



Investor Presentation

Marts 2022



Table of contents

Presentation of company

1. Introduction to the Group
2. Business overview
3. Industry and market overview
4. Financial performance
5. Other

Michael Henriksen



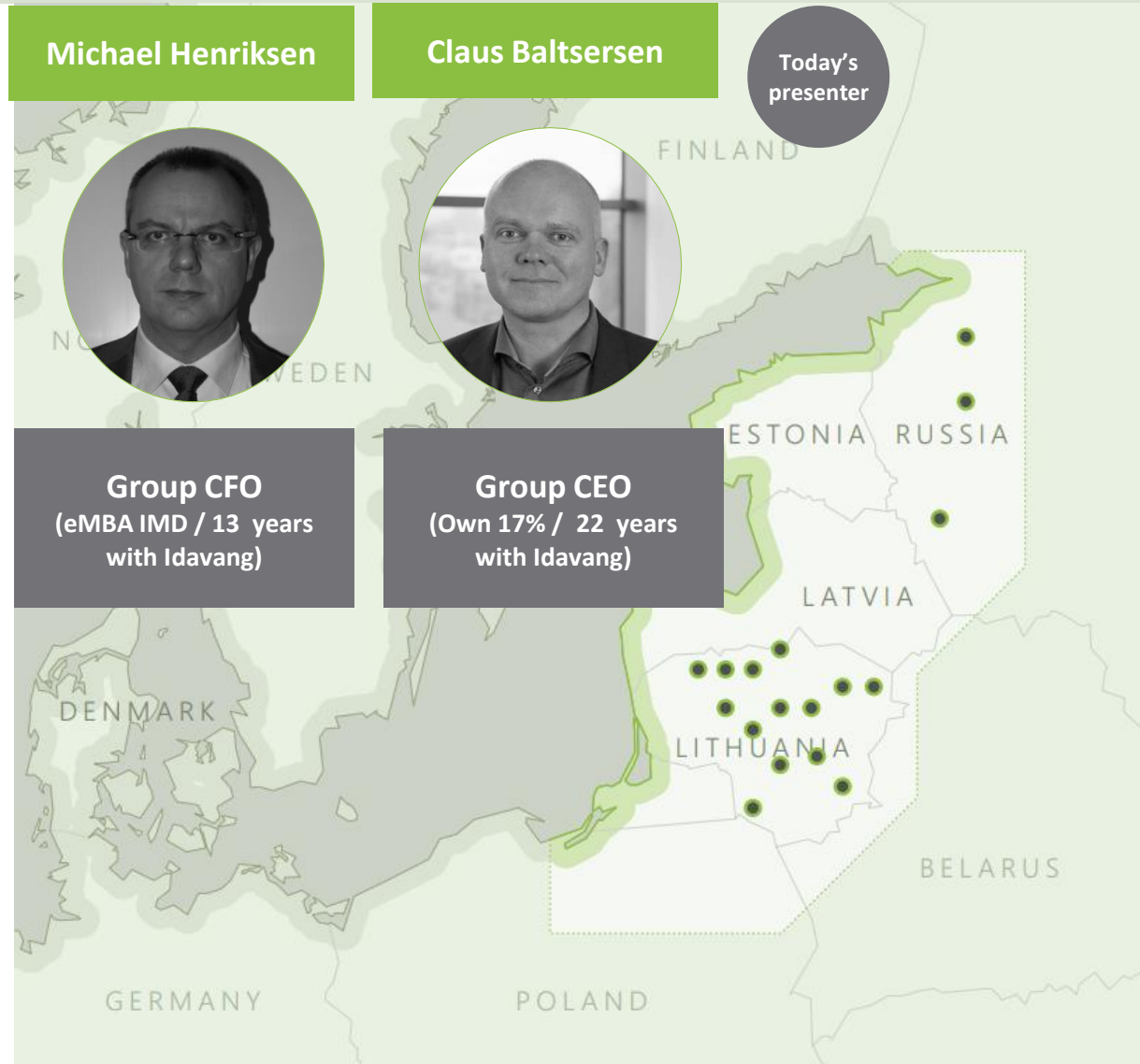
Group CFO
(eMBA IMD / 13 years
with Idavang)

Claus Baltersen



Group CEO
(Own 17% / 22 years
with Idavang)

Today's
presenter



Idavang overview



Highlights and product overview

| | |
|---|------------|
| <ul style="list-style-type: none"> Idavang A/S, 7321 Gadbjerg, Denmark Employees: 769 Pig farms: 15 owned / 16 operated Founded: 1999 Executive management team: <ul style="list-style-type: none"> Claus Baltersen (CEO) Michael Henriksen (CFO) | Highlights |
|---|------------|

| | | |
|--|--|----------|
| Pig farming <ul style="list-style-type: none"> Piglets and weaners Sows Finishers Biogas production <p>Minority shareholder (17.5%) in 8 biogas plants built next to Lithuanian farms</p> | Field operations <ul style="list-style-type: none"> 8,100 hectares (ha) of arable land for crop growing in Russia, of which 5,900 ha is grain area and 2,200 ha is rape area | Products |
|--|--|----------|

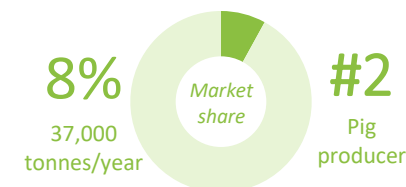
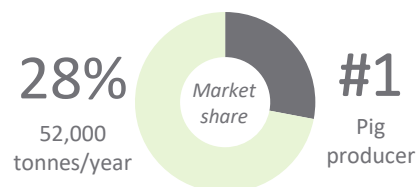
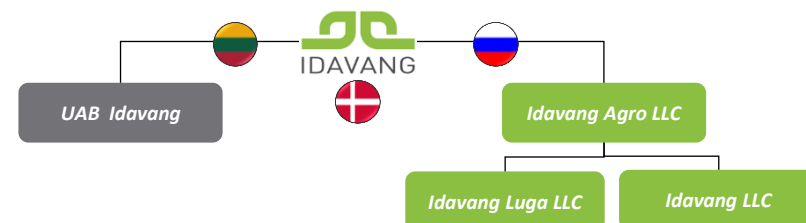
| |
|--------------------------|
| 769 |
| Employees |
| 400,000 |
| Sqm. pig farms |
| 8,100 |
| Hectares of crop fields |
| 800,000 |
| Pigs production capacity |

Financial Highlights

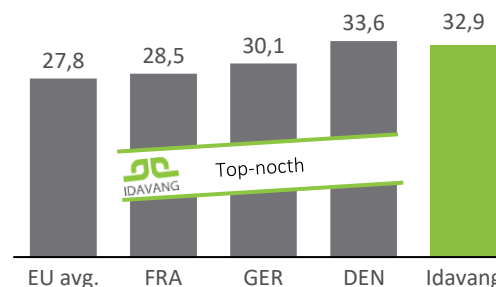
| | EBITDA (FHP) Avr. last 5 years | NIBD split End Feb. |
|--------------|-----------------------------------|------------------------|
| Lithuania/DK | EUR 7,4m | EUR 73,5m |
| Russia | EUR 12,3m | EUR 7,4m |

Leading market positions in core markets

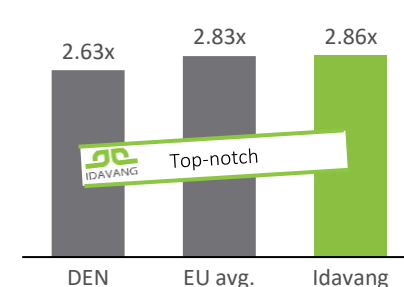
Group Structure of Idavang A/S



Snapshot of Idavang's superior pig production metrics¹



Weaned pigs per sow (higher the better)

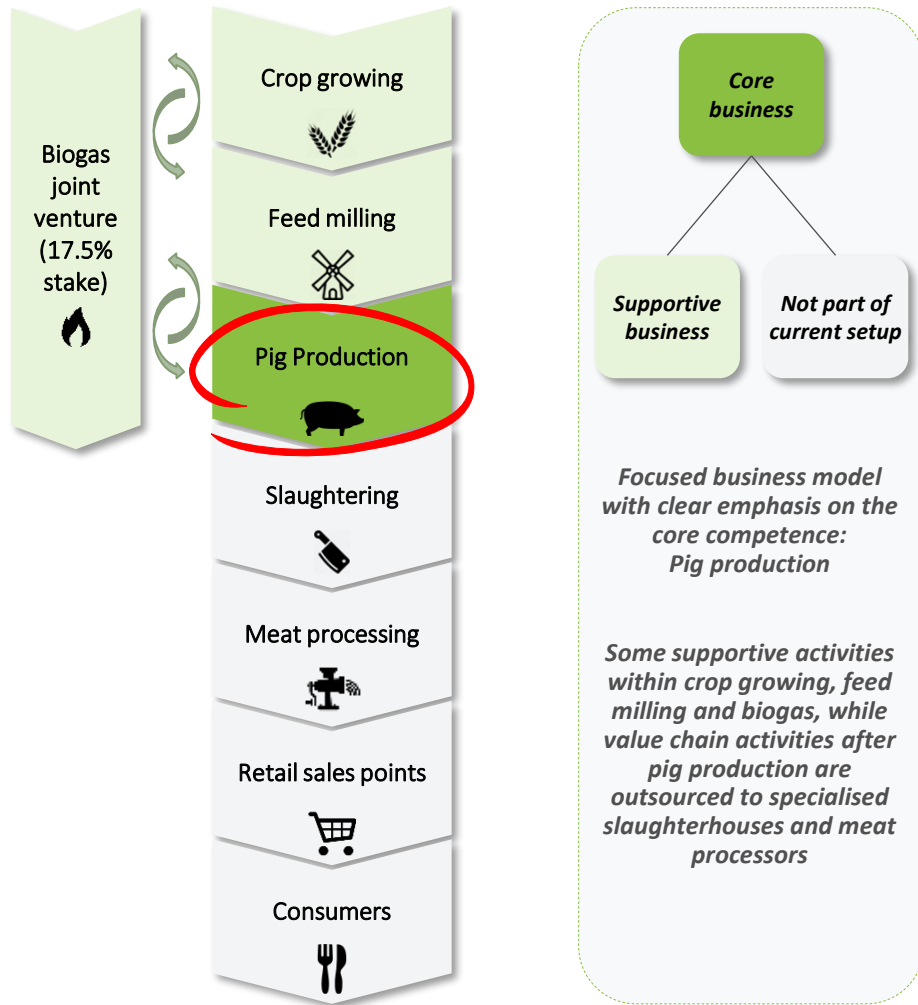


Feed conversion ratio (lower the better)²

Source: Group information, AHDB report

Notes: (1) Notice that Idavang's metrics are from 2020, while all benchmarks are 2018 figures, (2) Standardized figures

Business model focused around core competence



Source: Group information

Value chain positioning

- Idavang has established itself as an asset-light company with clear emphasis on its core competence – pig production
- Being present in geographies with an abundance of grains production and a well-functioning market for feed ingredients in general, Idavang has chosen to only own a limited amount of arable land
- As such, Idavang relies on external suppliers of feed and has little capital tied up in land ownings
- The limited amount of owned arable land as well as little capital tied up in land ownings enable the company to generate significant amounts of free cash flow compared to more traditional pork producers
- The minority stake in 8 biogas plants is viewed as a secondary activity, and neither an expansion nor increased focus is expected going forward
- As of today, Idavang sells its goods to slaughterhouses, and the meat is ultimately passed on to retail consumers
- Idavang has a strong position in the value chain focusing on pig production as the core business while enjoying areas out of the core focus to act as supportive activities and to be sourced from external suppliers
- Having outsourced the slaughtering process, Idavang instead pays a fee to a meat packer for each pig that is being slaughtered
- This decision allows Idavang to focus solely on the core business that is pig production, and to keep improving already superior performance measures and profitability further

Top-level biosecurity measures

A leader and first-mover within biosecurity to ensure potential diseases are kept at an absolute minimum



Farms are surrounded by 3 lines of fences

Employees/visitors must change shoes...

... take a shower...

... and change their clothes...

... before they are allowed to enter the stables.

With all large-scale food production companies, biosecurity is an important discipline which is prioritized at highest level, and Idavang is an absolute leader and first-mover. A thorough procedure and code of conduct are applied to all employees and visitors, to ensure that the risk of potential diseases are kept at the lowest



Employees

- Training of all Idavang employees with respect to biosecurity protocol
- No employees can bring food
- No pork is served in the cafeteria
- Employees are prohibited from having pigs at home (backyard farming)



Security

- Warnings around the production facilities, and 3 fence perimeters around each farm
- 24 hour manned security and alarm system
- Video surveillance and electronic key lock on all doors
- Insect nets on all windows and gravel rim around production building



Transportation

- Strict loading/unloading procedures
- Disinfection gate 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 / Exiting

- Mandatory visitor registration
- Hand and foot disinfection (video monitored)
- Washing of hands and nails before showering
- Shower and change of clothes and shoes



Avoidance of insects

- No light 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

Source: Group information

Idavang has adopted the UN sustainability goals



Since inception, Idavang has followed the principle that success can only be achieved through the development of socially responsible business



















Environmental protection, respect for the surrounding communities and employees, high-quality products and relationships based on transparency and trust, all these are the fundamental values that determine each decision of the company



Idavang performs extensive internal audits on HES, biosecurity and environmental impact

Source: Group information

Current factors influencing global pork markets

| | Description | Impact direction and duration | Consequence for Idavang |
|--|--|--|--|
| Covid-19  | The global pandemic caused disruptions to global supply chains and labor shortages at slaughterhouses, reducing global supply |  <i>Short term</i>  | Expect that it will have normalized this summer, and that inventories some place need to be replenished. |
| ASF and European demand  | ASF cases in Poland and Germany have led to import-restrictions from China and other countries. Hereafter production have started to adapt (reduce) to local demand. |  <i>Medium term</i>  | Exports from EU will only be from non ASF countries e.g. Spain and Denmark. When market has adapted balance, then sales prices will increase. |
| ASF and Asian demand  | ASF in Asia did reduced production, but generally production have increased significant again, reducing need for import (currently). |  <i>Medium term</i>  | Exports to China from EU will be more volatile going forward, hence this will disrupt EU supply/demand periodic. |
| Russian imports  | New sanctions will impact operational efficiency, as essential spare parts or food components will not be available in the future |  <i>Long term</i>  | Russia cost of production is expected to increase if essential inputs e.g. soya cannot be purchased |
| Geopolitical  | Geopolitical tensions, sanctions towards Russia to negative impact on Russian economy |  <i>Long term</i>  | Purchase power in Russia will be reduced, hence reducing demand for pork and creating an oversupply, which will be difficult to export due to sanctions. |
| German 5xD  | German retail led by Lidl request pork meat fully produced in Germany, this will be problematic for export of Weaners from DK to Germany. |  <i>Long term</i>  | Long term this potentially will reduce export of Weaners from DK, hence pork meat in Northern Europe will be reduced. |

Source: Group information

EU/Lithuania – Sales outlook (1 of 2)

Europe pork production reduction

- European pork market has been impacted with many macro events the last years covid, ASF Germany/Poland, volatile China demand and massive increases in feed input. Majority of impact has been negative, which have driven herd reductions especially in Northern Europe. Whereas Spain has expanding production, as export is the focus.
- The reducing production have re-established the historical premium from VEZG towards Lithuania
- VEZG have during last 4 weeks increased 0,41 EUR (equal to weekly increase of 420 kEUR of sales) as price correction started

Northern Europe / Key shadow markets for Lithuania

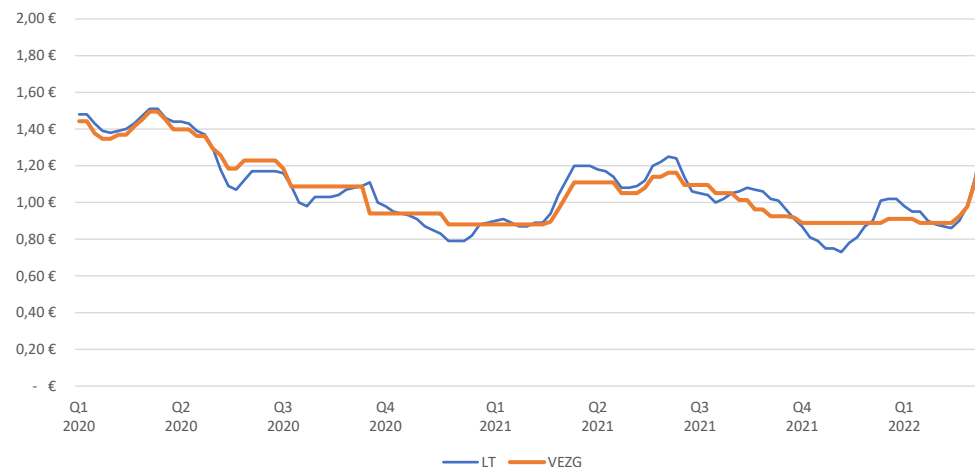
- Germany** ASF outbreak, new requirements, poor prices and 5xD
5xD born-raised-slaughtered. Retail implementing in 2022
Statistic 2021 -10% all herd and -8% Sows
- Netherlands** Environmental / Nature2000 and CO2 requirement
Subsidy to remove stables
Statistic 2021 -6% all herd and -1% Sows
- Belgium** Poor prices are pushing volumes down
Statistic 2021 -3% all herd and -2% Sows
- Denmark** Poor prices are pushing volumes down
5xD in Germany is expected to hit DK massive weaner export
Statistic 2021 -2% all herd and -3% Sows
- Poland** ASF and poor sales prices driving herd reduction
Statistic 2021 -14% all herd and -25% Sows

VEZG quote – slaughter weight, data below is in live weight

<https://www.vezg.de/preisinfo-schweine.html>

<https://isn-schweineboerse.de/Auktion/AuktionsHistorie.aspx>

Sales prices LT, VEZG EUR



Premium / Discount vs. VEZG



EU/Lithuania – Production outlook (2 of 2)

Cost price will increase dramatically

- Hedge profile is reducing immediate effect of price increases especially grain, but they are coming from other feed, electricity etc.
- Current cost of production for Q4 as illustration of future cost – but cost will be slightly higher than illustrated here
- Producing on current spot market requires sales prices above 1,50 EUR live weight for most producers (as depreciations and interest also need to be covered), to breakeven

Hedging Grain (other components are also covered but in lower extent)

- **Physical contract Marts-September 2022**
61.000T @ 242 EUR is on physical contract (without the matif gain of 66 EUR/T allocated) so equal to 8,4 mEUR gain if compared to current matif (plus the gain already converted into cash in December)

Market spot price :

Marts Milling Wheat 2022 price is 404 EUR, which physical market for feed wheat would be -25 EUR so 379 EUR

- **Grain hedge matif December 2022**
62.000 MT @ 259,38 EUR average – 25 EUR = 234 EUR
Status 8th Marts was 3,6 mEUR profit= 58,24 EUR profit per T
- **Physical contract based on December 2022**
22.000 MT contracted without fixed price with discount to matif of 30 EUR plus 1,5 EUR carry (these are mainly barley contracts)

Cost of production (EBITDA cost)

| | Q4-2021 | Current | New / 8M | Spot | Spot New |
|--|---------------|---------------|---------------|---------------|---------------|
| Production | 13.588 | 13.588 | 13.588 | 13.588 | 13.588 |
| Feed | 76,43 | 84,56 | 83,01 | 111,07 | 94,24 |
| Matif gain | - 8,15 | - 10,48 | | | |
| Feed Ton | 38.848 | 38.848 | 38.848 | 38.848 | 38.848 |
| Price per T (EUR cent with matif) | 239 | 259 | 290 | 388 | 330 |
| Price per kg (EUR cent w/o matif) | 267 | 296 | 290 | 388 | 330 |
| Conversion per Kg | 2,86 | 2,86 | 2,86 | 2,86 | 2,86 |
| Variable costs ex. Feed/Utilities | 11,51 | 11,51 | 11,51 | 11,51 | 11,51 |
| Utilities | 3,01 | 3,01 | 3,01 | 3,01 | 3,01 |
| Fixed cost | 19,52 | 19,52 | 19,52 | 19,52 | 19,52 |
| Other income (excluding subsidy) | - 2,39 | - 2,39 | - 2,39 | - 2,39 | - 2,39 |
| EBITDA cost per KG | 99,94 | 105,74 | 114,67 | 142,73 | 125,89 |
| EBITDA cost per KG w/o matif | | 116,22 | 114,67 | 142,73 | 125,89 |
| Grain price in feed per T (w/o matif) | 200 | 242 | | 379 | 292 |
| Grain price in feed per T (with matif) | 158 | 188 | 234 | | |

External Quote “Therefore, it is a good sign that the large German slaughterhouses did not react with house prices in recent weeks. This indicates that the German slaughterhouses also expect rising prices on the meat market in the coming weeks”

Despite the sharp rise in listing, German pig production continues to run a deficit. According to Markus Fiebelkorn, German financial consultants says that the listing must be up to more than two euros (**live weight around 1,48EUR**) to cover the current production cost that have skyrocketed as result of sharply rising feed and energy costs. The market stakeholders in the German pig industry are thus aware that prices must rise if one does not want to intensify the downturn in German pig production” he says.

<https://landbrugsavisen.dk/tyske-slagtegrise-i-nyt-stort-prishop-er-steget-mere-end-fire-kroner-p%C3%A5-fire-uger>

Russia sales/production focus

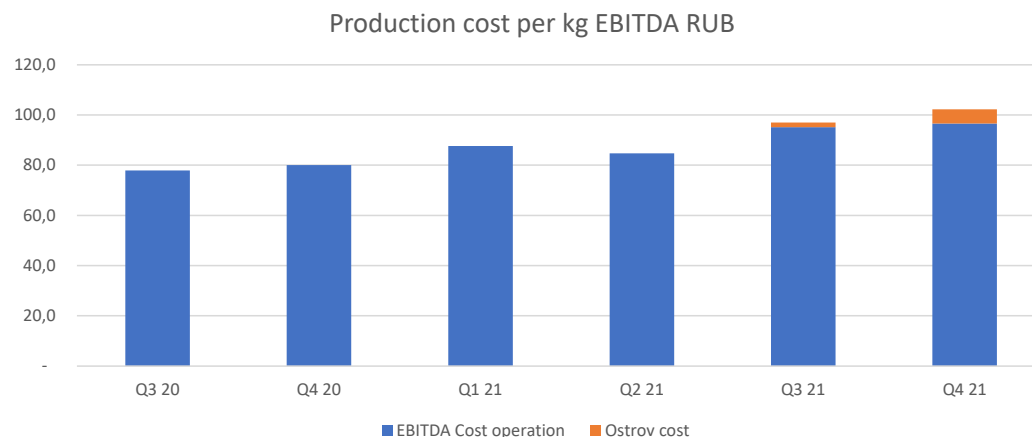
Production/sales next 6-9 months

- Inventories are being filled completely, to our best abilities. Nevertheless, suppliers are increasing prices e.g. on pre-mix.
- Historical EBITDA cost does not reflect new input prices, but increases in RUB will be limited (compared to inflation/devaluation) the next 6 months due to inventories
- Sales – prices in RUB are increasing, but management expect Governmental restrictions on price levels (to avoid food inflation). Last week sales price was 120 RUB.

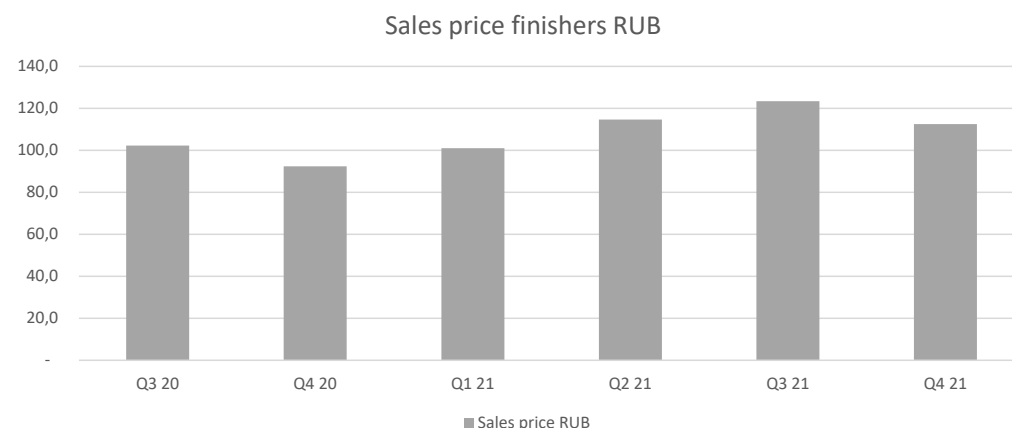
Production/sales next years

- Production cost per kg. will increase significant in RUB
- FCR can increase significant if the best feed components not are available e.g. soya, premix
Increase from 2,88 (L12M) to 4,00 would example increase production cost with apx. 24 RUB/kg
- Sales – expect government will work to secure to maintain production of various food, but limiting sales prices.

EBITDA Cost RUB



Last 6 months sales prices RUB



Russia bank system situation

Recent events / Status - Financial

International transfers / Raiffeisen

- Raiffeisen not closed on SWIFT
- Raiffeisen need to approve transfers, which is unlikely in current situation
- Raiffeisen did temporary closed for new loans, but is slowly opening again. Idavang is targeting to sign revolving loans of 250 mRUB (within 1-2 weeks)
- Idavang management does not expect transfers to DK the next years.

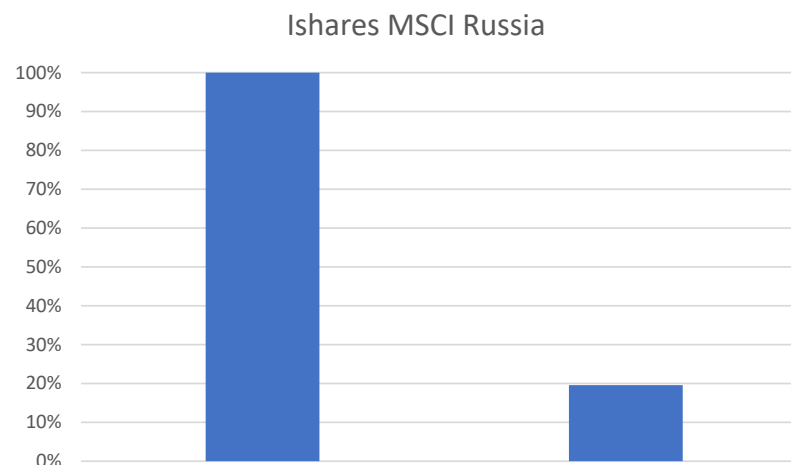
Nationalization (information from media)

- Only seems to be risk if production is closed down

New liquidity

- Central Bank fully compensate lending bank increase in interest rate / Idavang still can borrow to 5%

Asset valuation in Russia / EFT proxy



Pledge value from 16th Feb to 3th Marts

- Enterprise value of Idavang reduced significant – in 2 weeks did the Russian index drop 80%

Financial overview – Idavang Lithuania

Profit and loss statement - Idavang Lithuania

Profit and loss statement Idavang Lithuania (kEUR)

| kEUR | 2017 FY | 2018 FY | 2019 FY | 2020 FY | 2021 FY | 2020 Q4 | 2021 Q4 |
|-----------------------------------|--------------|----------------|---------------|----------------|----------------|----------------|----------------|
| Revenue | 61.066 | 53.257 | 65.052 | 60.551 | 53.864 | 12.314 | 11.684 |
| Value adjustment, biological asse | - 2.407 | - 1.206 | 7.894 | -11.270 | 159 | - 2.938 | - 551 |
| Production cost | - 48.474 | -53.158 | -54.833 | -53.098 | -56.338 | -13.843 | -14.288 |
| Administration cost | - 1.861 | - 2.054 | - 1.904 | - 1.844 | - 1.808 | - 519 | - 492 |
| Other income | 1.258 | 1.095 | 1.318 | 1.615 | 2.818 | 208 | 1.047 |
| Other expense | - | - | - 147 | 2 | - | 4 | - 333 |
| Operating profit/loss | 9.582 | - 2.066 | 17.380 | - 4.044 | - 1.305 | - 4.774 | - 2.932 |
| Financial expenses | - 1.215 | - 1.042 | - 1.105 | - 1.056 | - 969 | - 358 | - 72 |
| Exchange rate gain (loss) | - 17 | - | - | - | 14 | - | 14 |
| Pre-tax profit/loss | 8.350 | - 3.108 | 16.275 | - 5.100 | - 2.260 | - 5.132 | - 2.990 |
| Income tax expense | - 1.800 | 413 | - 2.382 | 765 | 492 | 789 | 615 |
| Profit/loss for the year | 6.550 | - 2.695 | 13.893 | - 4.335 | - 1.768 | - 4.343 | - 2.376 |

Add back

| | | | | | | | |
|---------------|---------------|--------------|---------------|--------------|--------------|----------------|----------------|
| Depreciations | 3.232 | 3.270 | 3.895 | 3.182 | 2.905 | 956 | 709 |
| EBITDA | 12.814 | 1.204 | 21.275 | - 862 | 1.600 | - 3.818 | - 2.224 |

| | | | | | | | |
|------------------------------------|---------------|--------------|---------------|---------------|--------------|--------------|----------------|
| Value adjustment, biological asse | 2.407 | 1.206 | - 7.894 | 11.270 | - 159 | 2.938 | 551 |
| EBITDA at fixed herd prices | 15.221 | 2.410 | 13.381 | 10.408 | 1.441 | - 880 | - 1.673 |

KPIs

| | | | | | | | |
|-----------------------------------|-------|------|-------|-------|------|-------|--------|
| Feed conversion ratio | 2,81 | 2,95 | 2,90 | 2,81 | 2,83 | 2,78 | 2,86 |
| EBITDA margin at fixed herd price | 24,9% | 4,5% | 20,6% | 17,2% | 2,7% | -7,1% | -14,3% |

Source: Group information

Comments

- EBITDA FHP 5 year average of 8,6 mEUR for LT (and 7,4 mEUR if DK is added)
- NIBD End Feb. 73,5 mEUR hereof mainly bond
- Factoring not used end February 3 mEUR
- Sales prices Jan/Feb 0,91 EUR (Q4 0,84 EUR)

| | |
|---|----------------|
| Idavang Lithuania/DK - NIBD (kEUR) | 02.2022 |
| Bonds | 75.000 |
| Own bonds | - 3.700 |
| Capitalized bond cost | - 903 |
| Other debt / Leasing & covid etc. | 2.910 |
| Cash | - 1.798 |
| NIBD excl. IFRS 16 | 71.509 |
| Other debt / IFRS 16 | 1.945 |
| NIBD incl. IFRS 16 | 73.454 |

Financial overview – Idavang Russia stand-alone



Profit and loss statement - Idavang Russia

Profit and loss statement Idavang Russia (kEUR)

| kEUR | 2017 FY | 2018 FY | 2019 FY | 2020 FY | 2021 FY | 2020 Q4 | 2021 Q4 |
|-----------------------------------|--------------|---------------|--------------|--------------|--------------|----------------|----------------|
| Revenue | 48.531 | 46.261 | 45.488 | 41.203 | 46.298 | 10.157 | 8.710 |
| Value adjustment, biological asse | - 2.639 | 3.762 | - 3.805 | 2.006 | 112 | - 1.184 | - 1.574 |
| Production cost | -38.135 | -35.692 | -38.828 | -35.516 | -42.010 | -10.111 | -14.577 |
| Administration cost | - 1.562 | - 1.414 | - 1.496 | - 1.038 | - 1.287 | - 170 | - 324 |
| Other income | 319 | 579 | 981 | 821 | 6.865 | 446 | 6.139 |
| Other expense | - 83 | - 102 | - 109 | - 67 | - 551 | - 14 | - 32 |
| Operating profit/loss | 6.431 | 13.395 | 2.231 | 7.409 | 9.428 | - 875 | - 1.659 |
| Financial expenses | - 3.232 | - 2.218 | - 1.532 | - 1.444 | - 1.203 | - 391 | - 143 |
| Exchange rate gain (loss) | - 213 | 53 | - 83 | - 128 | - 209 | 101 | - 194 |
| Pre-tax profit/loss | 2.986 | 11.229 | 615 | 5.837 | 8.016 | - 1.166 | - 1.995 |
| Income tax expense | - 42 | - 30 | - 256 | - 83 | - 107 | - 39 | - 45 |
| Profit/loss for the year | 2.944 | 11.200 | 359 | 5.754 | 7.909 | - 1.205 | - 2.040 |

Add back

| | | | | | | | |
|---------------|---------------|---------------|--------------|---------------|---------------|------------|--------------|
| Depreciations | 4.560 | 4.235 | 4.598 | 4.514 | 4.227 | 1.150 | 970 |
| EBITDA | 10.991 | 17.630 | 6.829 | 11.923 | 13.655 | 275 | - 689 |

| | | | | | | | |
|------------------------------------|---------------|---------------|---------------|--------------|---------------|--------------|------------|
| Value adjustment, biological asse | 2.639 | - 3.762 | 3.805 | - 2.006 | - 112 | 1.184 | 1.574 |
| EBITDA at fixed herd prices | 13.630 | 13.868 | 10.634 | 9.917 | 13.544 | 1.458 | 885 |

KPIs

| | | | | | | | |
|-----------------------------------|-------|-------|-------|-------|-------|-------|-------|
| Feed conversion ratio | 2,80 | 2,90 | 2,88 | 2,90 | 2,90 | 2,96 | 2,90 |
| EBITDA margin at fixed herd price | 28,1% | 30,0% | 23,4% | 24,1% | 29,3% | 14,4% | 10,2% |

Source: Group information

Comments

- Value inventories/herd end February is around twice NIBD
- Expect buying all needed for feed until harvest (and increase spare part inventories)

| Idavang Russia - NIBD (kEUR) | 02.2022 |
|------------------------------|--------------|
| Bonds | - |
| Own bonds | - |
| Capitalized bond cost | - |
| Other debt / Local bank | 11.981 |
| Cash | - 4.692 |
| NIBD excl. IFRS 16 | 7.289 |
| Other debt / IFRS 16 | 116 |
| NIBD incl. IFRS 16 | 7.405 |
| FX EURRUB | 117,77 |

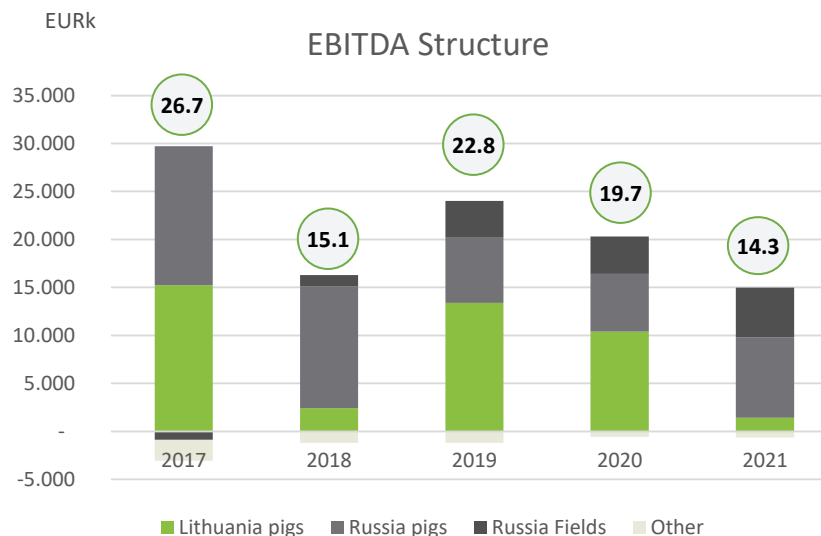
Income statement – Idavang Group

Profit and loss statement – Idavang Group

| kEUR | 2017 FY | 2018 FY | 2019 FY | 2020 FY | 2021 FY | 2020 Q4 | 2021 Q4 |
|------------------------------------|---------------|---------------|---------------|----------------|---------------|----------------|----------------|
| Revenue | 109.596 | 99.518 | 110.540 | 101.754 | 100.163 | 22.471 | 20.394 |
| Value adjustment, biological asse | - 5.046 | - 2.556 | - 4.089 | - 9.264 | - 271 | - 4.121 | - 2.125 |
| Production cost | - 86.614 | - 88.854 | - 93.667 | - 88.616 | - 98.348 | - 23.953 | - 28.865 |
| Administration cost | - 5.373 | - 4.666 | - 4.586 | - 3.457 | - 3.721 | - 781 | - 1.075 |
| Other income | 1.577 | 1.674 | 2.305 | 2.436 | 9.683 | 654 | 7.187 |
| Other expense | - 330 | - 102 | - 262 | - 72 | - 551 | - 10 | - 358 |
| Operating profit/loss | 13.811 | 10.126 | 18.419 | 2.781 | 7.497 | - 5.740 | - 4.843 |
| Financial Net | - 4.625 | - 6.921 | - 6.563 | - 7.683 | - 5.991 | - 3.560 | - 1.143 |
| Exchange rate gain (loss) | - 1.275 | - 2.375 | 1.760 | - 3.541 | 522 | 506 | 69 |
| Pre-tax profit/loss | 7.911 | 830 | 13.616 | - 8.443 | 2.028 | - 8.794 | - 6.055 |
| Income tax expense | - 1.849 | 383 | - 2.638 | 682 | 385 | 750 | 570 |
| Profit/loss for the year | 6.062 | 1.213 | 10.979 | - 7.761 | 2.413 | - 8.044 | - 5.486 |
| Add back | | | | | | | |
| Depreciations | 7.797 | 7.508 | 8.498 | 7.698 | 7.132 | 2.105 | 1.678 |
| EBITDA | 21.608 | 17.634 | 26.917 | 10.479 | 14.629 | - 3.636 | - 3.165 |
| Value adjustment, biological asse | 5.046 | - 2.556 | - 4.089 | 9.264 | - 271 | 4.121 | 2.125 |
| EBITDA at fixed herd prices | 26.654 | 15.078 | 22.829 | 19.743 | 14.358 | 486 | - 1.039 |

| KPIs | 2017 | 2018 | 2019 | 2020 | 2021 | Q4 2020 | Q4 2021 |
|-----------------------------------|-------|-------|-------|-------|-------|---------|---------|
| Feed conversion ratio kg/kg | 2,81 | 2,93 | 2,89 | 2,85 | 2,86 | 2,86 | 2,87 |
| EBITDA margin at fixed herd price | 24,3% | 15,2% | 20,7% | 19,4% | 14,3% | 2,2% | -5,1% |

Breakdown of EBITDA at fixed herd prices



Comments

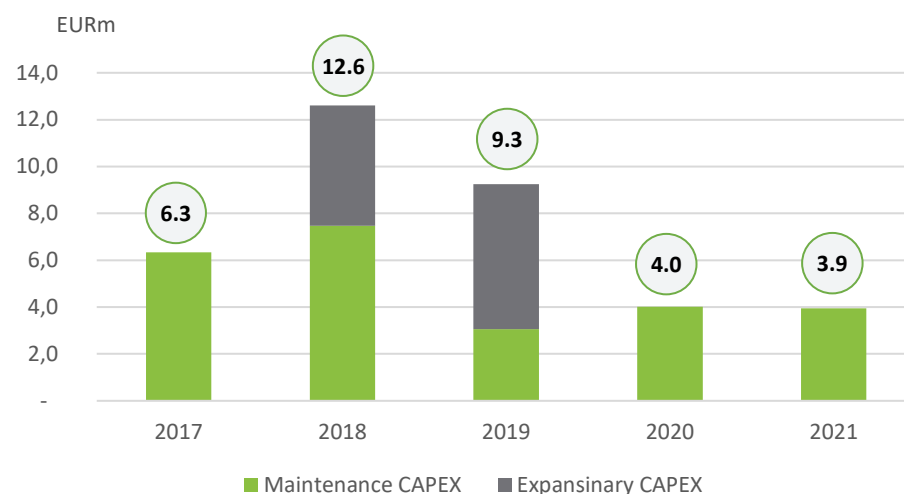
- FY 2021 EBITDA (FHP) is historical low, which is primarily driven by sales prices in Lithuania and Ostrov farm with ASF (lost EBITDA)

Cash flow statement – Idavang Group

Cash flow statement – Idavang Group

| kEUR | 2017 FY | 2018 FY | 2019 FY | 2020 FY | 2021 FY |
|---|-----------------|-----------------|----------------|----------------|-----------------|
| Operating profit/loss | 13.811 | 10.126 | 18.420 | 2.782 | 7.497 |
| Depreciations | 7.797 | 7.508 | 8.498 | 7.698 | 7.132 |
| Adjustment for other non-cash items | 4.240 | - 1.934 | - 4.470 | 9.646 | 3.252 |
| Cash flow from operating activities | 25.848 | 15.700 | 22.448 | 20.126 | 17.881 |
| Changes in working capital, including herd | - 141 | - 3.045 | - 12.613 | 8.472 | 558 |
| Interest | - 4.625 | - 6.353 | - 6.076 | - 6.869 | - 5.759 |
| Corporate tax | - 246 | - 1.027 | - 1.049 | 39 | - 1.284 |
| Cash flow from operating activities | 20.836 | 5.275 | 2.710 | 21.768 | 11.396 |
| CAPEX | - 6.333 | - 12.616 | - 9.254 | - 4.012 | - 3.942 |
| Other incl. disposals | 112 | 751 | 339 | 205 | 2.820 |
| Net Cash flow from investment activities | - 6.221 | - 11.865 | - 9.593 | - 4.217 | - 1.122 |
| Net Borrowings | 33.280 | 9.814 | - 2.769 | - 12.718 | - 11.230 |
| Dividends paid | - 21.000 | | | | |
| Deposit on Escrow account | - 25.000 | | | 6.722 | |
| Net Cash flow from investment activities | - 12.720 | 9.814 | - 2.769 | - 5.996 | - 11.230 |
| Net Change in cash | 1.894 | 3.224 | - 9.652 | 11.555 | 956 |
| Opening cash & cash equivalents | 11.254 | 12.457 | 13.586 | 5.524 | 13.757 |
| Net Change in cash | 1.894 | 3.224 | - 9.652 | 11.555 | 956 |
| Exchange rate adjustments | - 691 | - 2.095 | 1.590 | - 3.322 | 744 |
| Net Cash flow from investment activities | 12.457 | 13.586 | 5.524 | 13.757 | 13.545 |

Breakdown of capital expenditures



Comments

- Expansion capex during 2018 and 2019 of EUR 11.3m relate to the expansion of the Luga farm, constituting the primary investment made during this period
- Maintenance capex averages EUR 5.0m annually (FY2017-FY2021)
- The Company benefits from highly flexible capex needs, allowing it to allocate investments to periods with higher earnings, and preserve a reasonable cash conversion during periods of low earnings if needed

Balance sheet – Idavang Group

Balance sheet – Idavang Group

| Idavang Group - Balance | | | Equity | | |
|-------------------------------------|----------------|----------------|--------------------------------------|----------------|----------------|
| KEUR | 12.2020 | 12.2021 | 29.868 | 39.744 | |
| Goodwill and other intangibles | 1.227 | 1.222 | Interest bearing non-current debt | 80.282 | 74.157 |
| Property, plant and equipment | 79.452 | 79.403 | Other non-current liabilities | 3.155 | 3.352 |
| Biological assets / Breeding herd | 15.469 | 12.094 | Total non-current liabilities | 83.437 | 77.509 |
| Deferred tax | 760 | 761 | Interest bearing current debt | 21.268 | 17.844 |
| Financial fixed assets | 446 | 446 | Trade payables and prepayments | 8.396 | 7.937 |
| Total non-current assets | 97.354 | 93.926 | Corporate tax payable | 559 | - |
| Biological assets / Commercial herd | 17.116 | 14.888 | Other current liabilities | 2.841 | 3.132 |
| Biological assets / Fields | 1.099 | 1.004 | Current liabilities | 33.064 | 28.913 |
| Inventories | 12.195 | 15.007 | Total liabilities | 116.501 | 106.422 |
| Receivables | 4.698 | 7.796 | Total Equity and Liabilities | 146.369 | 146.166 |
| Assets for sale | 150 | - | Gross debt to FY EBITDA | | 6,4 |
| Cash and cash equivalents | 13.757 | 13.545 | Net debt to FY EBITDA | | 5,5 |
| Total current assets | 49.015 | 52.240 | | | |
| Total assets | 146.369 | 146.166 | | | |

Comments

- The asset base consists primarily of machinery, production facilities and biological assets (breeding herd and commercial herd), which are fully owned by Idavang
- EUR 40m of the Group's Lithuania real estate is pledged in favour of the bond holders
- Interest bearing debt, in addition to the bond debt, relates to debt items allowed under the carveouts, primarily EUR 18m equivalent in Russian state subsidized loans
- The attractive RUB loans are granted in connection with investments in Russian production facilities and to fund feed purchases
- FY2021 EBITDA is 6.4x and 5.5x on gross and net basis, respectively

Source: Group information

Excess cash function

Process is coordinated with Nordic Trustee

Historical low EBITDA (FHP) but still free cash flow to distribution to bond.

The transaction should be made on the 30.03.2022

Free Cash Flow calculation

| | |
|--|----------------|
| EBITDA at fixed herd prices | 14.358 |
| Financial income | 1284 |
| Financial income | -7086 |
| Net Finance Charges for that period; | - 5.802 |
| Tax on profits, gains or income paid or payable by any Group Company during that period | - 1.284 |
| Capital Expenditure | - 3.942 |
| Free cash flow | 3.330 |
| Distribute to bond holders 50% of free cash flow | 1.665 |

IDAVANG A/S

CVR no. 20 95 61 43

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7321 - Gadbjerg
Denmark**

www.idavang.com

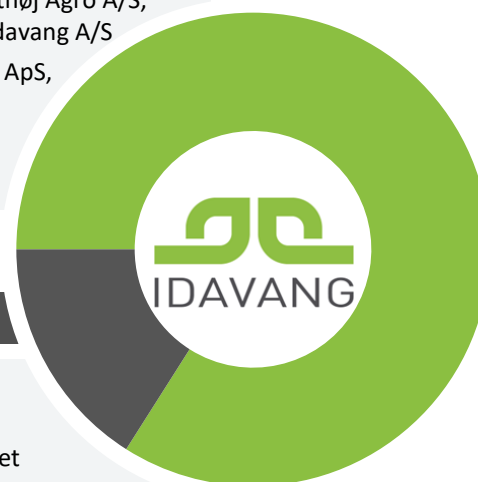
Ownership structure

Founding families (83%)

- The founding families still owns a majority stake of Idavang A/S through their ownership share of JAST Holding ApS (**"JAST"**), which holds 80% of the shares in Idavang A/S
- Ole Bjerremund Hansen and family is represented through Tofthøj Agro A/S, which owns 50% of JAST i.e. corresponding to a 50% stake of Idavang A/S
- Carsten Lund Thomsen and family owns 33.3% of JAST Holding ApS,
- The founding families act as passive shareholders and are not part of the day-to-day operations

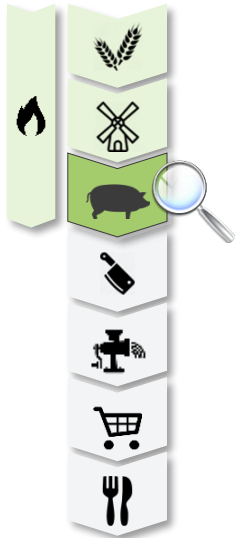
Group CEO and Founder: Claus Baltersen (17%)

- Claus Baltersen holds the position as Group CEO
- Claus was one of the founders of Idavang as well, and held initially 8.33% of JAST through the holding company, Sommerset Holdings Ltd.
- Claus doubled his holding in JAST to 16.7% in 2002
- Claus Baltersen has been with the Group since its incorporation in 1999

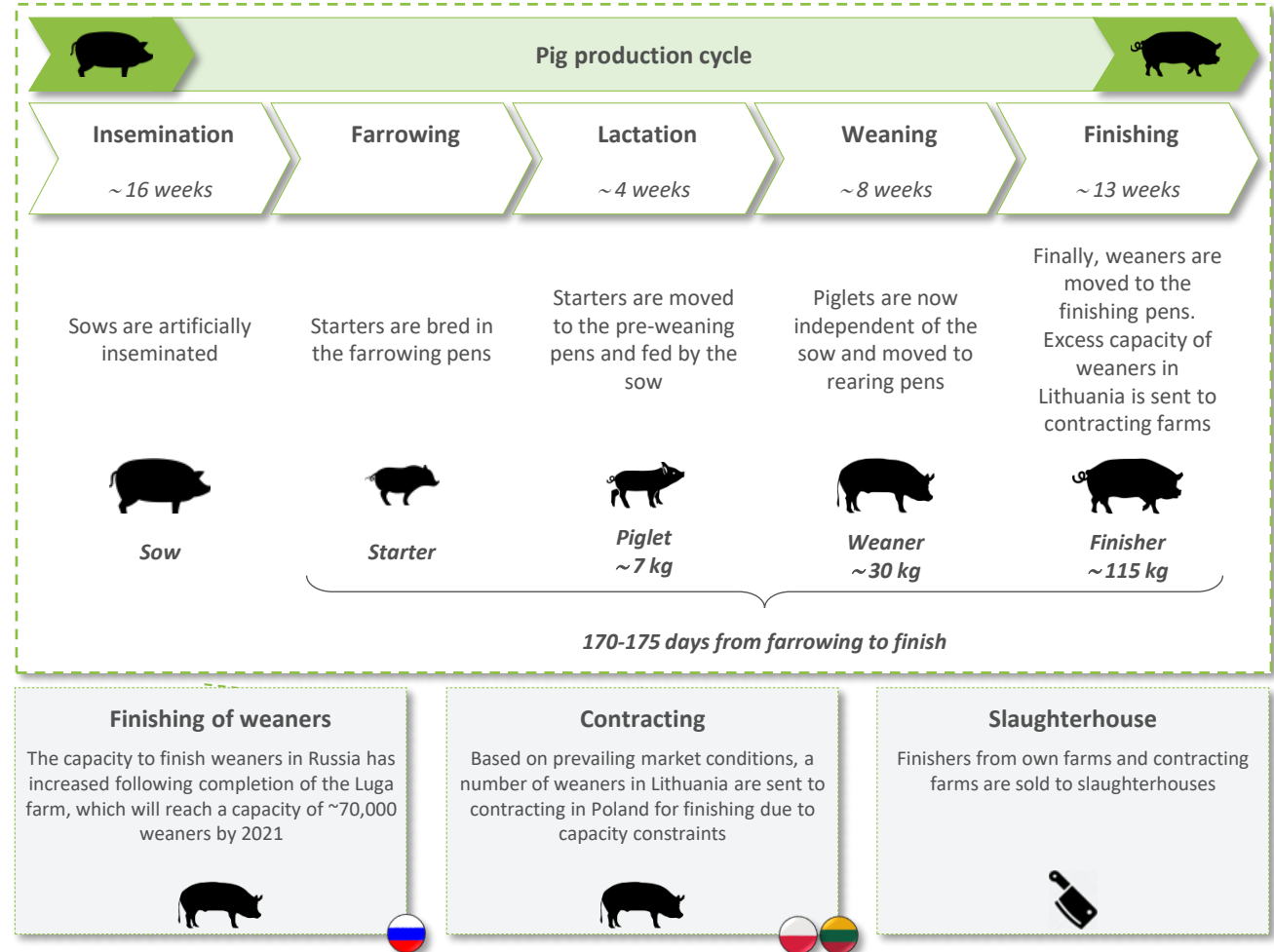


Source: Group information

Pig production cycle



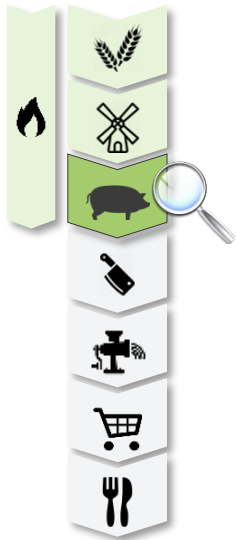
- At the centrepiece of Idavang's success is the operational expertise embedded throughout the organisation, entailing all phases of the 'Pig production cycle' – from insemination to finishing
- In each phase of the production cycle, Idavang employees closely monitor the well-being and performance of the animals, in order to ensure optimal production results and animal welfare
- A broad range of KPIs are tracked and analysed during the production cycle, and the management continuously seeks to improve operational performance
- At the end of a production cycle, the finishers are sold to slaughterhouses
- Alternatively pigs are sold as weaners/sent to contracting



Source: Group information

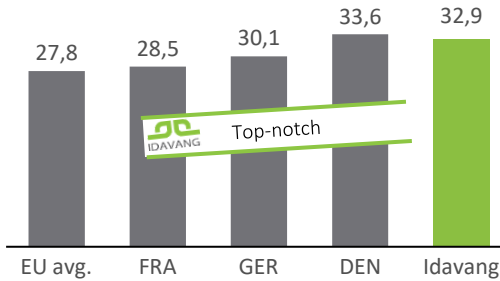
Pig production excellence

Certified
top-5%
producer⁵



Weaned pigs per sow

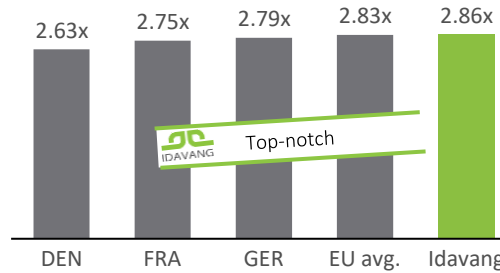
The higher the better³



- The higher number of weaned pigs per sow indicates a higher turnover rate per sow
- Idavang is already best in class, and aims to increase weaned pigs per sow further. This will be achieved through, among others, state-of-art genetics

Feed conversion ratio (FCR)¹

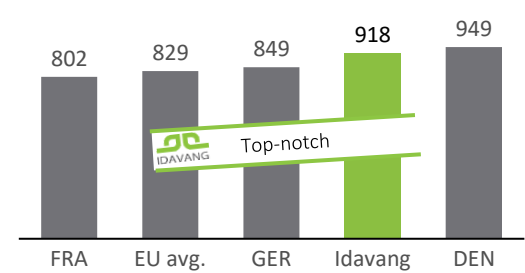
The lower the better³



- The aim for Idavang is to have the finishing herd fattened in as few days as possible, while also converting feed efficiently
- The feed conversion ratio is driven down through continuous optimisation of recipes as well as introduction of better genetics
- The lower FCR in Denmark is largely a result of using less but more expensive (high-quality) feed
- The balance between volumes and feed-costs is a key focus point for pig producers

Daily live weight gain^{1, 2}

The higher the better³



- An excellent average daily gain, gives Idavang an efficient finishing process, where the finishers are fattened quickly and more inexpensively
- A higher daily live weight gain implies a shorter fattening process, a higher meat yield per sow⁴, and potentially a higher carcase weight when sold to slaughter

Idavang's performance, measured by pig production metrics, is outperforming most peers and indicates a high performing pig producer. Besides Idavang having a high number of weaned pigs per sow, the daily live weight gain shows a decreasing time for the finishing herd to actually get finished. This is a result of optimisation of feed along with superior genetics, which further reflected in the feed conversion ratio

Source: AHDB report. Notes: (1) Standardized figures, (2) g. per day, and country average, (3) Notice that Idavang's metrics are 2020, while all benchmarks are 2018 figures, (4) Meat yield is carcase meat produced per sow, 5) Certified by Brown&Co as being among top-5% of pig producers globally

Overview of production facilities

Farms spread across Lithuania



250,000 sq. m.

~100% capacity utilization

Idavang operates 13 farms all over Lithuania, located within a reasonable distance to enhance synergies. The farms range in size from 5,000 - 48,000 sq. m.

Three farms located close to Saint Petersburg

150,000 sq. m.

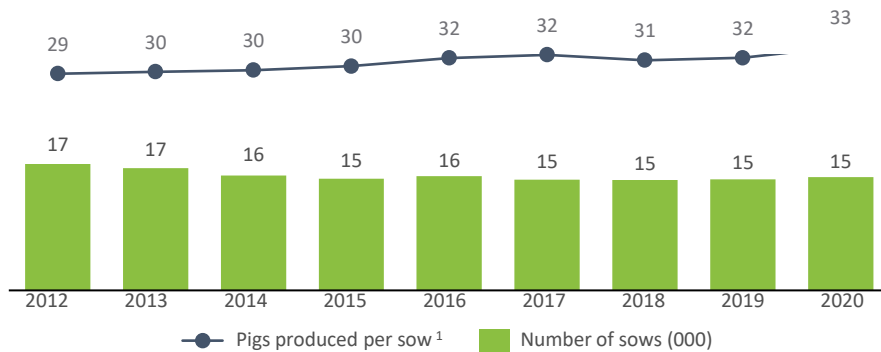
~100% capacity utilization

Idavang operates three highly efficient, large-scale farms in Russia which together comprise 10,300 sows, corresponding to 40% of the Group's total



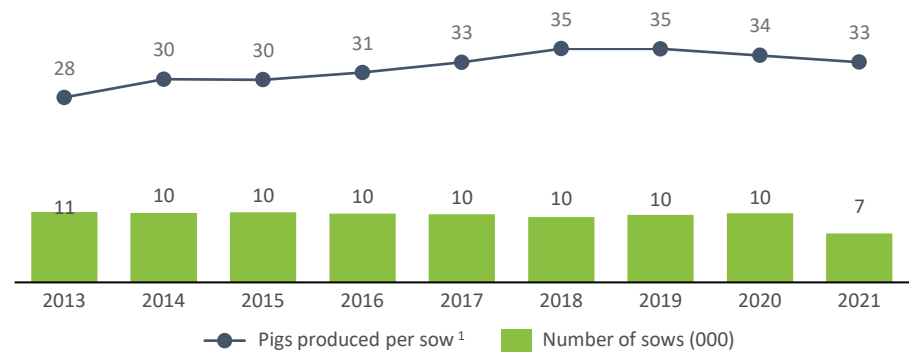
... of which **#260** in pork production, **#72** in maintenance and construction
.. of which **52%** are women, **48%** are men, and **85%** are blue collar

#386 employees..



... of which **#191** in pork production, **#66** in maintenance and construction and **#83** in field operations
.. of which **36%** are women, **64%** are men, and **78%** are blue collar

#382 employees..



Source: Group information

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

Lithuanian ASF government support program

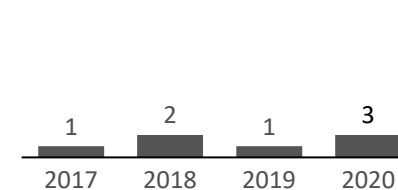
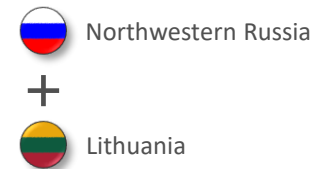
ASF compensation program has proven well functioning

- Since July 2019, a compensation program approved by the Agriculture Minister of Lithuania has been effective
- The program covers compensation of losses resulting from infectious animal disease outbreaks, or implementation of preventative measures, including African Swine Fever (ASF)
- With this program, animal owners are compensated 100% for losses related to liquidation of animals, feed and other site utilization costs
- Animal compensation values is determined from prevailing market prices
- In 2020, a Lithuanian producer (~650 sows) received compensation according to the program amounting to approx. EUR 1m¹ which was based on 1.47 EUR/KG liveweight price
- Such compensation value per animal is higher than what was stipulated by Idavang's Lithuanian ASF insurance policy
- In 2018 when ASF occurred at one of Idavang Lithuania farms, the compensation would have comprised approx. 70% of total losses that were covered by the insurance (but fluctuate more with market value)
- As the program has proven well functioning and insurance premiums have in general been increasing, Idavang chose not to renew the company's ASF insurance in Lithuania
- In Russia, Idavang remains fully insured against ASF

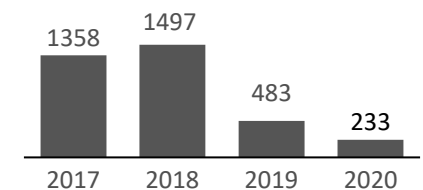
Down trending number of African Swine Fever (ASF) cases

- Large pig producers (500+ sows) have seen a low number of cases in recent years, with 1 or 2 cases occurring annually
- Total cases in Lithuania (domestic and wild boar) have in general been down trending in recent years, and 2020 has only seen 198 cases so far
- The development is largely a result of improved preventive measures

ASF cases in Lithuania and NW Russia
at large producers (500+ sows)



All Lithuanian ASF cases²
(domestic + wild boar)

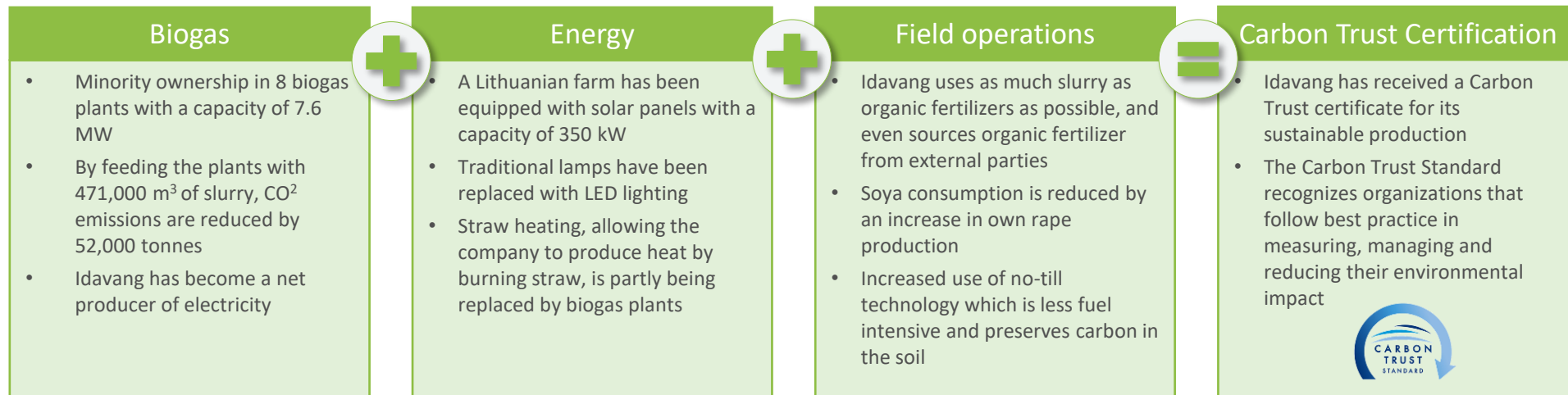
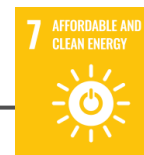


Source: Group information

Notes: (1) Not official information, 2) No reliable information available on number of wild boar cases in Russia

Market leading environmental impact

Strong focus on sustainable practices and limitation of environmental impact



Idavang won prestigious agribusiness leader award of 2018 in Lithuania

Monitoring CO² emissions

- The level of CO² emissions per kg. meat produced is a key point of measurement within the meat producing industries
- In Lithuania, Idavang's farms emit on average 2.04 kg. CO² per kg. live weight finisher pig
- Emission levels in Russia have not yet been measured



Best-in-class

Alltech's CO₂ performance scale
kg. CO₂ / kg. meat

| |
|----------------|
| A: < 2.00 |
| B: 2.01 – 3.49 |
| C: 3.50 – 4.99 |
| D: 5.00 – 6.49 |
| E: 6.50 – 7.99 |
| F: > 8.00 |

Source: Group information

Animal welfare - a fundamental value to Idavang

Ethical treatment of animals is a key priority

Safe animal environment

- ✓ Extensive biosecurity measures to prevent that African Swine Fevers (ASF) enter the farms
- ✓ Regulation of air temperature and lighting
- ✓ All farms meet the animal welfare criteria applicable in the EU since 2013

Balanced nutrition

- ✓ Balanced feed based on the best raw materials available
- ✓ In-house nutritional specialist to optimize formulas
- ✓ Modern equipment for feed testing
- ✓ Own fields and cooperation with local cereal farmers

Qualified handling

- ✓ Employment of highly skilled animal care specialists
- ✓ In-house veterinarians combined with external visits
- ✓ Physicians' offices at all farms
- ✓ Engagement of external veterinary consultants

Safe transportation

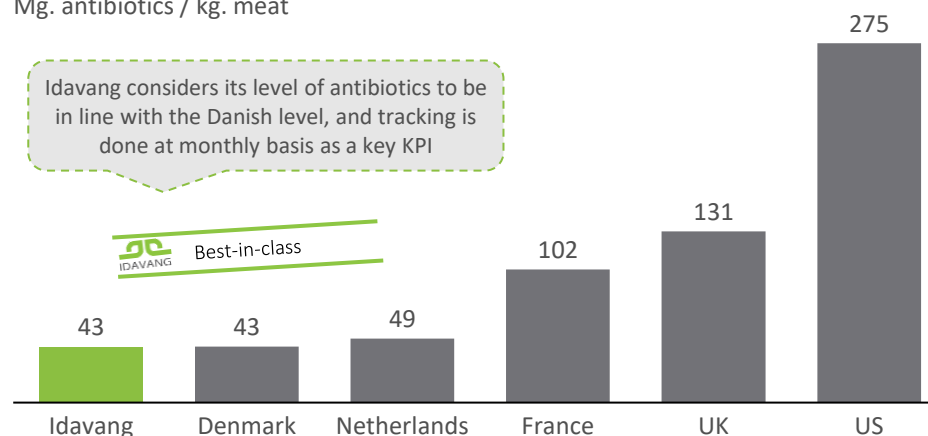
- ✓ All drivers undergo special training in safe transportation
- ✓ Mandatory courses and certification for persons handling animals during transportation

Responsible use of antibiotics

- Idavang is at the forefront when it comes to responsible use of antibiotics, and the company uses a relatively low amount compared to global peers
- Idavang's consumption level has not yet been verified, but it is considered to be in line with the amounts generally seen for Danish pig production
- The Company traces antibiotics levels on monthly basis, having adopted the Danish ADD (Average Daily Doses) system for monitoring
- Sweden is recognised as the global leader in this respect, but only is accounting for approx. 0.0004% of the global pork production
- Swedish production is almost completely consumed by the domestic market, and at a significant price premium

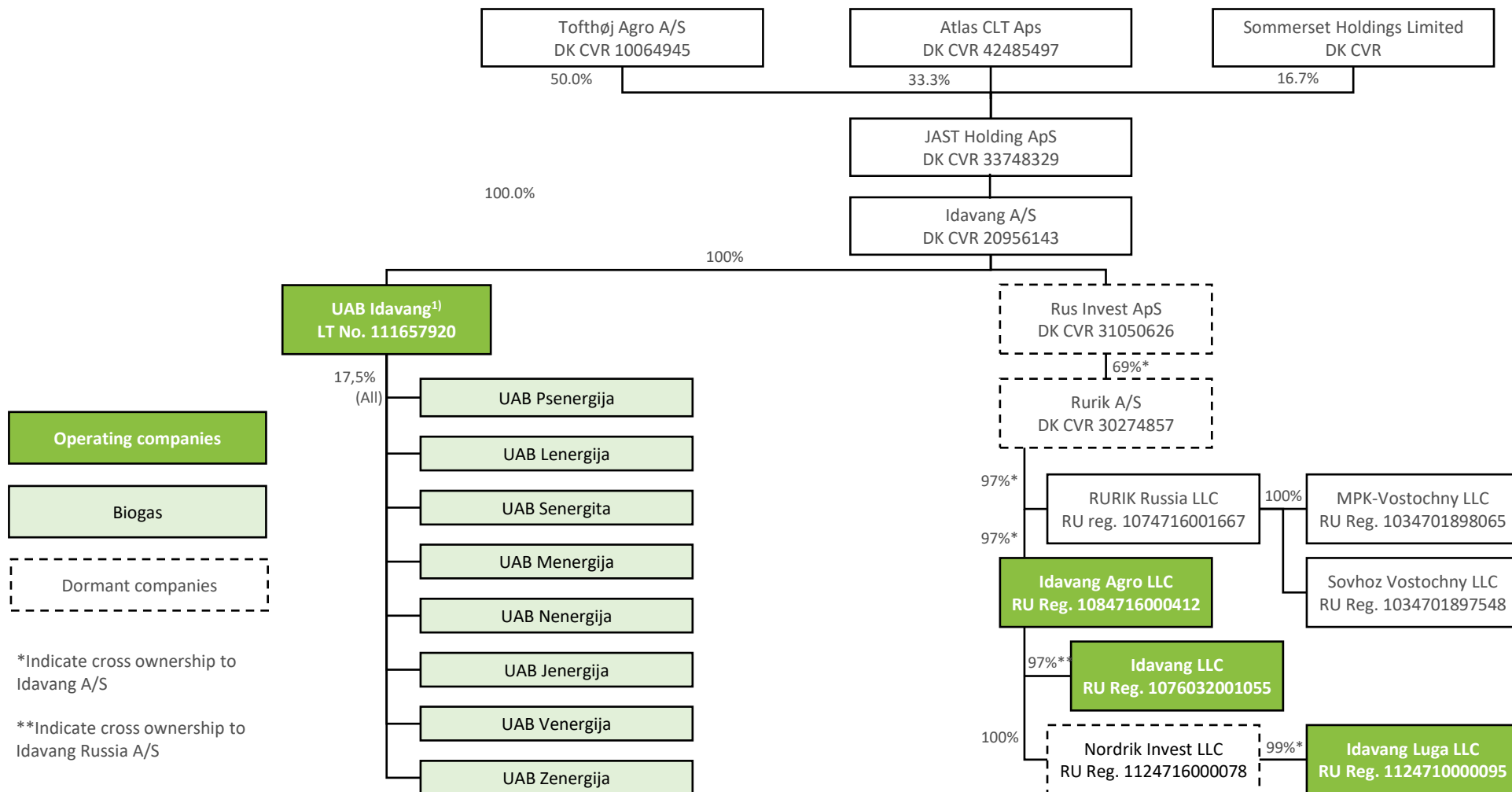


Mg. antibiotics / kg. meat



Source: Group information, Natural Resources Defense Council (NRDC)

Group Legal Structure



Source: Group information

Note: (1) The old entities UAB Idavang Pasodele and UAB Idavang Kepaliai have been merged into UAB Idavang.

Summary of terms

| | |
|---|---|
| Issuer | Idavang A/S |
| Issue amount | EUR 75 million |
| Use of proceeds | Refinance existing debt |
| Coupon | 3m Euribor + 725 bps p.a., quarterly interest payments in arrears, Euribor floor of 0.0% |
| Tenor | 5 years |
| Guarantors | UAB Idavang, Rus Invest ApS, Rurik A/S, Pskov Invest ApS and Idavang Russia A/S |
| Security | Security package includes: (i) share pledges over Guarantors and Russian operating companies, (ii) mortgages over substantial Lithuanian real estate, (iii) Danish registered negative pledges and (iv) assignment over intra-group loan (RUB 175m, EUR ~1,2m equivalent *) from the Issuer to Idavang Agro LLC |
| Call structure | NC 30 months, thereafter callable @ 100% + 50/33/25/10/0% of the coupon after 30/36/42/48/57 months, respectively Cash sweep of 50% of free cash flow @102,3925 |
| Voluntary partial redemption | Maximum 15% of the Issue amount at one occasion during a 12 month period, at a price equal to the call option amount |
| Negative pledge | Negative pledge with carve-out for, inter alia, RUB loans of RUB 1.750.000.000 (12 mEUR equivalent), a super senior RCF of EUR 9,000,000 (subject to annual clean-down), factoring in a maximum aggregate amount of EUR 3,000,000, finance leases in a maximum aggregate amount of EUR 3,000,000, lease of farms (including farm land) entered into in the ordinary course of business (except for any sale-and-lease back), pension debt and a general basket in a maximum amount of EUR 1,500,000 |
| Financial support / 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 |
| Distributions | No distributions allowed |
| Incurrence test | The incurrence test is met if: <ul style="list-style-type: none"> – Net Interest Bearing Debt to EBITDA is not greater than 3.00x – No Event of Default is continuing or occurring upon the incurrence or payment |
| Change of control | Investor put @ 101% of par |
| Governing law | Danish |
| Listing | Frankfurt Stock Exchange in the Open Market immediately after the Issue date and on Nasdaq Copenhagen within 6 months from the Issue Date |

* assignment over intra-group loan has been reduced from 908mRUB to 175mRUB with transfers until mid February.