

Company announcement no 8/2018

Interim Report Q2 2018

EBITDA fixed herd prices (FHP) for Q2 2018 decreased to 4,518 kEUR (Q2 2017: 10,572 kEUR), corresponding to an EBITDA margin FHP of 17.9% (Q2 2017: 36.4%). Decline in the quarterly EBITDA in Q2 2018 compared to Q2 2017 of 6,054 kEUR can mainly be attributable to lower sales prices (of 5,270 kEUR).

The higher average prices on live pigs end Q2 2018 compared to Q1 2018 had a positive impact on herd valuation in Q2 with +445 kEUR (+4,107 kEUR for Q2 2017, respectively). Free cash flow was -1,743 kEUR in Q2 2018 (Q2 2017: 7.762 kEUR).

Outlook





Idavang hedging position of grain is as follows for Lithuania. Grain will be included in profit and loss over the next 12 months at this cost.

- Matif Milling Wheat contacts of 40.000T average price 187,2 – price 28.08.2018 was 198,2 , hence unrealized profit of 0,4 mEUR
- Closed supplier contracts of feed grain of 48.000T average price 150 EUR

In Russia no advance hedging has been done, hence we are purchasing most of our grain at current market prices

The hot and dry weather have negatively influenced the yields, so the ongoing harvest is expected to be significant below average year for yields, but better than the catastrophic 2017 harvest.

Selected financial highlights and key ratios

EUR millions	Q2 2018	Q2 2017	6M 2018	6M 2017	2017
Total revenue	25.282	29.027	48.682	56.165	109.596
EBITDA	4.963	14.683	10.417	22.247	21.608
EBITDA margin	19,6%	50,6%	21,4%	39,6%	19,7%
EBITDA fixed herd price	4.518	10.576	7.534	16.629	26.653
EBITDA margin fixed herd price	17,9% 	36,4% 	15,5% 	29,6% 	24,3%
Net income	963	9.863	2.538	14.723	6.062
Free cash flow	-1.743	7.762	-355	11.961	17.954
Net interest-bearing debt	76.920	57.257	76.920	57.257	74.274

Further information

Bondholders - Claus Baltersen, CEO phone +370 (685) 34 104

Media - Jytte Rosenmaj, Deputy Chairman phone +45 26 73 46 99

Finance Calendar 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.

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Review

Financial Highlights and Key Ratios

EUR '000	Q2 2018	Q2 2017	6M 2018	6M 2017	2017
Income statement					
Revenue	25.282	29.027	48.682	56.165	109.596
EBITDA	4.963	14.683	10.417	22.247	21.608
EBITDA fixed herd price	4.518	10.576	7.534	16.629	26.653
EBIT	3.116	12.685	6.671	18.284	13.811
Financial items, net	-2.134	-2.397	-4.115	-3.041	-5.900
Profit/(loss) for the period	963	9.863	2.538	14.723	6.062
Cash flow					
Operating activity	774	8.509	1.361	12.536	19.550
Investing activity	-4.102	-1.628	-4.984	-2.880	-6.221
Financing activity	9.196	-3.502	3.692	-11.714	-11.435
Free cash flow	-1.743	7.762	-355	11.961	17.954
Balance sheet					
Non-current assets	103.082	107.331	103.082	107.331	104.944
Net working capital	24.921	31.601	24.921	31.601	18.614
Net operating assets	128.004	138.932	128.004	138.932	123.558
Total assets	182.159	162.778	182.159	162.778	180.370
Equity	54.662	84.615	54.662	84.615	54.071
Net interest bearing debt	76.920	57.257	76.920	57.257	74.274
Key financials Group					
EBITDA margin	19,6%	50,6%	21,4%	39,6%	19,7%
EBITDA margin - fixed herd prices	17,9%	36,4%	15,5%	29,6%	24,3%
Cash conversion - fixed herd prices	-39%	73%	-5%	72%	67%
NIBD / EBITDA fixed price LTM	4,4	1,9	3,3	1,9	2,8
Equity ratio	30,0%	52,0%	30,0%	52,0%	30,0%

Management's Review

Income statement

Revenue

Revenue for Q2 2018 was 25,282 kEUR (Q2 2017: 29,027 kEUR) with the comparison period negatively impacted by a lower sales prices of 18% compared to Q2 2017.

Value adjustment, biological assets

Herd valuation (due to price changes) in Q2 2018 of +445 kEUR compared to effect in Q2 2017 of +4,107 kEUR is decreasing effect on 2nd quarter result.

EBITDA fixed herd prices (FHP)

Decline in the quarterly EBITDA in Q2 2018 compared to Q2 2017 of 6,054 kEUR was mainly attributable to lower sales prices (of 5,270 kEUR).

EBITDA FHP for the Q2 2018 was 4,518 kEUR corresponding to an EBITDA margin of 17.9 % (Q2 2017: 36.4 %).

Net financials

Net financial expenses for Q2 2018 increased to 1,586 kEUR (Q2 2017: 880 kEUR) driven by higher gross debt due to IFC reserve.

Foreign exchange adjustments in Q2 2018 was negative with -548 kEUR (Q2 2017 -1,517 kEUR), the foreign exchange adjustments is driven mainly by fluctuations in internal debt (-613 kEUR Q2 2018) hence no or limited cash effect.

Balance Sheet

At 30 June 2018, Idavang's balance sheet amounted to 182,159 kEUR (June 2017: 162,777 kEUR).

At 30 June, equity increase 591 kEUR to 54.662 kEUR (December 2017 54.071 kEUR) due to the profit in the period partly offset by adjustments being foreign exchange rate and hedge accounting.

Net interest-bearing debt increase to 76.920 kEUR at the end of June 2018 (December 2017: 74.274 kEUR). Net working capital amounted to 24,921 kEUR at 30 June 2018 (December 2017: 18.614 kEUR), increase mainly due to the Breeding and Commercial herd +5,314 kEUR (hereof + 2,882 kEUR relating to the value adjustment).

Cash flow

Cash flow from ordinary activities for Q2 2018 decreased to 774 kEUR (Q2 2017: 8,509 kEUR) mainly due to reduction in EBITDA fixed herd prices of 6,054 kEUR.

Events after the balance sheet date

- After balance sheet date the farm Skabeikiai farm have had an outbreak of ASF see company announcement no 6. The outbreak does not have any financial result on FY2018 as the herd and costs are insured

Development in segments in Q2 2018

Lithuania

EUR '000	Q2 2018	Q2 2017	6M 2018	6M 2017	2017
Revenue	13.598	15.933	27.028	30.796	61.066
Value adjustment, biological assets	-1.250	2.584	635	4.034	-2.407
Production costs	-13.037	-10.963	-26.013	-23.253	-48.474
Administrative costs	-536	-440	-1.021	-876	-1.861
Other income	283	467	473	635	1.258
Other expense	-14	-	10	-	-
Operating profit	-956	7.582	1.113	11.337	9.582
Net Financials	-224	-269	-454	-546	-1.215
Foreign exchange adjustments	-	-	-	-	-17
Profit before tax	-1.180	7.312	659	10.791	8.350
Tax on profit for the year	-1	-406	3	-507	-1.800
Profit for the period	-1.181	6.906	662	10.284	6.550

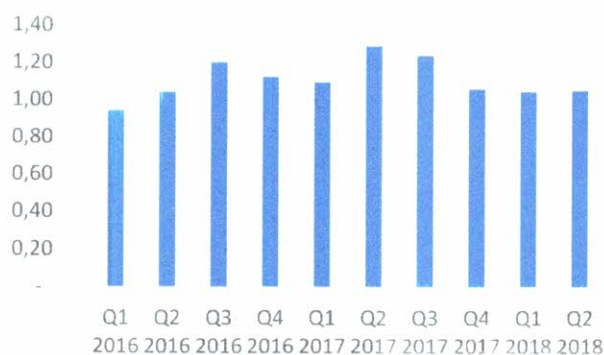
EUR '000	Q2 2018	Q2 2017	6M 2018	6M 2017	2017
Depreciations included in production cost	-806	-810	-1.615	-1.614	-3.232
EBITDA	-150	8.391	2.727	12.950	12.814
<i>EBITDA fixed herd prices</i>	<i>1.100</i>	<i>5.807</i>	<i>2.092</i>	<i>8.916</i>	<i>15.221</i>

Lithuania accounted for 54 % of Group revenue in Q2 2018 (Q2 2017: 55 %).

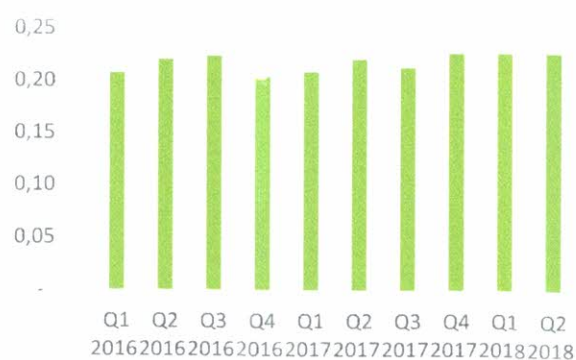
EBITDA fixed herd price for Q2 2018 amounted to 1,100 kEUR corresponding to an EBITDA margin of 8.1 % (Q1 2017: 5,807 kEUR and EBITDA margin 36.4 %). The EBITDA decline compared to Q2 2017 of 4,707 kEUR relate mainly to prices negatively affecting both sales and feed with 3,315 kEUR, but also negative development in feed consumption and mix is also effecting negative.

The sales price decreased 19 % compared to Q2 2017 to an average 1,05 EUR per kilo slaughter pigs live weight in Q2 2018 (Q2 2017: 1,29 EUR per kilo live weight slaughter pigs).

Sales price EUR per kg - live weight



Feed EUR per kg



Russia

EUR '000	Q2 2018	Q2 2017	6M 2018	6M 2017	2017
Revenue	11.684	13.094	21.654	25.369	48.531
Value adjustment, biological assets	1.695	1.523	2.247	1.585	-2.639
Production costs	-8.755	-8.756	-17.378	-18.714	-38.135
Administrative costs	-364	-424	-702	-776	-1.562
Other income	114	37	334	221	319
Other expense	-15	-13	-52	-37	-83
Operating profit	4.359	5.460	6.105	7.648	6.431
Net Financials	-457	-731	-1.060	-1.894	-3.232
Foreign exchange adjustments	65	-49	215	-4	-213
Profit before tax	3.968	4.680	5.260	5.749	2.986
Tax on profit for the year	-19	-11	-22	-6	-42
Profit for the period	3.949	4.669	5.238	5.743	2.944

EUR '000	Q2 2018	Q2 2017	6M 2018	6M 2017	2017
Depreciations included in production cost	-1.012	-1.186	-2.103	-2.347	-4.560
EBITDA	5.371	6.646	8.092	9.994	10.991
<i>EBITDA fixed herd prices</i>	<i>3.676</i>	<i>5.123</i>	<i>5.845</i>	<i>8.410</i>	<i>13.630</i>

Russia accounted for 46 % of Group revenue in Q2 2018 (Q2 2017: 45 %).

EBITDA fixed herd price for Q2 2018 amounted to 3,676 kEUR corresponding to an EBITDA margin of 31.4 % (Q1 2017: 5,123 kEUR and EBITDA margin 39.1 %). The EBITDA decline compared to Q2 2017 of 1,447 kEUR relate mainly to prices negatively affecting both sales and feed with 1,826 kEUR.

The sales price decreased 16 % compared to Q2 2017 to an average 1,34 EUR per kilo slaughter pigs live weight in Q2 2018 (Q2 2017: 1,59 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 31 Marts 2018 as well as of the results of the Group operations and cash flows for the period 1 January – 30 June 2018.

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 Baltersern
CEO



Michael Thuesen Henriksen
CFO



Board of Directors

Niels Hermansen
Chairman



Jytte Rosenmaj
Deputy Chairman



Carsten Lund Thomsen



Claus Baltersern



Ole B. Hansen



Financial Statement

Income Statement

EUR '000	Q2 2018	Q2 2017	6M 2018	6M 2017	2017
Revenue	25.282	29.027	48.682	56.165	109.596
Value adjustment, biological assets	445	4.107	2.882	5.619	-5.046
Production costs	-21.792	-19.716	-43.390	-41.963	-86.614
Administrative costs	-1.158	-1.199	-2.238	-2.115	-5.373
Other income	398	498	807	850	1.577
Other expense	-58	-32	-73	-272	-330
Operating profit	3.116	12.685	6.671	18.284	13.811
Net Financials	-1.586	-880	-3.269	-2.305	-4.625
Foreign exchange adjustments	-548	-1.517	-846	-736	-1.275
Profit before tax	983	10.288	2.557	15.243	7.911
Tax on profit for the year	-20	-425	-19	-521	-1.849
Profit for the period	963	9.863	2.538	14.723	6.062
EUR '000	Q2 2018	Q2 2017	6M 2018	6M 2017	2017
Depreciations included in production cost	-1.818	-1.998	-3.717	-3.963	-7.797
EBITDA	4.935	14.683	10.389	22.247	21.608
<i>EBITDA fixed herd prices</i>	<i>4.490</i>	<i>10.576</i>	<i>7.506</i>	<i>16.629</i>	<i>26.653</i>

Statement of comprehensive income

EUR '000	Q2 2018	Q2 2017	6M 2018	6M 2017	2017
Profit for the period	963	9.863	2.538	14.723	6.062
Other comprehensive income					
Exchange adjustments, foreign subsidiaries	-1.298	-4.521	-2.227	-2.475	-2.892
Hedge accounting	103	62	281	115	-352
Other comprehensive income to be reclassified to profit or loss in subsequent periods	-1.195	-4.459	-1.946	-2.360	-3.244
Other comprehensive income not to be reclassified to profit or loss in subsequent periods	-	-	-	-	-
Total comprehensive income	-233	5.404	591	12.362	2.818

Assets

EUR '000	Q2 2018	Q2 2017	6M 2018	6M 2017	2017
Intangible assets	1.334	1.380	1.334	1.380	1.353
Property, Plant and Equipment	87.221	90.090	87.221	90.090	88.592
Biological Assets, Breeding herd	13.764	15.097	13.764	15.097	14.235
Deferred tax	760	761	760	761	760
Financial fixed assets	4	4	4	4	4
Total non-current assets	103.082	107.331	103.082	107.331	104.944
Inventories	6.536	6.610	6.536	6.610	9.182
Biological Assets, Commercial herd	26.011	32.603	26.011	32.603	22.455
Biological Assets, Arable	2.809	3.079	2.809	3.079	579
Biological Assets	28.819	35.682	28.819	35.682	23.033
Trade receivables	2.613	2.484	2.613	2.484	2.055
Other receivables	1.752	693	1.752	693	1.432
Prepayments	2.364	1.141	2.364	1.141	2.236
Income taxes receivables	-	-	-	-	-
Receivables	6.729	4.318	6.729	4.318	5.723
Assets held for sale	37	40	37	40	37
Cash	36.955	8.797	36.955	8.797	37.450
Total current assets	79.076	55.447	79.076	55.447	75.426
Total Assets	182.159	162.778	182.159	162.778	180.370

Liabilities and Equity

EUR '000	Q2 2018	Q2 2017	6M 2018	6M 2017	2017
Share capital	1.000	1.000	1.000	1.000	1.000
Share premium	-	29.974	-	29.974	-
Exchange adjustments	-28.991	-26.347	-28.991	-26.347	-26.764
Other reserves	-256	1.640	-256	1.640	-537
Retained earnings	82.910	78.349	82.910	78.349	80.372
Equity	54.662	84.615	54.662	84.615	54.071
Borrowings	91.107	41.131	91.107	41.131	92.148
Grants	784	2.259	784	2.259	2.221
Deferred tax	2.073	1.015	2.073	1.015	2.073
Provisions	134	432	134	432	134
Other non-current liabilities	287	40	287	40	39
Non current liabilities	94.385	44.877	94.385	44.877	96.614
Borrowings	22.772	24.926	22.772	24.926	19.581
Trade payables	7.262	6.439	7.262	6.439	7.403
Income taxes payables	3	574	3	574	470
Other payables	3.075	1.346	3.075	1.346	2.231
Current liabilities	33.111	33.285	33.111	33.285	29.685
Total liabilities	127.496	78.162	127.496	78.162	126.299
Total Equity and Liabilities	182.159	162.777	182.159	162.777	180.370

Cash Flow Statement

EUR '000	Q2 2018	Q2 2017	6M 2018	6M 2017	2.017
Operating profit/loss	3.116	12.685	6.671	18.284	13.811
Adjustment for non-cash operating items	1.476 -	2.047	1.116 -	1.541	12.036
	4.593	10.638	7.787	16.743	25.848
Change in working capital incl. herd	- 1.716 -	1.311 -	2.673 -	1.609 -	1.426
Cash flow from ordinary activities before financials	2.877	9.327	5.114	15.134	24.421
Net financials	- 1.586 -	880 -	3.269 -	2.305 -	4.625
Corporate tax paid	- 517	63 -	485 -	293 -	246
Cash flow from ordinary activities	774	8.509	1.361	12.536	19.550
Cash flow from investing activities	- 4.102 -	1.628 -	4.984 -	2.880 -	6.221
Proceeds from borrowings	11.304	1.234	12.682	1.880	94.160
Repayments of borrowings	- 2.108 -	4.737 -	8.990 -	13.594 -	59.594
Dividends paid to shareholders	-	-	-	-	21.000
Deposit on Escrow account	-	-	-	-	25.000
Cash flow from financing activities	9.196 -	3.502	3.692 -	11.714 -	11.435
Cash and cash equivalents primo priod	6.554	6.083	12.451	11.248	11.248
Change in cash and cash equivalents	5.867	3.379	68 -	2.057	1.894
Exchange adjustments	- 466 -	665 -	564 -	394 -	691
Cash and cash equivalents end priod	11.955	8.797	11.955	8.797	12.451

The group furthermore has 3.200 kEUR in overdraft facilities in super senior facility which are not utilised at period-end and own 3.700 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 2018	1.000	-	-	26.764	-	537	80.372	54.071
Profit/Loss for the period							2.538	2.538
Other comprehensive income			-	2.227	281		-	1.946
Total comprehensive income	-	-	-	2.227	281	2.538		591
Dividend								-
Transfer								-
Equity at 30th June 2018	1.000	-	-	28.991	-	256	82.910	54.662

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	2.818	
Dividend						-	21.000	-	21.000
Transfer		-	29.974		-	1.710	31.684		-
Equity at 31st December 2017	1.000	-	-	26.764	-	537	80.372		54.071

Notes

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

The interim condensed consolidated financial statements for the 3 months ended 30 June 2018 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 2017.

The Group's accounting policies is unchanged compared with the Group's annual financial statements as at 31 December 2017.

Note 2 Biological assets measured at fair value

The change in the value of biological assets for 2018 is stated in the below table. The total change in fair value is included in revenue reported in the income statement.

EUR '000	6M 2018	6M 2017	2017
Commercial herd primo	22.455	28.889	28.889
Change in fair value	4.217	4.556	-5.581
Exchange adjustments	-661	-843	-854
Commercial herd ultimo	26.011	32.603	22.455
Breeding herd primo	14.235	13.655	13.655
Change in fair value	-128	1.829	1.064
Exchange adjustments	-343	-387	-484
Breeding herd ultimo	13.764	15.097	14.235
Herd total primo	36.690	42.544	42.544
Change in fair value due to volume	1.206	766	529
Change in fair value due to price	2.882	5.619	-5.046
Exchange adjustments	-1.004	-1.230	-1.337
Herd total ultimo	39.774	47.699	36.690
Crop primo	579	1.160	1.160
Change in fair value due to volume	2.379	-108	-521
Change in fair value due to price	-	-	-
Exchange adjustments	-149	-55	-60
Crop ultimo	2.809	996	579
Total Biological Assets primo	37.269	43.704	43.704
Change in fair value due to volume	3.585	658	8
Change in fair value due to price	2.882	5.619	-5.046
Exchange adjustments	-1.153	-1.286	-1.398
Total Biological Assets ultimo	42.583	48.695	37.269

Note 3 Segment reporting

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

Q2 2018				
EUR '000	Lithuania	Russia	Other / Eliminations	Group
Revenue	13.598	11.684	-	25.282
Value adjustment, biological assets	- 1.250	1.695	-	445
Production costs	- 13.037	- 8.755	-	- 21.792
Administrative costs	- 536	- 364	- 258	- 1.158
Other income	283	114	-	398
Other expense	- 14	- 15	- 29	- 58
Operating profit	- 956	4.359	- 287	3.116
Net Financials	- 224	- 457	- 905	- 1.586
Foreign exchange adjustments	-	65	613	548
Profit before tax	- 1.180	3.968	- 1.805	983
Tax on profit for the year	- 1	- 19	-	- 20
Profit for the period	- 1.181	3.949	- 1.805	963
EUR '000				
Depreciations included in production cost	- 806	- 1.012	-	- 1.818
EBITDA	- 150	5.371	- 287	4.935
<i>EBITDA fixed herd prices</i>	<i>1.100</i>	<i>3.676</i>	<i>- 287</i>	<i>4.490</i>
6M 2018				
EUR '000	Lithuania	Russia	Other / Eliminations	Group
Revenue	27.028	21.654	-	48.682
Value adjustment, biological assets	635	2.247	-	2.882
Production costs	- 26.013	- 17.378	-	- 43.390
Administrative costs	- 1.021	- 702	- 516	- 2.238
Other income	473	334	-	807
Other expense	10	52	31	73
Operating profit	1.113	6.105	- 546	6.671
Net Financials	- 454	- 1.060	- 1.755	- 3.269
Foreign exchange adjustments	-	215	1.061	846
Profit before tax	659	5.260	- 3.362	2.557
Tax on profit for the year	3	22	-	19
Profit for the period	662	5.238	- 3.362	2.538
EUR '000				
Depreciations included in production cost	- 1.615	- 2.103	-	- 3.717
EBITDA	2.727	8.208	- 546	10.389
<i>EBITDA fixed herd prices</i>	<i>2.092</i>	<i>5.960</i>	<i>- 546</i>	<i>7.506</i>

Q2 2017				
EUR '000	Lithuania	Russia	Other / Eliminations	Group
Revenue	15.933	13.094	-	29.027
Value adjustment, biological assets	2.584	1.523	-	4.107
Production costs	- 10.963	- 8.756	3	- 19.716
Administrative costs	- 440	- 424	335	- 1.199
Other income	467	37	6	498
Other expense	-	13	19	- 32
Operating profit	7.582	5.460	356	12.685
Net Financials	- 269	- 731	120	- 880
Foreign exchange adjustments	-	49	1.468	- 1.517
Profit before tax	7.312	4.680	1.705	10.288
Tax on profit for the year	- 406	- 11	7	- 425
Profit for the period	6.906	4.669	1.712	9.863

Q2 2017				
EUR '000	Lithuania	Russia	Other / Eliminations	Group
Depreciations included in production cost	- 810	- 1.186	3	- 1.998
EBITDA	8.391	6.646	354	14.683
<i>EBITDA fixed herd prices</i>	<i>5.807</i>	<i>5.123</i>	<i>354</i>	<i>10.576</i>

6M 2017				
EUR '000	Lithuania	Russia	Other / Eliminations	Group
Revenue	30.796	25.369	-	56.165
Value adjustment, biological assets	4.034	1.585	-	5.619
Production costs	- 23.253	- 18.714	3	- 41.963
Administrative costs	- 876	- 776	463	- 2.115
Other income	635	221	6	850
Other expense	-	37	235	- 272
Operating profit	11.337	7.648	700	18.284
Net Financials	- 546	- 1.894	135	- 2.305
Foreign exchange adjustments	-	4	732	- 736
Profit before tax	10.791	5.749	1.296	15.243
Tax on profit for the year	- 507	- 6	7	- 521
Profit for the period	10.284	5.743	1.304	14.723

6M 2017				
EUR '000	Lithuania	Russia	Other / Eliminations	Group
Depreciations included in production cost	- 1.614	- 2.347	3	- 3.963
EBITDA	12.950	9.994	698	22.247
<i>EBITDA fixed herd prices</i>	<i>8.916</i>	<i>8.410</i>	<i>698</i>	<i>16.629</i>

2017				
EUR '000	Lithuania	Russia	Other / Eliminations	Group
Revenue	61.066	48.531	-	109.596,49
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	1.258	319	-	1.577
Other expense	-	83	247	- 330
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

2017				
EUR '000	Lithuania	Russia	Other / Eliminations	Group
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>

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	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Income statement						
Revenue	25.282	23.401	24.895	28.536	29.027	27.139
EBITDA	4.963	5.454	4.802	4.163	14.683	7.564
EBITDA fixed herd price	4.518	3.017	2.677	7.348	10.576	6.052
EBIT	3.116	3.555	6.654	2.181	12.685	5.599
Financial items, net	- 2.134	- 1.981	- 1.624	- 1.235	- 2.397	- 644
Profit/(loss) for the period	963	1.575	9.540	879	9.863	4.859
Cash flow						
Operating activity	774	587	1.165	8.178	8.509	4.027
Investing activity	- 4.102	- 882	- 562	- 2.780	- 1.628	- 1.252
Financing activity	9.196	5.504	1.824	1.545	3.502	8.211
Free cash flow	- 1.743	1.388	485	6.478	7.762	4.199
Balance sheet						
Non-current assets	103.082	102.612	104.944	106.858	107.331	112.501
Net working capital	24.921	22.330	18.614	24.565	31.601	27.521
Net operating assets	128.004	124.942	123.558	131.423	138.932	140.022
Total assets	182.159	174.713	180.370	161.671	162.778	164.751
Equity	54.662	54.883	54.071	84.674	84.615	79.212
Net interest bearing debt	76.920	74.108	74.274	51.466	57.257	66.712
Key financials Group						
EBITDA margin	19,6%	23,3%	-19,3%	14,6%	50,6%	27,9%
EBITDA margin - fixed herd prices	17,9%	12,9%	10,8%	25,7%	36,4%	22,3%
Cash conversion	-38,6%	46,0%	-18,1%	88,2%	73,4%	69,4%
NIBD / EBITDA fixed price LTM	4,4	3,1	2,8	1,7	1,9	2,8
Equity ratio	30,0%	31,4%	30,0%	52,4%	52,0%	48,1%

Appendix / Production information

Idavang Group

	Q2 2018	Q1 2018	Q4 2017
Number of Sows			
Lithuania	15.510	15.477	15.507
Russia	9.849	9.820	9.955
Total	25.359	25.297	25.462
Pigs sold per Sow (slaughterpigs, Weaners and Sows)			
Lithuania	114.310	118.515	122.868
Russia	84.578	82.234	87.412
Total	198.888	200.749	210.280
Displacement			
Lithuania	15.471	1.457	1.318
Purchased 30 kg	- 8.183		
Russia	2.501	- 1.101	- 3.055
Total	9.789	356	- 1.737
Total production			
Lithuania	121.598	119.972	124.186
Russia	87.079	81.133	84.357
Total	208.677	201.105	208.543
Feed cost kEUR			
Lithuania	- 9.162	- 8.764	- 8.505
Russia	- 5.239	- 5.371	- 5.549
Total	- 14.401	- 14.135	- 14.054
Feed conversion kg/kg			
	Q2 2018	Q1 2018	Q4 2017
Lithuania	2,84	2,90	2,79
Russia	3,03	2,96	2,90
Group	2,91	2,92	2,83