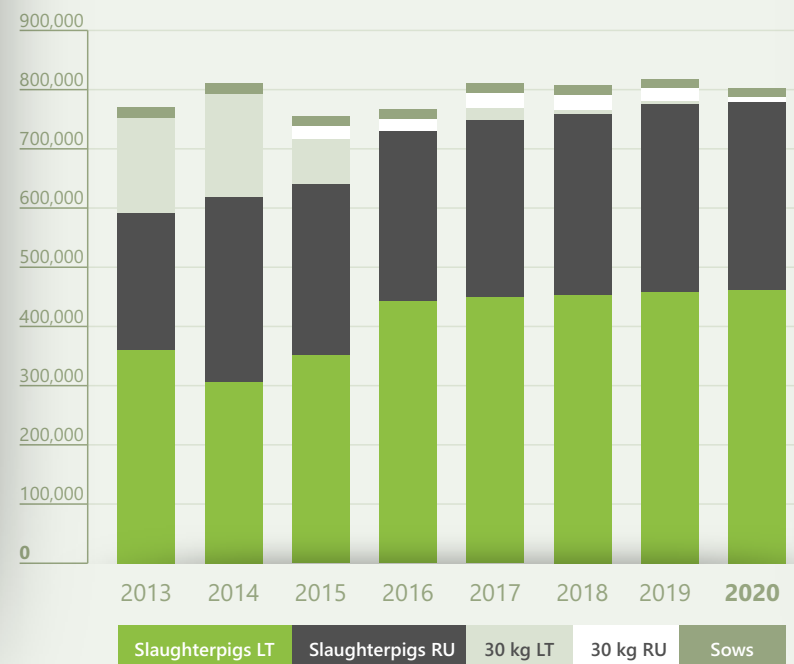
Grant

The Government level of direct subsidies for meat and grain (excluding interest subsidies) is slightly higher in 2020 (EUR 1.0m) due to an additional payment compared to 2019 (2019: EUR 0.6m).

Furthermore, does harvest result include grants of EUR 0.3m similar to 2019 (2019: EUR 0.3m).

The interest subsidy structure is so that the subsidy goes directly to the bank from the government, and the bank then provide loans with lower interest instead. All Russian loans have fixed interest rates of 3,5-4,0% in RUB.

Product mix



Fluctuations in prices of raw materials	Concentration of production facilities in North Western Russia and Lithuania	Russian, EU and global economic conditions	Diseases	Financial risks
<p>Pigs are fed grain, protein (e.g. soya and sunflower) and premixes (vitamin and minerals), which account for a significant part of production costs.</p> <p>An increase in these prices, together with an inability to transfer such increased costs to slaughterhouses, may have a material adverse effect on Idavang's profit. Over time, such an imbalance will lead to inefficient producers and closed productions; hence supply will be reduced, which will increase prices again.</p> <p>Idavang mitigates this exposure by being a cost-efficient producer with high productivity and operations in markets with natural premiums.</p>	<p>The concentration of production facilities in North Western Russia and Lithuania means that Idavang's operations are dependent on the degree to which raw materials can be imported and the possibility of exporting from Lithuania to EU and especially Russia (if it opens up borders) ensures the best prices for Lithuanian live pigs.</p> <p>Two areas can disrupt this export possibility: the political situation and outbreaks of diseases.</p> <p>Currently, Russian borders are closed for all imports of live commercial pigs and for chilled and frozen meat from a number of countries due to veterinarian and/or political reasons (embargo).</p> <p>Polish borders are closed for all imports of live commercial pigs from ASF Zone 2+3 in Lithuania, whereas pork meat from ASF Zone 2 can be sold in Poland, chilled and frozen.</p>	<p>An economic downturn or an uncertain economic outlook in the Russian economy could adversely affect consumers' meat and pork consumption habits.</p> <p>Similarly, a global economic downturn or an uncertain economic outlook in the world economy could adversely affect global consumers' meat and pork consumption habits. With pork being a global commodity, the individual regions as EU or Russia will also be effect, but the effects might be lower as regional markets have own fluctuations.</p>	<p>An outbreak of a serious disease could potentially cause a loss of earnings from the relevant farm for a period during which a replacement herd would be put into operation.</p> <p>Production management places high focus on the risk, and the highest biosecurity measures are taken. Furthermore, the herd is insured for all diseases to mitigate the risk to the highest possible degree.</p>	<p>During 2020, the RUB has fluctuated within a range of 25% against the EUR. The total effect for 2020 was a 24% depreciation EUR/RUB, which among others affected equity negatively by EUR 12.4m, as all Russian tangible assets are measured in RUB.</p> <p>For more information about financial risks, see note 24.</p>

Management's Review

Corporate Social Responsibility

Idavang's CSR policy covers the four areas of the UN Global Compact:

Human Rights

Labour Rights

Environment

Anti-corruption

The CSR policy also has special focus on climate change, occupational health and safety, animal welfare and community development.

The company focuses on the following five values:

Respect & Trust

Quality & Ethic

Transparency

Environmental Responsibility

Constant Development

The Idavang Group is constantly working on safeguarding these values throughout our organisation. Historically, the Idavang Group has always placed high focus on CSR, including animal welfare. Consequently Idavang have had group-housed sows and used partly slatted floors since its establishment in 1999.

Intellectual Capital Resources

Idavang considers the employees and the organizational culture as the most important assets of the company. The Company's long term success is highly linked to attracting, retaining and developing the employees. which is why both internal and external training and education are priorities of Idavang.

Anti-corruption Policy

The aim of the company's anti-corruption policy is to define Idavang's business practice for countering corruption and bribery and to provide guidance to employees. Idavang has a zero tolerance policy towards bribery and corruption.

All our partners and employees are informed about our attitude and principles towards corruption.

Warning signs are place on walls, doors and info boards around on the farms as well as in the country headquarters.

This policy extends to all Idavang's business dealings and transactions in all countries in which we operate. The policy is fully implemented in both Lithuania and Russia. Suppliers and business contacts are periodically being informed about requirements.

Risk identified

Small gifts and corruption from suppliers

Actions

Small gifts (especially around Christmas) are mainly consumed at work.

In cases of corruptions are contract with both employees and suppliers terminated without any limitation. Idavang has not identified any cases of corruption in 2020.

Environmental Matters

Environmental matters are an integrated part of Idavang's mission and we make no compromises. We constantly strive to take care of the environment in all everyday actions, and we acknowledge the need to take care of natural resources to the benefit of future generations.

Our focus is to reduce any negative impact that our production may have on the environment. We do not have full ownership of the entire value chain. However, we urge all our business partners to help us take care of the environment.

The manure is a valuable fertilizer which, however, has a specific odor. Putting the fertilizer to efficient use and causing no inconveniences to our neighbors, we carry out careful maintenance and continuous improvements of the manure collection, storage and fertilization systems.

Many of our complexes in Lithuania and Russia have successfully functioning manure management equipment that separates the liquid and solid fraction of manure and removes excess phosphorus and ammonia.

Furthermore there closed Lagoons on every farm

with top and double liners to prevent the emission of ammonia, nitrogen (greenhouse gas). Closed lagoons also ensure that no odour will be released into the air.

Key risk/targets identified

Reducing the amount of mineral fertilizer by supplying organic fertilizer (manure) to farmers on the optimal time.

Actions

Improve coordination with farmers so that the organic fertilizer has the highest effect hence reducing the volume of mineral fertilizer.

KPI is the price paid for organic fertilizer as we assume it equals mineral fertilizer reduced, revenue in 2020 was EUR 662k (2019: EUR 687k, 2018: EUR 493k, 2017: EUR 598k). A small decrease in revenue from record 2019.

Animal Welfare

The ethical treatment of animals is one of our fundamental values. Our work is based on the criteria of fairness, transparency and European and national legislation on animal welfare. We carry out regular reviews and assessments of our activities to ensure top-level animal welfare and efficiency of production.

Health and Safety Policy

The main purpose of the Occupational Health and Safety system is to protect employees' life and health

and to ensure good working conditions by avoiding injuries and accidents. The Occupational health and Safety tasks are structured in seven main tasks:

1. Strengthen and develop health and safety systems by forming socially responsible approach to the employees' health and safety
2. Perform an occupational risk assessment of all workplaces
3. Improve the system of training certification and instruction of employees on issues of the employees safety and health
4. Increase preventive efficiency of the employees health care
5. Increase fire safety
6. Improve safety of employees performing dangerous work
7. Providing safe, healthy work conditions for every employee

Key risk/targets identified

Work accident

Actions

Activities within this area has top priority, therefore after every accident happens an e-mail is sent to all users, to ensure learning from the case.

Accident reports include all details, for example "During pig vaccination, the pig climbed on employee's left foot", followed by pictures, employee account, etc.

KPI is accidents 17 (2020), 18 (2019), 19 (2018), 16 (2017)

Human Rights

We care about human rights, hence we do not tolerate discrimination of any kind, be it about nationality, gender, age, sexual orientation or other. Neither do we tolerate violence physical nor psychological against employees or management.

Key risk/targets identified

Child labor and discrimination in our company / supply chain

Actions

Suppliers are periodically reviewed for fulfilling Idavang standards of, among others, anti-corruption, human rights (including child labor and discrimination), and animal welfare.

During reviews done in 2020, there were no identified violations of Idavang standards.

Community Relationships

We will continue our work on supporting the neighboring communities, paying special attention to educational initiatives, social issues and sustainable development of rural territories.

Climate

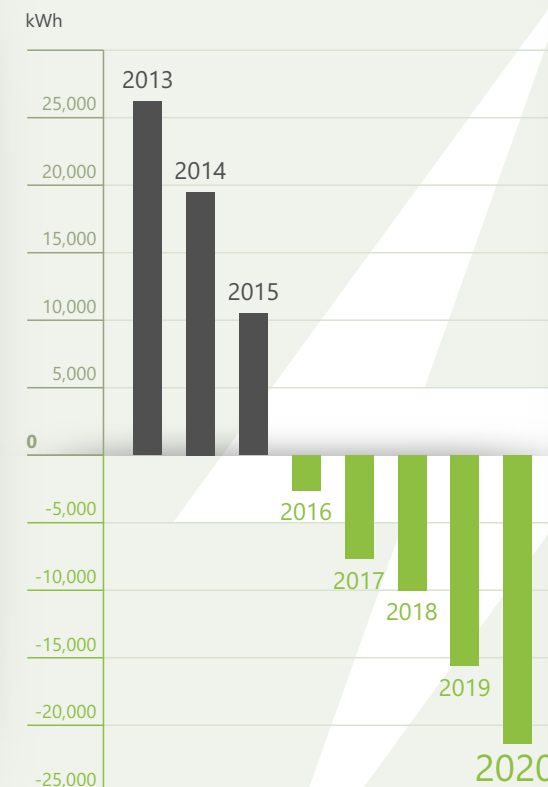
Focus in our business relates not only to our production facility, but also to our partner companies.

Focus is on reducing energy consumption, which is done in many areas implementing efficient straw boilers as source of heat, ensuring that our partners use new EURO4/EURO5 trucks that use AdBlue technology and utilizing gas in manure through biogas.

Biogas, where we use our efforts together with a business partner (Modus Energy) we have established biogas plants with the aim to improve environmental targets.

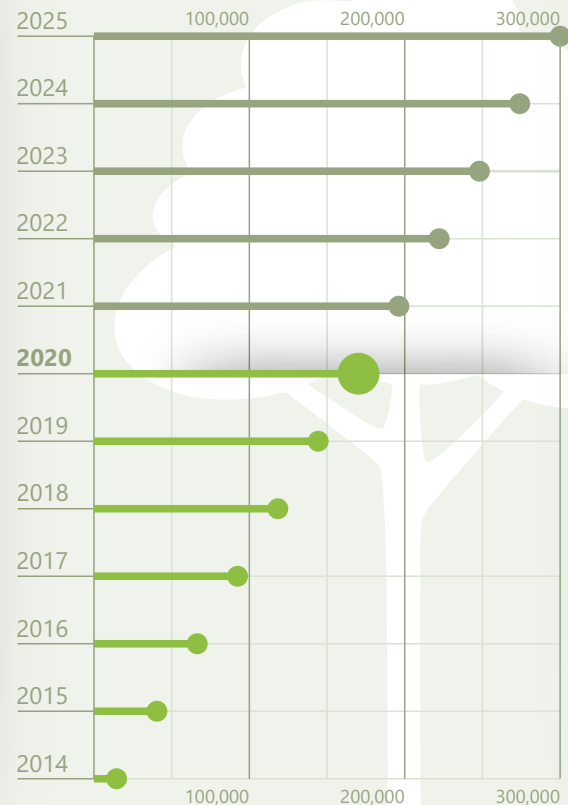
In 2016 we managed to become net supplier of energy, and as you can see in the graph we are increasing the net supply in 2020.

Net consumption



Management's Review

Biogas plant = planting trees



An important benefit of the biogas plants is also to save CO₂. With the current plants the decrease in CO₂ emissions is equivalent to planting more than 300,000 trees over the next 10 years.

Key risk/targets identified

Minimize energy consumption and CO₂

Actions

Minimize energy focuses on replacing all lamps with LED, utilizing slurry to biogas in partnership with Modus and general focus on utilizing best energy source.

See graph for development.

Additional information

The company provides additional information on CSR on our webpage **www.idavang.com**, which complement the information provided in this annual report.

Corporate Governance

Shareholders

Shareholders can exercise their rights at the general meeting of shareholders, which is the company's supreme governing body.

Board of Directors

The overall task of Idavang's Board of Directors is to create value for the shareholders by managing the company.

The Board resolves matters relating to Idavang's strategic development, budgets, risk factors, acquisitions and divestments as well as major development and investment projects. Furthermore, the Board of Directors supervises the Executive Board.

Executive Board

The Executive Board of Idavang is appointed by the Board of Directors and is responsible for the company's day-to-day management, including the development and results of the company's operations as well as the company's internal development.

Management's Review

Remuneration of members of the Board of Directors and the Executive Board

The remuneration paid for 2020 is specified in note 5 in the Group Notes.

Furthermore do we provide free meals, working clothes and footwear for our employees.

The Company's long-term success is highly linked to attracting, retaining and developing the employees, which is why both internal and external training and education are priorities of Idavang.

Management's Review

The company's goal is to ensure that both genders are always represented on the Board of Directors, which they currently are.

The company is committed to observing the Group's human resource policy, which first key principles are the equality of employees.

The Board of Directors has one female board member out of five, equal to 20% (1 of 5). The company's management today (by the end of 2020) is represented by six individuals. One of whom is female; the gender representation is improved compared to end of 2019 (1 female of 8).

It is the Idivang Group's objective that both genders should represent a minimum of 25% of the company's management and board in 2022 compared to 18% females and 86% males today.

The company wishes to honor diversity and equal gender representation in all parts of management. When selecting new board members or new management members, the company strives toward that both genders are represented among the last three candidates.

We want the company's employees to experience equal opportunities for employment, improvement, career-making and gaining management positions regardless of gender, age or nationality.

The company periodic measures and monitors how this goal is met through satisfaction surveys (last survey was 2019) , which include questions like "I know what is expected of me at work" (rated 4,6 out of 5,) and "I receive recognition or praise for doing good job" (rated 3.9 out of 5) to ensure that the company adheres to the goals mentioned above.

Post Balance Sheet Events

No events materially affecting the Group and the Company's financial position have occurred subsequent to the financial year-end.

Group Financial Statements



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Income Statement

NOTE	EUR'000				2020	2019
3	Revenue				101,754	110,540
16	Value adjustment, biological assets				-9,263	4,089
5	7	Production costs			-88,616	-93,666
4	5	6	7	Administrative costs	-3,464	-4,586
8	Other income				2,436	2,305
Other expense					-65	-262
Operating profit					2,782	18,420
9	Financial income				410	2,171
10	Financial expenses				-11,635	-6,974
Profit before tax					-8,443	13,617
12	Tax on profit for the year				682	-2,638
Profit for the year					-7,761	10,979
Attributable to:	Owners of the parent				-7,761	10,979

Statement Of Other Comprehensive Income

EUR'000	2020	2019
Profit for the year	-7,761	10,979
Other comprehensive income		
Exchange adjustment, foreign subsidiaries	-12,349	6,321
Hedge accounting transferred to production cost	-13	- 364
Value adjustment at hedge instrument of the year	548	12
Other comprehensive income to be reclassified to profit or loss in subsequent periods	-11,814	5,969
Other comprehensive income not be reclassified to profit or loss in subsequent periods	0	0
Total comprehensive income	-19,575	16,948

Statement Of Changes In Equity

EUR'000	Share Capital	Exchange Adjustment	Other Reserves	Retained Earnings	Total
Equity at 31 December 2018	1,000	-32,549	364	81,585	50,400
Profit/loss for the year				10,979	10,979
Exchange rate adjustments, foreign subsidiaries		6,321			6,321
Hedge instrument transferred to production cost			-364		-364
Value adjustment of hedge instrument of the year			12		12
Total comprehensive income	0	6,321	-352	10,979	16,948
Equity at 31 December 2019	1,000	-26,228	12	92,564	67,348
Profit/loss for the year				-7,761	-7,761
Exchange rate adjustments, foreign subsidiaries		-12,349			-12,349
Hedge instrument transferred to production cost			-13		-13
Value adjustment of hedge instrument of the year			548		548
Total comprehensive income	0	-12,349	535	-7,761	-19,575
Buyback of own shares	-200			-17,705	-17,905
Equity at 31 December 2020	800	-38,577	547	67,098	29,868

Cash Flow Statement

NOTE	EUR'000	2020	2019
	Operating profit/loss	2,782	18,420
7	Depreciation and amortisation	7,698	8,498
	Profit from sale of tangible assets	-18	-29
	Accrual of hedging accounting	535	-352
	Changes in inventories	862	-4,390
	Changes in receivables	4,661	-4,299
	Changes in trade payables & prepayments from customers	4,036	-3,289
	Changes in other current liabilities	991	-242
6	Share-based payments	-134	0
	Addition of biological assets	-2,078	-393
16	Value adjustment, biological assets	9,263	-4,089
	Total	28,598	9,835
	Interest received	410	389
	Interest paid	-7,279	-6,465
	Corporation tax paid	39	-1,049
	Cash flows from operating activities	21,768	2,710

The Group owns EUR 0.0m (2019: EUR 1.2m) Idavang A/S bonds year end, furthermore the Group has EUR 4.9m overdraft (2019: EUR 1.1m).

NOTE	EUR'000	2020	2019
13	Acquisition of intangible assets	-15	-13
15	Acquisition of property, plant and equipment	-4,012	-9,254
	Disposal of property, plant and equipment	221	279
16	Acquisition/disposal of biological assets	-411	-605
	Acquisition of investments	0	0
	Cash flows from investing activities	-4,217	-9,593
24	Proceeds from borrowings	88,578	18,500
24	Repayment of borrowings	-101,296	-21,269
	Surplus from IFC escrow account	6,722	0
	Dividends paid	0	0
	Cash flows from financing activities	-5,996	-2,769
	Net cash flows from operating, investing and financing activities	11,555	-9,652
	Cash and cash equivalents at 1 January	5,524	13,586
	Exchange adjustments	-3,322	1,590
21	Cash and cash equivalents at 31 December	13,757	5,524

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Note 1.
Significant Accounting Policies

Basis of preparation

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the EU and additional Danish disclosure requirements for financial statements prepared by large reporting class D enterprises.

The consolidated financial statements are presented in EUR. The parent's functional currency is DKK.

The financial statements have been prepared on the historical cost basis except for biological assets and hedging contracts, which are measured at fair value, and amortized cost for loans were relevant.

The accounting policies remain unchanged from previous year.

Consolidated financial statements

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity where the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The consolidated financial statements are prepared by aggregating the parent's and the subsidiaries' financial statements, prepared in accordance with the accounting policies applied by the group. Intra-group income and expenses, shareholdings, etc., intra-group balances and dividends and realized and unrealized gains on transactions between the consolidated entities are eliminated on consolidation.

Currency translation

Transactions denominated in foreign currencies are translated into EUR at the exchange rates at the date of the transaction. Monetary items denominated in foreign currencies are translated into EUR at the exchange rates at the balance sheet date. Realized and unrealized exchange gains and losses are recognized in profit or loss as financial income/expenses.

Non-monetary assets and liabilities measured at historic cost in foreign currencies are translated into EUR at

the exchange rates at the date of recognition. Non-monetary assets and liabilities measured at fair value in foreign currencies are translated into EUR at the exchange rates at the date of determination of the fair value.

Derivative financial instruments

The Group enters into commodity contracts with respect to grain in order to secure future supply.

Derivate financial instruments are initially measured at fair value at the time of conclusion of the contract and subsequently at fair value at the balance sheet date. They are recognised in other receivables when the fair value is positive and in other payables when the fair value is negative. Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of future commodity purchases are recognised in other comprehensive income. Income and expenses relating to such hedging transactions are transferred from other comprehensive income on realisation of the hedged item and are recognised in the same entry as the hedged item.

Any gains or losses arising from changes in the fair value of derivative financial instruments that not qualify as hedges are recognised under net financials in the income statement.

Purchase contracts

The company enters into purchase contracts on feed components, for future delivery, for use in pig production (executory contracts). The cost price for the grain is the agreed contract price which is recognised in the books at time of delivery.

An onerous executory contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. An executory contract for purchase of inventory is deemed onerous if the economic benefit expected to be received from the products produced with it (net realisable value of the inventories to be obtained) is lower than the costs. For onerous contract a provision is recognised.

Share-based payments

Employees in the Group receive compensation in the form of share-based payments with the employees providing services as consideration for equity instruments ('equity-settled share-based payments').

Expenses incurred in connection with equity-settled share-based payments to employees are

measured on the basis of the fair value at the grant date. The fair value is determined using an appropriate pricing model, see note 6.

Expenses related to equity-settled share-based payments are recognised over the vesting period. The total expenses recognised in respect of equity-settled share-based payments at the balance sheet date reflect the share of the vesting period that has passed and the group's best estimate of the number of equity instruments that will eventually vest.

The amount recognised in profit or loss represents the change in the total expenses recognised at the beginning and at the end of the year.

Income statement

Revenue

Revenue from sale of slaughter pigs and weaners are recognised in the income statement when the delivery and transfer of risk to the buyer has been made before year end. Revenue is recognised exclusive of VAT and is measured at the fair value of the consideration received or receivable.

Production costs

Production costs comprise expenses incurred in generating the revenue for the year. Such costs include direct and indirect production costs relating to raw materials and consumables, wages and salaries, rent and leases, and depreciation, amortisation and impairment losses in respect of production plant.

Dividend

Dividend revenue is recognised when the Group's right to receive the dividend has been established.

Net financials

Financial income and expenses are recognised in profit or loss at the amounts that relate to the reporting period. Net financials include interest income and expenses, realised and unrealised capital and exchange gains and losses on securities and foreign currency transactions and surcharges and allowances under the advance-payment-of-tax scheme, etc.

Government grants

The Group's government grants are subject to IAS 20 and comprise:

Government grants related to expenses

In Russia, the Group receives government grants in the form of reimbursement of interest expenses on loans, cost recovery for cost related to the production of crops and compensation for high grain prices.

Government grants related to expenses are recognised as income as the right to the grant is earned and received, i.e. as the eligible expenses are incurred and the grant is deposited in a bank account.

Government grants related to property, plant and equipment

In Lithuania, the Group receives government grants for the investment of property, plant and equipment in return for the Group's commitment to carry on pig production for a certain number of years.

Government grants for assets are recognised as deferred income, which is reduced in step with the depreciation of the related asset and recognised in profit or loss under depreciation.

Income taxes

Income taxes include current tax on the year's expected taxable income and the year's deferred tax adjustments less the share of the tax for the year that concerns changes in equity.

Current and deferred taxes related to items recognised directly in equity are taken directly to equity.

Balance sheet

Intangible assets

Intangible assets with indefinite lives comprise goodwill. Goodwill is not amortised but is tested for impairment on an annual basis. The impairment test is performed for the cash-generating unit to which the goodwill belongs.

Equity

Foreign currency translation adjustments

Foreign currency translation adjustments comprise exchange adjustments in connection with the translation of foreign subsidiaries' balance sheets from their functional currency into the Group's presentation currency.

Other reserves

Other reserves comprise hedge accounting in Lithuania.

Income taxes

Current taxes are recognized in the balance sheet as the estimated tax in respect of the expected taxable income for the year, adjusted for tax on prior years' taxable income and tax paid in advance.

Provisions for deferred tax are calculated at local rates of all temporary differences between carrying amounts and tax values, with the exception of temporary differences occurring at the time of acquisition of assets and liabilities neither affecting the results of operations nor the taxable income, and temporary differences on goodwill.

Deferred tax assets are recognized at the value at which they are expected to be utilized, either through elimination against tax on future earnings or a set-off against deferred tax liabilities.

Financial liabilities

Financial liabilities comprise mortgage debt, payables to other credit institutions and subordinated loans. Financial liabilities are recognized at the inception of the loan at the proceeds received, net of transaction costs incurred. Financial liabilities are subsequently measured at amortized cost, determined by reference to the effective interest rate at the time of borrowing.

Fair value

Fair value measurements are based on the principal market. If no principal market exist, the measurement is based on the most advantageous market, i.e. the market that maximizes the price of the asset or liability less transaction and/or transport costs. All assets and liabilities which are measured at fair value,

or whose fair value is disclosed, are classified based on the fair value hierarchy, see below:

Level 1:

Value in an active market for similar assets/liabilities

Level 2:

Value based on recognized valuation methods on the basis of observable market information

Level 3:

Value based on recognized valuation methods and reasonable estimates (non-observable market information).

Cash flow statement

The cash flow statement shows the Group's and the parent company's net cash flow during the year, the year's changes in cash and cash equivalents and the cash and cash equivalents at the beginning and at the end of the year.

Cash flows from operating activities are presented using the indirect method and are calculated as the profit or loss for the year, adjusted for non-cash operating items, changes in working capital, paid financial expenses and paid income taxes.

Cash flows from investing activities comprise payments related to additions and disposals of fixed assets, securities related to investing activities and dividends received from subsidiaries. Cash flows from financing activities comprise dividends paid to shareholders, borrowings and repayments of interest-bearing debt.

Cash and cash equivalents comprise cash.

Financial highlights

Financial ratios are calculated in accordance with the recommendations of the Danish Finance Society.

Segment information

Revenue, result, total assets and liabilities has been allocated according to geographical markets.

NOTES: Group

Financial Statements for the period January 1 - December 31

Ratios

Term	Description
EBITDA	Earnings before interest, tax, depreciation and amortization
EBITDA margin	$\text{EBITDA} \times 100 / \text{Revenue}$
Current ratio	$\text{Current assets} \times 100 / \text{Current liabilities}$
Equity ratio	$\text{Total equity} \times 100 / \text{Total assets}$
Return on equity	$\text{Profit for the year} \times 100 / \text{Equity}$
Sold volume live weight	Weight of slaughter pigs, piglets, weaners and sows sold
kMT	1,000,000 kg
Average invested capital	Assets less cash, less bonds less non-interest-bearing debt including provisions
Return on average invested capital	$\text{EBIT (Operating profit)} \times 100 / \text{Average invested capital}$
Net interest-bearing debt	Non-current interest-bearing liabilities plus debt to credit institutions less cashless bonds
EBITDA fixed herd prices	EBITDA adjusted for the unrealized value adjustment related to biological assets.

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Note 4.
Fees Paid To Auditors Appointed At The Annual General Meeting

EUR'000	2020	2019
Fee regarding statutory audit	112	111
Assurance engagements	7	14
Tax assistance	0	1
Other assistance	0	0
Total	119	126

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Note 5.
Staff Costs

EUR'000	2020	2019
Wages and salaries	12,203	12,295
Other social security costs	1,180	1,203
Share-based payments (note 6)	-134	0
Other staff costs	581	612
Total	13,830	14,110

Staff costs are recognized as follows in the financial statements:

EUR'000	2020	2019
Production	11,462	11,151
Fixed assets	51	142
Administration	2,317	2,817
	13,830	14,110

Of which:

Remuneration for executive board	602	622
Salaries to other executive officers	695	555
Remuneration for board of directors	113	138
Shareholders in JAST Holding Aps (excluding fee in Executive Board and remuneration for board of directors)	261	548
Share-based payments (note 6), executive board and officers	-134	0

Total	1,276	1,315
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Average number of full-time employees	799	830
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Note 12. Income Taxes

EUR'000	2020	2019
<i>Income tax expense recognized in profit or loss:</i>		
Estimated tax on the taxable income for the year	-868	-1,016
Adjustment regarding prior year	0	-147
Change in deferred tax	1,550	-1,475
Income taxes	682	-2,638
<i>Reconciliation of tax rate:</i>		
Danish tax rate	22%	22%
Difference, tax rate in foreign subsidiaries	-6%	-7%
Tax loss carry forward not capitalized	-24%	4%
Effective tax rate	-8%	19%
<i>Income taxes:</i>		
Carrying amount 1/1	0	-464
Payment	-309	-691
Tax on taxable income for the year	868	1,155
Exchange rate adjustment	0	0
Carrying amount 31/12	559	0

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Note 13. Intangible Assets

EUR'000	Goodwill	Right	Total
Cost at 1 January 2019	1,967	599	2,566
Additions	0	0	-
Disposals	0	13	13
Exchange adjustments	0	61	61
Cost at 31 December 2019	1,967	673	2,640
Amortization at 1 January 2019	948	322	1,270
Amortization	0	40	40
Disposals	0	0	0
Impairment	0	0	0
Exchange adjustments	0	25	25
Impairment losses and amortization at 31 December 2019	948	387	1,335
Carrying amount at 31 December 2019	1,019	286	1,305
Cost at 1 January 2020	1,967	673	2,640
Additions	0	15	15
Disposals	0	0	0
Exchange adjustments	0	-113	-113
Cost at 31 December 2020	1,967	575	2,542
Amortization at 1 January 2020	948	387	1,335
Amortization	0	32	32
Disposals	0	0	0
Impairments	0	0	0
Exchange adjustments	0	-52	-52
Impairment losses and amortization at 31 December 2020	948	367	1,315
Carrying amount at 31 December 2020	1,019	208	1,227

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Note 15.
**Property,
Plant And
Equipment**

Cost amount of assets written off but still in use is EUR 22,489 thousand.

The amount of borrowing costs capitalised during the year ended 31 December 2020 was EUR 329k (2019: EUR 335k).

See note 24 for financial liabilities relating to right-to-use assets.

EUR'000	2020	Land and buildings	IFRS16 Land and buildings	Plant and machinery	IFRS16 Plant and machinery	Fixtures, fittings, tools, equipment	Plants under construction	Total
Cost at 1 January 2020		111,113	2,092	42,853	391	3,357	6,412	166,218
Additions		316	608	936	56	70	2,067	4,014
Disposals		-12	-185	-68		-65	0	-330
Transfers		3,896	0	617		18	-5,633	-1,063
Exchange adjustments		-13,567	-88	-6,244		-120	-901	-20,920
Cost at 31 December 2020		101,746	2,427	38,094	447	3,260	1,945	147,919
Impairment losses and depreciations at 1 January 2020		37,423	120	28,509	109	2,600	712	69,473
Depreciations and impairments		3,750	229	3,190	165	132	200	7,666
Reversed depreciation on disposals		-14	0	-67		-46	0	-127
Transfers							-912	-912
Exchange adjustments		-3,597	-13	-3,895		-128	0	-7,633
Impairment losses and depreciations at 31 December 2020		37,562	336	27,737	274	2,558	0	68,467
Carrying amount at 31 December 2020		64,184	2,091	10,357	173	702	1,945	79,452
Land which is not depreciated		2,945						
Of which is financial leased				3,713				

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Note 23.

Management

Board Of Directors					Executive Board	
Name	Niels Hermansen	Jytte Rosenmaj	Ole Bjerremand Hansen	Carsten Lund Thomsen	Claus Baltersen	Michael Henriksen
Role	CHAIRMAN	DEPUTY CHAIRMAN	BOARD MEMBER	BOARD MEMBER	CEO & BOARD MEMBER	CFO
Born	1953	1964	1960	1967	1971	1974
Gender	Male	Female	Male	Male	Male	Male
Nationality	Danish	Danish	Danish	Danish	Danish	Danish
First elected	2013	1999	1999	1999	2017	
Employed since					1998	2009
Independent	Yes	No	No	No	No	
Audit Committee	Member	Chairman	Member	Member		
Securities 31.12.2020	0	0	0	0	0	0
JAST Holding ¹⁾	0	0	125,000 ²⁾	83,332	41,668	0
Directorships	Chairman	Fredericia Furniture A/S, Erik Jørgensen Møbelfabrik A/S Vikan A/S, Vissingfonden	Nutriflow Aps, CubAgro Holding Aps, CerCa A/S, Toftthøj Agro Aps, Danish Farmers Abroad, Commoditrader Aps	Jast Holding Aps, CMC Agro A/S, Ejendomsselskabet Niels Bugges Kro og Hotel A/S, Naturbiogas, Sode A/S		
	Deputy Chairman		AgroSkandia Holding A/S			
	Member	Stjernesansen Holding Aps, Vissing Holding A/S	Jast Holding Aps, Meta Mariehjemmet, DCH International A/S, Premium Pork International A/S	Jast Holding Aps, Nutriflow Aps, Toftthøj Agro Aps	Slovakian Farm Invest A/S, Danish Pig Consulting Group A/S, Akset A/S, Sundgaard Invest A/S, Biogastechnik A/S	Jast Holding Aps

1) JAST Holding A/S is Idavang A/S's sole shareholder with 100%, and the company has issued 250,000 shares in total.

2) Include all shares controlled

The Group's policy is to minimize current payables to credit institutions. The Group has assessed the concentration of risk with respect to refinancing of its debt, finding it to be low and spread among a number of banks.

Access to sources of funding is sufficiently available and debt maturing within 12 months is expected to a high degree to be rolled over with existing lenders.

EUR'000	2020	1/1	Cash flow	FX/Other	12/31
Payables to credit institutions, IFRS 16		2,233	114	-80	2,267
Issued bonds		83,153	-9,976	647	73,824
Payables to credit institutions		35,043	-2,856	-6,728	25,458
Total		120,429	-12,718	-6,162	101,549

Issued bonds include prepaid cost of EUR 1.176k 31.12.2020, which is written off over the tenor of the loan. For 2020 the Group has paid EUR 370k regarding lease contracts of which EUR 69k is related to interest and EUR 301k is related to repayment of lease debt.

EUR'000	2019	1/1	Cash flow	FX/Other	12/31
Payables to credit institutions		14,019	1,601	-8,271	7,349
Payables to credit institutions, IFRS16			-223	2,456	2,233
Issued bonds		82,822	0	331	83,153
Current portion of non-current liabilities to credit institutions		9,254	-4,628	10,202	14,828
Payable to credit institutions		10,686	480	1,700	12,866
Total		116,781	-2,769	6,417	120,429

Payables to credit institutions are recognised in the balance sheet as follows:

Currency	Interest	2020	Within 1 year	1-5 years	More than 5 years
EUR	7.5%	73,824	0	73,824	0
EUR	2.5-4.0%	7,177	942	5,594	641
RUB	3.5%-4.0%	20,548	20,326	223	0
Total		101,549	21,268	79,641	641

Currency	Interest	2019	Within 1 year	1-5 years	More than 5 years
EUR	6.9%	83,153	0	83,153	0
EUR	2.5-3.5%	9,494	971	7,902	621
RUB	3.5-4.5%	27,090	26,723	367	0
DKK	2.5%*	692	0	692	0
Total		120,429	27,694	92,114	621

* Partly subsidy loans with higher interest where reimbursement goes directly to Idavang, the interest illustrated is net of subsidy.

Payables to credit institutions and bonds including interest have the following maturity terms:

EUR'000	2020	2019
Within 1 year	27,465	24,308
1-5 years	101,584	107,497
More than 5 years	777	922
Total	129,827	132,727

Quoted bond is included with EUR 5,513k with 1 year and 95,188k 1-5 years. See note 25 for more information.

Parent Company Financial Statements



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Parent Company

Financial Statements for the period January 1 - December 31

Income Statement

NOTE	EUR'000	2020	2019
	Revenue	0	150
3 4 5	Administration costs	-583	-1,341
	Operating profit	-583	-1,191
6	Financial income	33,630	4,490
7	Financial expenses	-12,624	-6,284
	Profit before tax	20,423	-2,985
8	Tax on profit for the year	14	680
	Profit for the year	20,437	-2,305
<i>Attributable to:</i>			
	Transferred to equity	20,437	-2,305

Statement Of Other Comprehensive Income

EUR'000	2020	2019
Profit for the year	20,437	-2,305
<i>Other comprehensive income:</i>		
Exchange adjustment, foreign subsidiaries	59	-2
Other comprehensive income not be reclassified to profit or loss in subsequent periods	0	0
Other comprehensive income	59	-2
Total comprehensive income	20,496	-2,307

Parent Company

Financial Statements for the period January 1 - December 31

Statement Of Changes In Equity

EUR'000	Share Capital	Exchange Adjustment	Retained Earnings	Total
Equity at 1 January 2019	1,000	-37	3,986	4,949
Profit/loss for the year			-2,305	-2,305
Other comprehensive income		-2		-2
Total comprehensive income	0	-2	-2,305	-2,307
Equity at 31 December 2019	1,000	-39	1,681	2,642
Profit/loss for the year			20,437	20,437
Other comprehensive income		59		59
Total comprehensive income	0	59	20,437	20,496
Buyback of own shares	-200		-17,705	-17,905
Equity at 31 December 2020	800	20	4,413	5,233

Parent Company

Financial Statements for the period January 1 - December 31

Cash Flow Statement

NOTE	EUR'000	2020	2019
	Operating profit/loss	-583	-1,191
5	Depreciation and amortisation	2	5
	Changes in receivables	-7,442	-27,575
	Changes in non-current receivables	0	0
	Changes in other current liabilities	-4,437	1,010
4	Share-based payments	-134	0
	Total	-12,594	-27,751
	Interest received	3,420	2,204
	Dividend received	29,694	442
	Interest paid	-8,395	-5,821
	Corporation tax paid	0	0
	Cash flows from operating activities	12,125	-30,926

NOTE	EUR'000	2020	2019
10	Acquisition of property, plant and equipment	0	0
	Disposal of property, plant and equipment	11	0
	Cash flows from investing activities	11	0
	Proceeds from borrowings	73,794	5,365
	Repayments of borrowings	-89,743	0
	Excess cash after repurchase of IFC shares	6,722	0
	Cash flows from financing activities	-9,227	5,365
	Net cash flows from operating, investing and financing activities	2,909	-25,561
	Cash and cash equivalents at 1 January	102	25,663
	Exchange adjustments	0	0
13	Cash and cash equivalents at 31 December	3,011	102

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Note 1.

Significant Accounting Policies

The financial statements of Idivang A/S are prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the EU and additional Danish disclosure requirements for financial statements.

The financial statements are presented in EUR. The company's functional currency is DKK.

The accounting policies applied by Idavang A/S are consistent with those applied by the group, cf. note 1 to the consolidated financial statements and the below.

The accounting policies remain unchanged from previous year.

Revenue

Revenue consists of management fee allocated to subsidiaries in the group and is recognized on a straight-line bases as the services are provided.

Revenue is measured at the fair value of the agreed consideration excl. VAT and taxes charged on behalf of third parties.

Investments in subsidiaries

Investments in subsidiaries are measured at cost. If the cost exceeds the recoverable amount, the carrying amount is reduced to such lower value.

Dividends

Dividends from investments in subsidiaries are recognised in the parent company's income statement in the reporting year in which the dividends are declared.

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Note 2.

Critical Accounting Estimates And Judgements

In connection with the preparation of the financial statements, management makes a number of judgements and estimates, which form the basis of the recognition and measurement of income, expenses, assets, liabilities and disclosures of contingent assets and liabilities at the balance sheet date.

Accounting judgements

In the process of applying the company's accounting policies, management exercises judgements which may have a significant effect on the amounts recognised in the financial statements.

The judgements made with respect to the parent company's accounting policies are consistent with those stated in note 2 to the consolidated financial statements.

Accounting estimates

Recognition and measurement of certain assets and liabilities at the balance sheet date require that Management makes assumptions and estimates of future events. If these assumptions and estimates are not realised as expected, it may result in significant corrections of the carrying amounts of the affected assets and liabilities in the subsequent financial year.

In 2011, Management made assumptions and estimates in connection with the recognition and measurement of share-based payments and deferred tax assets. Reference is made to the description in note 2 to the consolidated financial statements.

Changes in accounting estimates

It may become necessary to change estimates due to changes in the circumstances underlying the estimates or to new information or subsequent events.

Changes in accounting estimates are recognised in the financial year in which the change takes place and in subsequent financial years where appropriate.

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Note 3.

Fees Paid To Auditors Appointed At The Annual General Meeting

Note 3.	EUR'000	2020	2019
Fees Paid To Auditors Appointed At The Annual General Meeting	Fee regarding statutory audit	34	34
	Assurance engagements	7	15
	Tax assistance	0	1
	Other assistance	0	0
Audit fees are recognised under administration expenses.	Total	41	50

Audit fees are recognised under administration expenses.

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Note 4.
Staff Costs

EUR'000	2020	2019
Wages and salaries	572	1,137
Other social security costs	0	0
Share-based payments (Group Note 6)	-134	0
Total	438	1,137
Production	0	0
Fixed assets	0	0
Administration	438	1,137
<i>Of which:</i>		
Remuneration for executive board	61	447
Salaries to other executive officers	0	0
Remuneration for board of directors	113	138
Share-based payments (Group Note 6), board & officers	0	0
Total	174	585
Average number of full-time employees	2	2

Staff costs are recognised under administration expenses.

5

Note 5.

Amortisation, Depreciation And Impairment Losses

Amortisation, depreciation and impairment losses are recognised under administration expenses.	EUR'000	2020	2019
	Other fixtures and fittings, tools and equipment	2	5

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Note 6.

Financial Income

EUR'000	2020	2019
Exchange gains	0	1,844
Interest income from credit institutions	0	0
Interest income, related parties	3,420	2,183
Dividend	29,694	442
Other	516	21
Total financial income	33,630	4,490

Financial income originating from loans and receivables measured at amortised cost.

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Note 7.

Financial Expenses

EUR'000	2020	2019
Exchange losses	3,414	0
Interest payables to credit institutions	7,725	6,132
Interest payables to related parties	1,485	152
Interest, relating to IFRS 16	0	0
Other	0	0
Total financial expenses	12,624	6,284

Financial expenses originating from financial liabilities measured at amortised cost.

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Note 8.

Income Taxes

EUR'000	2020	2019
Income tax expense recognised in profit or loss:		
Estimated tax on the taxable income for the year	0	0
Group taxation contribution	0	500
Adjustment regarding prior year	0	0
Changes in deferred tax	14	180
Income taxes	14	680
Reconciliation of tax rate:		
Danish tax rate	22%	22%
Ajustment regarding prior year	0%	0%
Not recongnized tax assets	0%	1%
Tax free income	-22%	0%
Effective tax rate	0%	23%

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Note 9.

**Investments
In Subsidiaries
Of The Group**

EUR'000	2020	2019	1/1 2019
Cost 1/1	28,507	28,516	28,604
Additions	0	0	0
Disposals	0	0	0
Write-down	0	0	0
Exchange adjustments	116	-9	-88
Cost 31/12	28,623	28,507	28,516

Subsidiaries Of The Group

Lithuania	Subsidiary	Ownership
	UAB Idavang	100%

Denmark

<i>Pskov Invest Aps</i>	100%
<i>Rus Invest Aps</i>	100%
<i>Idavang Russia A/S</i>	100%
<i>Rurik A/S</i>	100%

Russia

Idavang Agro LLC	100%
<i>Idavang Invest LLC</i>	100%
Idavang LLC	100%
<i>Nordrik Invest LLC</i>	100%
Idavang Luga LLC	100%
<i>Rurik Russia LLC</i>	100%
<i>MPK-Vostochny LLC</i>	100%
<i>Sovhoz Vostochny LLC</i>	100%

Active / No activities

NOTES: Parent Company

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Note 10.
**Property,
Plant And
Equipment**

2020

EUR'000	Fixtures, fittings, tools, equipment	Total
Cost at 1/1 2020	26	26
Additions	0	0
Disposals	-26	-26
Cost at 31/12 2020	0	0
Impairment losses and depreciation 1/1 2020	-13	-13
Depreciation	-2	-2
Reversed depreciation on disposal	15	15
Impairment losses and depreciation 31/12 2020	0	0
Carrying amount 31/12 2020	0	0

Carrying amount of
assets written off but
still in use is EUR 0.

The amount of
borrowing costs
capitalised during
the year ended
31/12 2020 was EUR 0
(2019 - EUR 0).

+

Note 10.
**Property,
Plant And
Equipment**

2019

EUR'000	Fixtures, fittings, tools, equipment	Total
Cost at 1/1 2019	26	26
Additions	0	0
Disposals	0	0
Cost at 31/12 2019	26	26
Impairment losses and depreciation 1/1 2019	-8	-8
Depreciation	-5	-5
Reversed depreciation on disposal	0	0
Impairment losses and depreciation 31/12 2019	-13	-13
Carrying amount 31/12 2019	13	13

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Note 12.
**Financial Assets
And Liabilities**

Receivables from group entities are based on agreements with 3rd party, hence assumed equal to fair value.

EUR '000	Carrying amount 2020	Fair value 2020	Carrying amount 2019	Fair value 2019
<i>Loans and receivables at amortised cost:</i>				
Receivables from group entities	55,282	55,282	51,353	51,353
Other receivables	54	54	13	13
Cash	3,011	3,011	24,864	24,864
Total loans and receivables measured at amortised cost	58,347	58,347	76,230	76,230
Total financial assets	58,347	58,347	76,230	76,230
<i>Financial liabilities measured at amortised cost:</i>				
Payables to credit institutions	73,823	73,823	89,609	89,609
Payable to group entities	7,440	7,440	12,627	12,627
Other payables	1,109	1,109	359	359
Total financial liabilities measured at amortised cost	82,372	82,372	102,595	102,595
Total financial liabilities	82,372	82,372	102,595	102,595

EUR'000	2020	1/1	Cash flow	FX/other	12/31	2019	1/1	Cash flow	FX/other	12/31
Payables to credit institutions		6,457	-6,457	0	0		1,073	5,384	0	6,457
Issued bonds		83,152	-9,492	163	73,823		82,822	0	330	83,152
Payable to credit institutions		0	0	0	0		0	0	0	0
Total		89,609	-15,949	163	73,823		83,895	5,384	330	89,609

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Note 13.

Cash

EUR'000	2020	2019
Cash	3,011	102
Escrow account	0	24,762
Total	3,011	24,864

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Note 14.

Deferred Tax

EUR'000	2020	2019	1/1 2019	2020	2019
Loss bought forward/group taxation	194	180	0	203	203
Deferred tax income/(expense)				0	0
Deferred tax asset/(liability)	0	0	0		
Deferred tax asset/liability is recognised in the balance sheet as follows:					
Deferred tax asset	194	180	0		
Deferred tax liability	0	0	0		
Deferred tax, net	194	180	0		
Reconciliation of deferred tax, net:					
At 1/1	180	0	0		
Transferred in connection with the group taxation	0	180	0		
The year's tax income/expense recognised in profit or loss	14	0	0		
The year's tax income/expense recognised in other comprehensive income	0	0	0		
At 31/12	194	180	0		

Tax losses carry forward are capitalized with EUR 203 thousand (out of EUR 2,941 thousand) due to uncertainties of utilizing it in the future.

NOTES: Parent Company

Financial Statements for the period January 1 - December 31

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Note 15. Related Party Transactions

2020

EUR'000	Repurchase of shares	Management fee & salary	Dividend
<i>Owners:</i>			
Shareholders in Jast Holding ApS (excluding Executive Board)	0	297	0
IFC	17,905	0	0
Total	17,905	297	0

EUR'000	Management fee	Interest net	Loan to/from
<i>Subsidiaries:</i>			
UAB Idavang	0	938	30,000
Idavang Agro LLC	0	1,085	12,197
Idavang LLC	0	0	75
Pskov Invest ApS	0	-1,486	-7,440
Rus Invest ApS	0	1,394	13,010
Total	0	1,931	47,842

+

Note 15. Related Party Transactions

2019

EUR'000	Management fee and salary	Dividend
<i>Owners:</i>		
Shareholders in Jast Holding ApS (excluding Executive Board)	601	0
IFC	0	0
Total	601	0

In addition to the related parties mentioned in the consolidated financial statements, Idavang A/S's related parties include the subsidiaries set out in Note 9 and executive board and board of directors.

The tables show transactions with related parties in the financial year.

Transactions with executive board and board of directors are enclosed in Note 4.

All transactions with related parties are carried out on an arm's length basis.

Rus Invest Aps and Idavang Agro LLC's creditworthiness have been evaluated due to high equity ratio, it has been concluded that the receivables do not have any risk for losses, hence they are not written down.

EUR'000	Management fee	Interest net	Loan to/from
<i>Subsidiaries:</i>			
UAB Idavang	0	870	25,074
Idavang Agro LLC	75	1,313	14,633
Idavang LLC	75	0	75
Pskov Invest ApS	0	-1,400	-12,627
Rus Invest ApS	0	1,248	11,571
Total	150	2,031	38,726

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Claus Baltersen

CEO

På vegne af: Idavang A/S

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Claus Baltersen

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Carsten Lund Thomsen

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Ole Bjerremand Hansen

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Jytte Rosenmaj

Bestyrelsesmedlem

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IP: 95.154.xxx.xxx

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Niels Hermansen

Bestyrelsesmedlem

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Michael Thuesen Henriksen

Direktør

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Palle H. Jensen

Statsautoriseret revisor

På vegne af: PricewaterhouseCoopers Statsautoriseret...

Serienummer: CVR:33771231-RID:29787134

IP: 208.127.xxx.xxx

2021-02-26 14:15:18Z

NEM ID 

Henrik Forthoft Lind

Statsautoriseret revisor

På vegne af: PricewaterhouseCoopers Statsautoriseret...

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Michael Thuesen Henriksen

Dirigent

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