

Company announcement no 1/2018

Interim Report Q4 2017

EBITDA fixed herd prices (FHP) for Q4 2017 decreased to 2,677 kEUR (Q4 2016: 5,774 kEUR), corresponding to an EBITDA margin FHP of 10.8% (Q4 2016: 21.4%). Decline in the quarterly EBITDA in Q42017 compared to Q42016 of 3.097 kEUR can be attributable to lower sales prices (of 2.215 kEUR) and an extraordinary bonus payment (after adjusted provision of 1.450 kEUR), no similar bonus payments are expected during the bond period period.

EBITDA FHP for the FY2017 was 26.653 kEUR corresponding to an EBITDA FHP margin of 24.3 % (FY2016: 20.023 kEUR and 21.1 %), the main reason for increase being higher sales prices on slaughter pigs (10.067 kEUR).

The Lithuania Government decided in the last week before Christmas 2017 to phase out the beneficial corporate tax rate to agriculture of 5% to normal corporate tax rate of 15% during 2018 and 2019. This effected the calculation of deferred tax with an increase of 1.232 kEUR, which where expensed in Q4 2017.

The lower average prices on live pigs had a significant adverse impact on Idavang in Q4 with -7.479 kEUR (-5.046 kEUR for FY2017). The herd valuation movements are non-cash for the operation, but influence the IFC liability. The IFC liability is estimated to reduce from 23,8 mEUR (2016) to 16,0 mEUR (2017) based on todays published annual account. Furthermore, liability is significant less than the escrow account of 25,0 mEUR.

Free cash flow was 17.954 kEUR in FY2017 (FY2016: 17.795 kEUR).

Outlook 2018 in case the current weak USD and current low demand from China continue during 2018 then the Company expect to a lower EBITDA at fixed herd prices compared to 2017.

Selected financial highlights and key ratios

EUR millions	Q4 2017	Q4 2016	2017	2016
Total revenue	24.895	26.952	109.596	95.073
EBITDA	-4.802	6.231	21.608	26.002
EBITDA margin	-19,3%	23,1%	19,7%	27,3%
EBITDA fixed herd price	2.677	5.774	26.653	20.023
EBITDA margin fixed herd price	10,8%	21,4%	24,3%	21,1%
Net income	-9.540	3.101	6.062	14.241
Free cash flow	-485	5.328	17.954	17.795
Net interest-bearing debt	74.274	68.133	74.274	68.133

Further information

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Finance Calendar 2018

28 February 2018: Annual report

03 April 2018: Annual general meeting

29 May 2018: Interim report Q1 2018

29 Aug 2018: Interim report Q2 2018

29 Nov 2018: Interim report Q3 2018

Forward-looking statements

This interim report contains “forward looking statements”. Undue reliance should not be placed on forward-looking statements because they relate to and depend on circumstances that may or may not occur in the future and actual results may differ materially from those in forward-looking statements. Forward-looking statements include, without limitation, statements regarding our business, financial circumstances, strategy, results of operations, financing and other plans, objectives, assumptions, expectations, prospects, beliefs and other future events and prospects. We undertake no obligation, and do not intend to publicly update or revise any of these forward-looking statements, unless prescribed by law or by stock exchange regulation.

Table of contents

REVIEW	4
Financial Highlights and Key Ratios.....	4
Management's Review	5
Development in segments in Q4 2017	6
Statement by the Board and the Executive Management.....	8
FINANCIAL STATEMENT.....	9
Income Statement	9
Statement of comprehensive income	9
Assets	10
Liabilities and Equity.....	10
Cash Flow Statement.....	11
Statement of changes in equity	12
Notes.....	13
Quarterly Financial Highlights and Key Ratios.....	17

Review

Financial Highlights and Key Ratios

EUR '000	Q4 2017	Q4 2016	2017	2016
Income statement				
Revenue	24.895	26.952	109.596	95.073
EBITDA	-4.802	6.231	21.608	26.002
EBITDA fixed herd price	2.677	5.774	26.653	20.023
EBIT	-6.654	4.204	13.811	18.667
Financial items, net	-1.624	-539	-5.900	-3.774
Profit/(loss) for the period	-9.540	3.101	6.062	14.241
Cash flow				
Operating activity	-1.165	4.370	19.550	14.586
Investing activity	-562	-640	-6.221	-2.918
Financing activity	1.824	-5.831	-11.435	-11.516
Free cash flow	-485	5.328	17.954	17.795
Balance sheet				
Non-current assets	104.944	109.807	104.944	109.807
Net working capital	18.614	23.254	18.614	23.254
Net operating assets	123.558	133.061	123.558	133.061
Total assets	180.370	165.025	180.370	165.025
Equity	54.071	72.253	54.071	72.253
Net interest bearing debt	74.274	68.133	74.274	68.133
Key financials Group				
EBITDA margin	-19,3%	23,1%	19,7%	27,3%
EBITDA margin - fixed herd prices	10,8%	21,4%	24,3%	21,1%
Cash conversion - fixed herd prices	-18%	92%	67%	89%
NIBD / EBITDA fixed price LTM	2,8	3,4	2,8	3,4
Equity ratio	30,0%	43,8%	30,0%	43,8%

Management's Review

Income statement

Revenue

Revenue for Q4 2017 was 24.895 kEUR (Q4 2016: 26.952 kEUR million) with the comparison period negatively impacted by a lower sales prices of 8% compared to Q4 2016.

For FY2017 the revenue was 109.596 kEUR (FY2016: 95.073 kEUR), the main reason for increase being higher sales prices on slaughter pigs (10.067 kEUR) remaining part is increase in volume and changed mix between Weaners and Slaughter pigs.

Value adjustment, biological assets

Herd valuation (due to price changes) from 2016 to 2017 decreased 11 % effecting the FY2017 with -5.046 kEUR (FY2016 +5.979 kEUR).

EBITDA fixed herd prices (FHP)

Decline in the quarterly EBITDA in Q42017 compared to Q42016 of 3.097 kEUR was mainly attributable to lower sales prices (of 2.215 kEUR) and an bonus payment partly extraordinary and partly related to dividend payment (after adjusted provision of 1.450 kEUR), no similar payments are expected during the bond period.

EBITDA for the FY2017 was 26.653 kEUR corresponding to an EBITDA margin of 24.3 % (FY2016: 21.1 %).

Net financials

Net financial expenses for Q4 2017 decreased to 1.241 kEUR (Q4 2016: 1.595 kEUR) despite being negatively affected by penalty fees due to re-financing significant part of debt with proceeds from bond. FY2017, net financial expenses were 4.625 kEUR being 1.500 kEUR lower due to lower average NIBD during FY2017 compared to FY2016 (FY2016: 6.125 kEUR).

Foreign exchange adjustments in Q4 2017 was negative with 366 kEUR. FY2017 impact of -1.275 kEUR (FY2016: +2.351 kEUR) the foreign exchange adjustments driven mainly by fluctuations in internal debt hence no or limited cash effect.

Tax

Last week before Christmas the Lithuania Government decided to phase out the beneficial corporate tax rate to agriculture of 5% to normal corporate tax rate of 15% during 2018 and 2019. This effected the calculation of deferred tax with an increase of 1.232 kEUR, which where expensed in Q4 2017.

Balance Sheet

At 31 December 2017, Idavang's balance sheet amounted to 180.370 kEUR (December 2016: 165.025 kEUR).

At 31 December, equity decreased to 54.071 kEUR (December 2016 72.253 kEUR) due to the profit in the period offset by dividend payment of 21 mEUR in Q4 2017 and exchange adjustments. The equity ratio is lower due to dividend at 30.0 % (2016: 43.8 %) at 31 December 2017.

Net interest-bearing debt was 74.274 kEUR at the end of December 2017 (December 2016: 68.133 kEUR). Net working capital amounted to 18.614 kEUR at 31 Decmeber 2017 (December 2016: 23.254 kEUR), reduction mainly due to price adjustment of the Breeding and Commercial herd.

Cash flow

Cash flow from ordinary activities for Q4 2017 decreased to -1.165 kEUR (Q4 2016: 4.370 kEUR) due to reduction in EBITDA fixed herd prices of 3.099 kEUR and an increase in working capital of 1.616 kEUR. Cash flow from ordinary activities was 19.552 kEUR in FY2017 (FY2016: 14.586 kEUR).

Events after the balance sheet date

- Idavang have reduced it bond holdings with 800 kEUR to 4.200 kEUR of bonds, due to normal liquidity planning

No other events after balance sheet date

Development in segments in Q4 2017

Lithuania

EUR '000	Q4 2017	Q4 2016	2017	2016
Revenue	13.784	14.588	61.066	54.723
Value adjustment, biological assets	-3.127	473	-2.407	5.490
Production costs	-12.819	-11.942	-48.474	-47.258
Administrative costs	-574	-497	-1.861	-1.569
Other income	353	244	1.258	926
Other expense	-	-166	-	-8
Operating profit	-2.383	2.701	9.582	12.305
Net Financials	-369	-478	-1.215	-1.442
Foreign exchange adjustments	-17	-	-17	-
Profit before tax	-2.770	2.223	8.350	10.863
Tax on profit for the year	-1.235	-528	-1.800	-601
Profit for the period	-4.004	1.695	6.550	10.262

EUR '000	Q4 2017	Q4 2016	2017	2016
Depreciations included in production cost	-810	-835	-3.232	-3.375
EBITDA	-1.573	3.536	12.814	15.680
<i>EBITDA fixed herd prices</i>	<i>1.553</i>	<i>3.062</i>	<i>15.221</i>	<i>10.189</i>

Lithuania accounted for 55 % of Group revenue in Q4 2017 (Q4 2016: 54 %).

EBITDA fixed herd price for Q4 2017 amounted to 1.553 kEUR corresponding to an EBITDA margin of 11.3 % (Q4 2016: 3.062 kEUR and EBITDA margin 21.0 %). The decline compared to Q4 2016 mainly relate to an extraordinary bonus payment in Q4 2016 of 407 kEUR and 790 kEUR effect from lower sales prices.

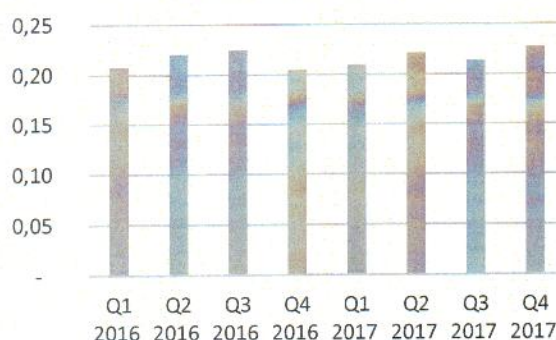
The pig price decreased 6 % compared to Q4 2016 to an average 1,06 EUR per kilo slaughter pigs live weight in Q4 2017 (Q4 2016: 1,12 EUR per kilo live weight slaughter pigs).

Last week before Christmas the Lithuania Government decided to phase out the beneficial corporate tax rate to agriculture of 5% to normal corporate tax rate of 15% during 2018 and 2019. This effected the calculation of deferred tax with an increase of 1.232 kEUR, which where expensed in Q4 2017.

Sales price EUR per kg - live weight



Feed EUR per kg



Russia

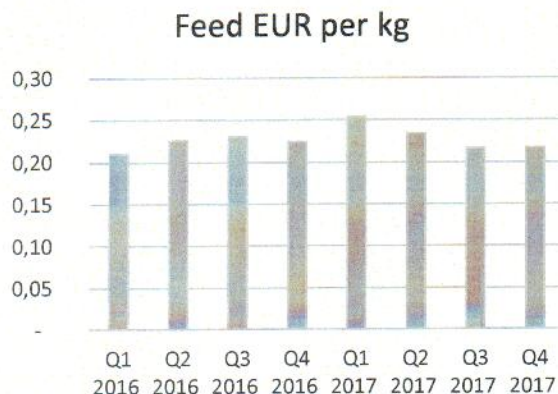
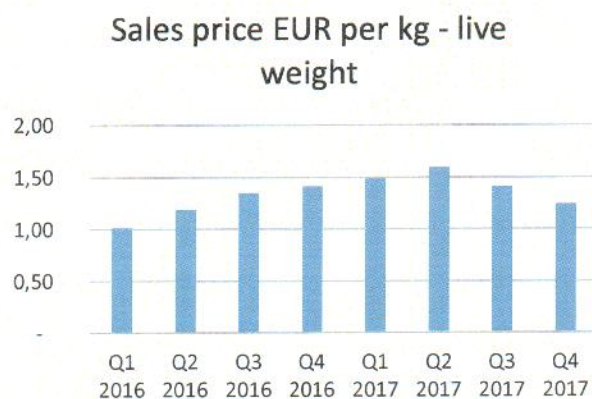
EUR '000	Q4 2017	Q4 2016	2017	2016
Revenue	11.111	12.364	48.531	40.350
Value adjustment, biological assets	-4.353	-16	-2.639	489
Production costs	-9.342	-9.633	-38.135	-32.196
Administrative costs	-451	-333	-1.562	-1.132
Other income	41	22	319	447
Other expense	-29	-18	-83	-11
Operating profit	-3.021	2.386	6.431	7.948
Net Financials	-762	-1.074	-3.232	-4.127
Foreign exchange adjustments	-216	51	-213	317
Profit before tax	-3.999	1.363	2.986	4.138
Tax on profit for the year	-27	-32	-42	-47
Profit for the period	-4.027	1.331	2.944	4.091

EUR '000	Q4 2017	Q4 2016	2017	2016
Depreciations included in production cost	-861	-911	-4.535	-3.984
EBITDA	-2.160	3.297	10.967	11.932
<i>EBITDA fixed herd prices</i>	<i>2.192</i>	<i>3.313</i>	<i>13.605</i>	<i>11.443</i>

Russia accounted for 45 % of Group revenue in Q4 2017 (Q4 2016: 46 %).

EBITDA fixed herd price for Q4 2017 amounted to 2.192 kEUR corresponding to an EBITDA margin of 19.7 % (Q4 2016: 3.313 kEUR and EBITDA margin 26.8 %). The decline compared to Q4 2016 mainly relate to an extraordinary bonus payment in Q4 2018 of 342 kEUR, 1.424 kEUR effect from lower sales prices, but higher feed efficiency and lower feed prices compensate roughly half of the sales price effect.

The pig price decreased 12 % compared to Q4 2016 to an average 1,24 EUR per kilo slaughter pigs live weight in Q4 2017 (Q4 2016: 1,41 EUR per kilo live weight slaughter pigs).



Statement by the Board and the Executive Management

The Executive Board and the Board of Directors have presented the interim Report of Idavang A/S. The interim Report has today been considered and adopted.

The Interim Report, which has not been audited or reviewed by the Company's independent auditors, was prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and additional Danish disclosure requirements for listed companies.


In our opinion, the Interim Financial Statements give a true and fair view of the financial position of the Group at 30 December 2017 as well as of the results of the Group operations and cash flows for the period 1 January – 31 December 2017.

In our opinion, Management's Review gives a true and fair account of the development in the activities and financial circumstances of the Group, of results of operations for the period and of the overall financial position of the Group, and a description of the key risks and uncertainties facing the Group.


Executive Management

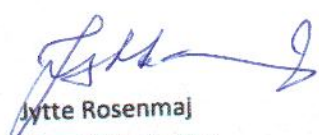
Claus Baltser
CEO

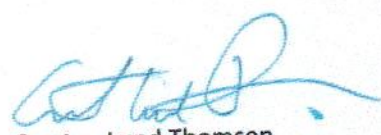



Michael Thuesen Henriksen
CFO

Board of Directors


Niels Hermansen
Chairman


Jytte Rosenmaj
Deputy Chairman


Carsten Lund Thomsen


Claus Baltser


Ole B. Hansen

Financial Statement

Income Statement

EUR '000	Q4 2017	Q4 2016	2017	2016
Revenue	24.895	26.952	109.596	95.073
Value adjustment, biological assets	-7.479	457	-5.046	5.979
Production costs	-22.166	-21.581	-86.614	-79.460
Administrative costs	-2.257	-1.697	-5.373	-4.280
Other income	394	266	1.577	1.373
Other expense	-40	-193	-330	-19
Operating profit	-6.654	4.204	13.811	18.667
Net Financials	-1.241	-1.595	-4.625	-6.125
Foreign exchange adjustments	-383	1.056	-1.275	2.351
Profit before tax	-8.278	3.665	7.911	14.893
Tax on profit for the year	-1.262	-564	-1.849	-652
Profit for the period	-9.540	3.101	6.062	14.241

EUR '000	Q4 2017	Q4 2016	2017	2016
Depreciations included in production cost	-1.851	-2.027	-7.797	-7.335
EBITDA	-4.802	6.231	21.608	26.002
<i>EBITDA fixed herd prices</i>	<i>2.677</i>	<i>5.774</i>	<i>26.653</i>	<i>20.023</i>

Statement of comprehensive income

EUR '000	Q4 2017	Q4 2016	2017	2016
Profit for the period	-9.540	3.101	6.062	14.241
Other comprehensive income				
Exchange adjustments, foreign subsidiaries	49	4.060	-2.892	7.878
Hedge accounting	-113	105	-352	61
Other comprehensive income to be reclassified to profit or loss in subsequent periods	-63	4.165	-3.244	7.939
Other comprehensive income not to be reclassified to profit or loss in subsequent periods	-	-	-	-
Total comprehensive income	-9.603	7.265	2.818	22.180

Assets

EUR '000	Q4 2017	Q4 2016	2017	2016
Intangible assets	1.353	1.409	1.353	1.409
Property, Plant and Equipment	88.592	93.978	88.592	93.978
Biological Assets, Breeding herd	14.235	13.655	14.235	13.655
Deferred tax	760	761	760	761
Financial fixed assets	4	4	4	4
Total non-current assets	104.944	109.807	104.944	109.807
Inventories	9.182	10.680	9.182	10.680
Biological Assets, Commercial herd	22.455	28.889	22.455	28.889
Biological Assets, Arable	579	1.269	579	1.269
Biological Assets	23.033	30.158	23.033	30.158
Trade receivables	2.055	2.033	2.055	2.033
Other receivables	1.432	471	1.432	471
Prepayments	2.236	581	2.236	581
Income taxes receivables	-	-	-	-
Receivables	5.723	3.085	5.723	3.085
Assets held for sale	37	47	37	47
Cash	37.450	11.248	37.450	11.248
Total current assets	75.426	55.218	75.426	55.218
Total Assets	180.370	165.025	180.370	165.025

Liabilities and Equity

EUR '000	Q4 2017	Q4 2016	2017	2016
Share capital	1.000	1.000	1.000	1.000
Share premium	-	29.974	-	29.974
Exchange adjustments	-26.764	-23.872	-26.764	-23.872
Other reserves	-537	1.525	-537	1.525
Retained earnings	80.372	63.626	80.372	63.626
Equity	54.071	72.253	54.071	72.253
Borrowings	92.148	61.151	92.148	61.151
Grants	2.221	2.125	2.221	2.125
Deferred tax	2.073	841	2.073	841
Provisions	134	432	134	432
Other non-current liabilities	39	39	39	39
Non current liabilities	96.614	64.588	96.614	64.588
Borrowings	19.581	18.234	19.581	18.234
Trade payables	7.403	8.427	7.403	8.427
Income taxes payables	470	88	470	88
Other payables	2.231	1.435	2.231	1.435
Current liabilities	29.685	28.184	29.685	28.184
Total liabilities	126.299	92.772	126.299	92.772
Total Equity and Liabilities	180.370	165.025	180.370	165.025

Cash Flow Statement

EUR '000	Q4 2017	Q4 2016	2017	2016
Operating profit/loss	- 6.654	4.204	13.811	18.667
Adjustment for non-cash operating items	8.489	1.970	12.036	1.712
	1.835	6.174	25.848	20.379
Change in working capital incl. herd	- 1.616	99	1.426	491
Cash flow from ordinary activities before financials	220	6.075	24.421	20.870
Net financials	- 1.241	1.598	4.625	6.127
Corporate tax paid	- 143	107	246	157
Cash flow from ordinary activities	- 1.165	4.370	19.550	14.586
Cash flow from investing activities	- 562	640	6.221	2.918
Proceeds from borrowings	90.631	7.692	94.160	10.364
Repayments of borrowings	- 42.807	13.524	59.594	21.880
Dividends paid to shareholders	- 21.000	-	21.000	-
Deposit on Escrow account	- 25.000	-	25.000	-
Cash flow from financing activities	1.824	5.831	11.435	11.516
Change in cash and cash equivalents	12.494	12.764	11.248	9.843
Cash and cash equivalents primo priod	97	2.101	1.894	152
Exchange adjustments	- 140	585	691	1.253
Cash and cash equivalents end priod	12.451	11.248	12.451	11.248

The group furthermore has 5.820 kEUR in overdraft facilities, which are not utilised at year-end and own 5.000 kEUR Idavang Bonds.

Statement of changes in equity

EUR '000	Share capital	Share premium	Exchange adjustment	Other reserves	Retained earnings	Total	
Equity at 1st January 2017	1.000	29.974	-	23.872	1.525	63.626	72.253
Profit/Loss for the period					6.062		6.062
Other comprehensive income			-	2.892	-	352	3.244
Total comprehensive income	-	-	-	2.892	-	352	6.062
Dividend					-	21.000	21.000
Transfer		-	29.974	-	1.710	31.684	-
Equity at 31st December 2017	1.000	-	-	26.764	-	537	80.372

EUR '000	Share capital	Share premium	Exchange adjustment	Other reserves	Retained earnings	Total	
Equity at 1st January 2016	1.000	29.974	-	31.750	1.464	49.385	50.073
Profit/Loss for the period					14.241		14.241
Other comprehensive income				7.878	61		7.939
Total comprehensive income	-	-		7.878	61	14.241	22.180
Dividend							
Transfer							
Equity at 31st December 2016	1.000	29.974	-	23.872	1.525	63.626	72.253

Notes

Note 1 Basis of preparation and changes to the Group's accounting policies

The interim condensed consolidated financial statements for the 12 months ended 31 December 2017 have been prepared in accordance with Idavang A/S' accounting policies as stated in the latest financial statements for the company and in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and additional Danish disclosure requirements for interim financial reporting of listed companies.

The consolidated financial statements are presented in thousand EUR.

The Interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2016.

The Group's accounting policies is unchanged compared with the Group's annual financial statements as at 31 December 2016.

Note 2 Biological assets measured at fair value

The change in the value of biological assets for 2017 is stated in the below table. The total change in fair value is included in revenue reported in the income statement.

EUR '000	2017	2016
Commercial herd primo	28.889	18.018
Change in fair value	-2.454	8.359
Exchange adjustments	-3.981	2.512
Commercial herd ultimo	22.455	28.889
Breeding herd primo	13.655	13.638
Change in fair value	1.064	-1.386
Exchange adjustments	-484	1.403
Breeding herd ultimo	14.235	13.655
Herd total primo	44.334	31.656
Change in fair value due to volume	529	994
Change in fair value due to price	-5.046	5.979
Exchange adjustments	-1.337	3.915
Breeding herd ultimo	38.480	42.544
Crop primo	1.160	866
Change in fair value due to volume	654	68
Change in fair value due to price	-	-
Exchange adjustments	-116	226
Crop ultimo	1.697	1.160
Total Biological Assets primo	45.493	32.521
Change in fair value due to volume	1.183	1.062
Change in fair value due to price	-5.046	5.979
Exchange adjustments	-1.454	4.142
Total Biological Assets ultimo	40.177	43.704

Note 3 Segment reporting

The group's results break down as follows on segments:

Q4 2017					
EUR '000	Lithuania		Russia	Other / Eliminations	Group
Revenue	13.784		11.111	-	24.895
Value adjustment, biological assets	- 3.127	-	4.353	-	7.479
Production costs	- 12.819	-	9.342	5	22.166
Administrative costs	- 574	-	451	1.232	2.257
Other income	292		41	-	333
Other expense	61	-	29	12	21
Operating profit	- 2.383	-	3.021	- 1.249	- 6.654
Net Financials	- 369	-	762	110	1.241
Foreign exchange adjustments	- 17	-	216	150	383
Profit before tax	- 2.770	-	3.999	- 1.509	- 8.278
Tax on profit for the year	- 1.235	-	27	0	1.262
Profit for the period	- 4.004	-	4.027	- 1.509	- 9.540
EUR '000					
Depreciations included in production cost	- 810	-	1.040	1	1.851
EBITDA	- 1.573	-	1.981	- 1.248	- 4.802
<i>EBITDA fixed herd prices</i>	<i>1.553</i>		<i>2.372</i>	<i>- 1.248</i>	<i>2.677</i>

2017					
EUR '000	Lithuania		Russia	Other / Eliminations	Group
Revenue	61.066		48.531	-	109.596
Value adjustment, biological assets	- 2.407	-	2.639	-	5.046
Production costs	- 48.474	-	38.135	5	86.614
Administrative costs	- 1.861	-	1.562	1.950	5.373
Other income	1.060		319	-	1.379
Other expense	197	-	83	247	132
Operating profit	- 9.582	-	6.431	- 2.202	- 13.811
Net Financials	- 1.215	-	3.232	178	4.625
Foreign exchange adjustments	- 17	-	213	1.045	1.275
Profit before tax	- 8.350	-	2.986	- 3.425	- 7.911
Tax on profit for the year	- 1.800	-	42	7	1.849
Profit for the period	- 6.550	-	2.944	- 3.432	- 6.062
EUR '000					
Depreciations included in production cost	- 3.232	-	4.560	5	7.797
EBITDA	12.814		10.991	- 2.197	21.608
<i>EBITDA fixed herd prices</i>	<i>15.221</i>		<i>13.630</i>	<i>- 2.197</i>	<i>26.653</i>

Q4 2016						
EUR '000	Lithuania		Russia		Other / Eliminations	Group
Revenue		14.588		12.364	-	26.952
Value adjustment, biological assets		473	-	16	-	457
Production costs	-	11.942	-	9.633	- 7	21.581
Administrative costs	-	497	-	333	- 867	1.697
Other income		244		22	-	266
Other expense	-	166	-	18	- 9	193
Operating profit		2.701		2.386	- 882	4.204
Net Financials	-	478	-	1.074	- 44	1.595
Foreign exchange adjustments		-		51	1.005	1.056
Profit before tax		2.223		1.363	- 79	3.665
Tax on profit for the year	-	528	-	32	- 4	564
Profit for the period		1.695		1.331	- 75	3.101
EUR '000						
Depreciations included in production cost	-	835	-	1.186	- 7	2.027
EBITDA		3.536		3.571	- 876	6.231
<i>EBITDA fixed herd prices</i>		<i>3.062</i>		<i>3.587</i>	- 876	<i>5.774</i>

2016						
EUR '000	Lithuania		Russia		Other / Eliminations	Group
Revenue		54.723		40.350	-	95.073,41
Value adjustment, biological assets		5.490		489	-	5.979
Production costs	-	47.258	-	32.196	- 7	79.460
Administrative costs	-	1.569	-	1.132	- 1.579	4.280
Other income		926		447	-	1.373
Other expense	-	8	-	11	- 0	19
Operating profit		12.305		7.948	- 1.586	18.667
Net Financials	-	1.442	-	4.127	- 556	6.125
Foreign exchange adjustments		-		317	2.034	2.351
Profit before tax		10.863		4.138	- 107	14.893
Tax on profit for the year	-	601	-	47	- 4	652
Profit for the period		10.262		4.091	- 111	14.241
EUR '000						
Depreciations included in production cost	-	3.375	-	3.953	- 7	7.335
EBITDA		15.680		11.901	- 1.579	26.002
<i>EBITDA fixed herd prices</i>		<i>10.189</i>		<i>11.412</i>	- 1.579	<i>20.023</i>

Note 4 Summary of bond terms

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 1.750 mRUB in Russia (apx. 25 mEUR)
Tenor	4 years
Pricing:	3m EURIBOR + 650 bps p.a., quarterly interest payments, EURIBOR floor of 0.0%
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

Note 5 Other financial obligations

IFC has a put option on its 200,000 nom. Shares in Idavang A/S to Idavang A/S and Jast Holding ApS. The put option can be exercised from 2016 to 2020. The put option is disclosed in the financial statements for the parent company.

IFC's put option is based on market values, hence it fluctuates, as at 31 December 2017 the full obligation of Idavang A/S and Jast ApS constitute a payment of apx. 16.0 mEUR. The obligation is revaluated every year on the results for financial year.

Quarterly Financial Highlights and Key Ratios

EUR '000	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016
Income statement						
Revenue	24.895	28.536	29.027	27.139	26.952	25.733
EBITDA	- 4.802	4.163	14.683	7.564	6.231	10.703
EBITDA fixed herd price	2.677	7.348	10.576	6.052	5.774	7.472
EBIT	- 6.654	2.181	12.685	5.599	4.204	8.986
Financial items, net	- 1.624	1.235	2.397	644	539	1.448
Profit/(loss) for the period	- 9.540	879	9.863	4.859	3.101	7.490
Cash flow						
Operating activity	- 1.165	8.178	8.509	4.027	4.370	3.670
Investing activity	- 562	2.780	1.628	1.252	640	809
Financing activity	1.824	1.545	12.359	646	5.831	278
Free cash flow	- 485	6.478	7.762	4.199	5.328	4.382
Balance sheet						
Non-current assets	104.944	106.858	107.331	112.501	109.807	106.078
Net working capital	18.614	24.565	31.601	27.521	23.254	21.905
Net operating assets	123.558	131.423	138.932	140.022	133.061	127.983
Total assets	180.370	161.671	162.778	164.751	165.025	158.139
Equity	54.071	84.674	84.615	79.212	72.253	64.988
Net interest bearing debt	74.274	51.466	57.257	66.712	68.133	69.298
Key financials Group						
EBITDA margin	-19,3%	14,6%	50,6%	27,9%	23,1%	41,6%
EBITDA margin - fixed herd prices	10,8%	25,7%	36,4%	22,3%	21,4%	29,0%
Cash conversion	-18,1%	88,2%	73,4%	69,4%	92,3%	58,6%
NIBD / EBITDA fixed price LTM	2,8	1,7	1,9	2,8	3,4	5,2
Equity ratio	30,0%	52,4%	52,0%	48,1%	43,8%	41,1%