

Company announcement no 19/2019

Interim Report Q3 2019

EBITDA fixed herd prices (FHP) for Q3 2019 increased to 9.1 mEUR (Q3 2018: 5.4 mEUR), corresponding to an EBITDA margin FHP of 31.0% (Q3 2018: 20.8%). Q3 harvest influenced EBITDA margin significantly, as it is EBITDA without revenue. Harvest EBITDA was Q3 2019 3.8 mEUR and Q3 2018: 1.1 mEUR, hence EBITDA margin FHP (without harvest) was 18.0% (Q3 2018: 16.8%).

The quarterly EBITDA in Q3 2019 increased with 3.7 mEUR (compared to Q3 2018); the change can be divided into 5 main drivers: Improved harvest EBITDA (+2.7 mEUR), Increasing sales prices in Lithuanian (+3.3 mEUR), increasing feed prices/conversion (-1.3 mEUR) and one-off additional biosecurity measures (-0.5 mEUR).

Sales prices in Q3 where 1.28 EUR/kg live weight and the October price was 1.26 EUR/kg live weight. The outlook is uncertain due to both ASF situation in China and the current trade war between the US and CN, which both might influence the level of export from Europe to CN.

Feed prices have the last 9 months been stable around 244 EUR/T, with new harvest feed price in October decreased to 228 EUR/T, most of the grain until new harvest 2020 is either in storage or on contract, reducing fluctuations on next years feed price.

The herd valuation in Q3 decreased with 2.9 mEUR (compared to Q2 2019).

Free cash flow was 4.2 mEUR in Q3 2019 (Q3 2018: 0.0mEUR).

Construction in Luga is progressing according to plan, the 7 first slaughter pig stables are in operations, and the additional 3 are expected to be operational end Q4/start Q1 2020. The investment is still within the previous range of 11-12 mEUR, less than 1 mEUR investment will be postponed to 2020. Idavang furthermore is considering to acquire small slaughterhouse in Lithuania, which currently is contract killing 15% of the Lithuanian production into carcasses, investment is expected around 0.5 mEUR.

Selected financial highlights and key ratios

EUR millions	Q3 2019	Q3 2018	9M 2019	9M 2018	2018
Total revenue	29.161	26.243	79.640	74.926	99.518
EBITDA	6.117	2.713	18.219	13.102	17.636
EBITDA margin	21,0%	10,3%	22,9%	17,5%	17,7%
EBITDA fixed herd price	9.052	5.470	16.725	12.977	15.080
EBITDA margin fixed herd price	31,0%	20,8%	21,0%	17,3%	15,2%
Net income	2.611	-1.300	8.602	1.237	1.213
Free cash flow	4.246	-19	5.041	-373	-237
Net interest-bearing debt	80.155	78.156	80.155	78.160	78.319

Further information

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Finance Calendar 2020

26th Feb 2020: Annual report 2019

29th May 2020: Interim report Q1 2019

31th Aug 2020: Interim report Q2 2019

26th Nov 2020: Interim report Q3 2019

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	Q3 2019	Q3 2018	9M 2019	9M 2018	2018
Income statement					
Revenue	29.161	26.243	79.640	74.926	99.518
EBITDA	6.117	2.713	18.219	13.102	17.636
EBITDA fixed herd price	9.052	5.470	16.725	12.977	15.080
EBIT	4.380	963	12.594	7.634	10.126
Financial items, net	-1.362	-2.318	-3.366	-6.433	-9.296
Profit/(loss) for the period	2.611	-1.300	8.602	1.237	1.213
Cash flow					
Operating activity	5.841	902	5.325	2.262	5.275
Investing activity	-3.395	-2.579	-5.243	-7.564	-11.865
Financing activity	-4.871	1.837	-11.550	5.529	9.814
Free cash flow	4.246	-19	5.041	-373	-237
Balance sheet					
Non-current assets	110.044	101.676	110.044	101.676	103.447
Net working capital	23.154	22.063	23.154	22.063	18.764
Net operating assets	133.198	123.739	133.198	123.739	122.211
Total assets	187.398	179.670	187.398	179.670	180.966
Equity	63.960	52.256	63.960	52.256	50.400
Net interest bearing debt	80.155	78.156	80.155	78.160	78.319
Key financials Group					
EBITDA margin	21,0%	10,3%	22,9%	17,5%	17,7%
EBITDA margin - fixed herd prices	31,0%	20,8%	21,0%	17,3%	15,2%
Cash conversion - fixed herd prices	47%	0%	30%	-3%	-2%
NIBD / EBITDA fixed price LTM	4,3	5,0	4,3	4,5	5,2
Equity ratio	34,1%	29,1%	34,1%	29,1%	27,9%

Management's Review

Income statement

Revenue

The revenue for Q3 2019 was 29,161 kEUR (Q3 2018: 26,243 kEUR), the higher sale is due to higher sales prices of 8% compared to Q3 2018 and higher volume due to Luga and full production in Lithuania.

Value adjustment, biological assets

The increase in herd valuation in Q3 2019 was -2,934 kEUR (compared to Q2 2019), the decrease in valuation was driven by decreasing sales prices and public quotation.

EBITDA fixed herd prices (FHP)

EBITDA fixed herd prices (FHP) for Q3 2019 increased to 9.1 mEUR (Q3 2018: 5.4 mEUR), corresponding to an EBITDA margin FHP of 31.0% (Q3 2018: 20.8%). But Q3 is heavily influenced by harvest EBITDA for Q3 2019 3.8 mEUR (Q3 2018: 1.1 mEUR), hence EBITDA margin FHP without harvest is 18.0% (Q3 2018: 16.8%).

The quarterly EBITDA in Q3 2019 increased with 3.7 mEUR (compared to Q3 2018); the change can be split into 5 main drivers: Improved harvest EBITDA (+2.7 mEUR), Increasing sales prices in Lithuanian (+3.3 mEUR), increasing feed prices/conversion (-1.3 mEUR) and one-off additional biosecurity measures (-0.5 mEUR).

Net financials

The net interest expenses for Q3 2019 decrease 31 kEUR to 1,628 kEUR (Q3 2018: 1,659 kEUR).

Foreign exchange adjustments in Q3 2019 was positive with 266 kEUR (Q3 2018 -659 kEUR), the foreign exchange adjustments are driven mainly by currency fluctuations in intercompany debt (306 kEUR Q3 2019) hence limited cash effect.

Balance Sheet

At 30 September 2019, Idavang's balance sheet amounted to 187,398 kEUR (September 2018: 179,670 kEUR).

At 30 September 2019 the Equity increase with 13,560 kEUR to 63,960 kEUR (December 2018 50.400 kEUR). The increase in 2019 was due to foreign exchange rate gain of 5.834 kEUR (mainly on the Russian subsidiaries equity), whereas a negative development in hedge accounting impact -876 kEUR (YTD 2019) and result increase 8,602 kEUR on the equity.

Net interest-bearing debt increased to 80.155 kEUR at the end of September 2019 (December 2018: 78.319 kEUR).

The net working capital amounted to 23,154 kEUR on 30 September 2019 (December 2018: 18,764 kEUR), the increase of 4,390 kEUR is mainly due to increase in biological assets +4,762 kEUR, driven by increased valuation, increasing volume (Luga and Skabekiai) and RUB appreciation.

Cash flow

Cash flow from ordinary activities for Q3 2019 increased to 5,841 kEUR (Q3 2018: 902 kEUR), the increase of 4,939 kEUR was mainly driven by two factors EBITDA FHP increase of 3,581 kEUR and the increase in inventories is 1.658 kEUR higher in Q3 2019 (compared to Q3 2018) due to better harvest yields.

Events after the balance sheet date

- No events after the balance sheet date

Development in segments in Q3 2019

Lithuania

EUR '000	Q3 2019	Q3 2018	9M 2019	9M 2018	2018
Revenue	17.056	13.492	45.725	40.520	53.257
Value adjustment, biological assets	-1.179	-2.397	4.592	-1.762	-1.206
Production costs	-13.984	-13.764	-40.145	-39.777	-53.158
Administrative costs	-455	-467	-1.536	-1.488	-2.054
Other income	418	509	1.035	982	1.095
Other expense	-101	-10	-145	-	-
Operating profit	1.754	-2.638	9.525	-1.526	-2.066
Net Financials	-250	-289	-798	-743	-1.042
Foreign exchange adjustments	-	-	-	-	-
Profit before tax	1.505	-2.927	8.727	-2.268	-3.108
Tax on profit for the year	-408	63	-625	66	413
Profit for the period	1.097	-2.864	8.101	-2.202	-2.695

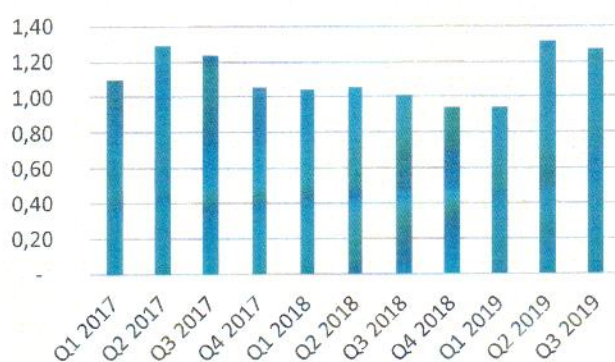
EUR '000	Q3 2019	Q3 2018	9M 2019	9M 2018	2018
Depreciations included in production cost	-715	-762	-2.267	-2.377	-3.270
EBITDA	2.469	-1.876	11.792	851	1.204
<i>EBITDA fixed herd prices</i>	<i>3.648</i>	<i>521</i>	<i>7.201</i>	<i>2.613</i>	<i>2.410</i>

Lithuania accounted for 59 % of Group revenue in Q3 2019 (Q2 2019: 51 %).

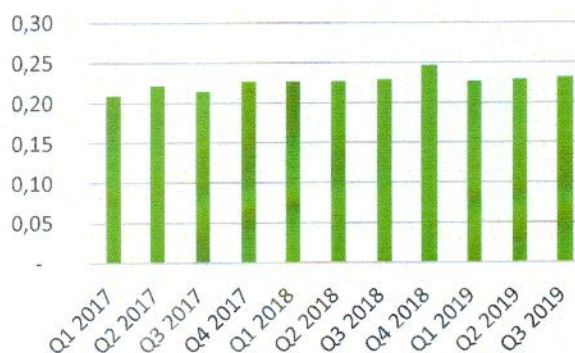
The EBITDA fixed herd price for Q3 2019 amounted to 3,648 kEUR corresponding to an EBITDA margin of 21.4% (Q3 2018: 521 kEUR and EBITDA margin 3.9 %). The EBITDA increased compared to Q3 2018 of 3,127 kEUR is mainly due to positive development in sales prices with 3,364 kEUR.

The sales price increased 26 % compared to Q3 2018 to an average 1,27 EUR per kilo slaughter pigs' live weight in Q3 2019 (Q3 2018: 1,01 EUR per kilo live weight slaughter pigs) with 3,364 kEUR positive effect.

Sales price EUR per kg - live weight



Feed EUR per kg



Russia

EUR '000	Q3 2019	Q3 2018	9M 2019	9M 2018	2018
Revenue	12.105	12.752	33.916	34.406	46.261
Value adjustment, biological assets	-1.756	-360	-3.098	1.887	3.762
Production costs	-7.328	-8.338	-26.771	-25.716	-35.692
Administrative costs	-359	-326	-1.071	-1.028	-1.414
Other income	141	73	698	408	579
Other expense	-14	-8	-66	-59	-102
Operating profit	2.790	3.793	3.607	9.898	13.395
Net Financials	-455	-434	-1.274	-1.494	-2.218
Foreign exchange adjustments	-40	126	-59	341	53
Profit before tax	2.295	3.486	2.273	8.745	11.229
Tax on profit for the year	-0	-8	-1	-30	-30
Profit for the period	2.294	3.477	2.272	8.716	11.200

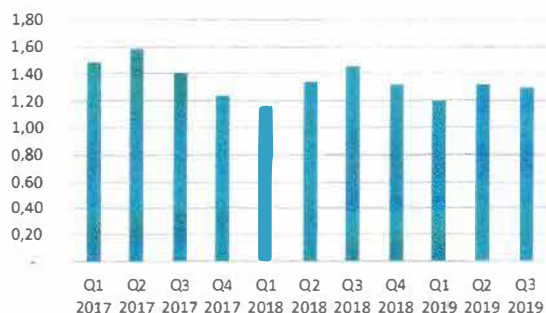
EUR '000	Q3 2019	Q3 2018	9M 2019	9M 2018	2018
Depreciations included in production cost	-1.022	-988	-3.357	-3.091	-4.235
EBITDA	3.812	4.781	6.964	12.989	17.630
<i>EBITDA fixed herd prices</i>	<i>5.567</i>	<i>5.142</i>	<i>10.063</i>	<i>11.102</i>	<i>13.868</i>

Russia accounted for 41 % of Group revenue in Q3 2019 (Q2 2018: 49 %).

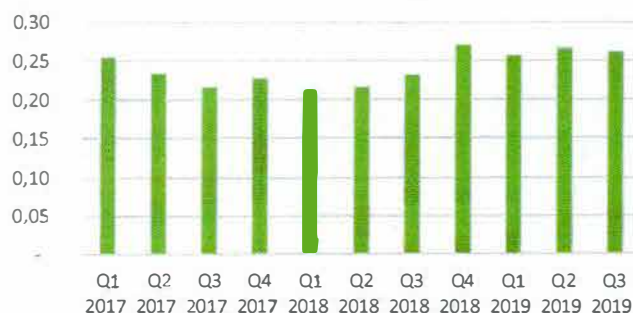
The EBITDA fixed herd price for Q3 2019 amounted to 5,567 kEUR corresponding to an EBITDA margin of 26.6 % (Q2 2018: 5,142 kEUR and EBITDA margin 31.5 %) a increase of 425 kEUR, hence the negative price effect of from sales and feed of 2,330 kEUR is fully compensated by increase in harvest EBITDA of 2,757 kEUR (3,814 kEUR compared to 1,057 kEUR Q3 2018). The harvest EBITDA was primarily better due to higher yields.

The sales price decreased 11 % compared to Q3 2018 to an average 1,29 EUR per kilo slaughter pigs' live weight (Q3 2018: 1,46 EUR per kilo live weight slaughter pigs) with 1,434 kEUR negative effect, and the increase of feed prices of 12% result in the negative impact of 896 kEUR.

Sales price EUR per kg - live weight



Feed EUR per kg



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 September 2019 as well as of the results of the Group operations and cash flows for the period 1 January – 30 September 2019.

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



Leo Grønval



Ole B. Hansen

Financial Statement

Income Statement

EUR '000	Q3 2019	Q3 2018	9M 2019	9M 2018	2018
Revenue	29.161	26.243	79.640	74.926	99.518
Value adjustment, biological assets	-2.934	-2.757	1.494	125	2.556
Production costs	-21.312	-22.103	-66.916	-65.493	-88.854
Administrative costs	-977	-1.007	-3.144	-3.245	-4.666
Other income	559	582	1.733	1.389	1.674
Other expense	-115	4	-211	-68	-102
Operating profit	4.380	963	12.594	7.634	10.126
Net Financials	-1.628	-1.659	-4.958	-4.928	-6.921
Foreign exchange adjustments	266	-659	1.593	-1.505	-2.375
Profit before tax	3.019	-1.356	9.229	1.201	830
Tax on profit for the year	-408	55	-626	36	383
Profit for the period	2.611	-1.300	8.602	1.237	1.213

EUR '000	Q3 2019	Q3 2018	9M 2019	9M 2018	2018
Depreciations included in production cost	-1.737	-1.750	-5.625	-5.468	-7.510
EBITDA	6.117	2.713	18.219	13.102	17.636
<i>EBITDA fixed herd prices</i>	<i>9.052</i>	<i>5.470</i>	<i>16.725</i>	<i>12.977</i>	<i>15.080</i>

Statement of comprehensive income

EUR '000	Q3 2019	Q3 2018	9M 2019	9M 2018	2018
Profit for the period	2.611	-1.300	8.602	1.237	1.213
Other comprehensive income					
Exchange adjustments, foreign subsidiaries	1.114	-1.896	5.834	-4.124	-5.785
Hedge accounting	-577	790	-876	1.071	901
Other comprehensive income to be reclassified to profit or loss in subsequent periods	537	-1.106	4.958	-3.053	-4.884
Other comprehensive income not to be reclassified to profit or loss in subsequent periods	-	-	-	-	-
Total comprehensive income	3.148	-2.407	13.560	-1.815	-3.671

Assets

EUR '000	Q3 2019	Q3 2018	9M 2019	9M 2018	2018
Intangible assets	1.313	1.312	1.313	1.312	1.296
Property, Plant and Equipment	93.095	85.941	93.095	85.941	86.755
Biological Assets, Breeding herd	14.429	13.659	14.429	13.659	14.194
Deferred tax	757	760	757	760	757
Financial fixed assets	451	4	451	4	445
Total non-current assets	110.044	101.676	110.044	101.676	103.447
Inventories	14.555	9.616	14.555	9.616	10.160
Biological Assets, Commercial herd	26.939	21.243	26.939	21.243	21.739
Biological Assets, Arable	1.014	851	1.014	851	1.453
Biological Assets	27.953	22.093	27.953	22.093	23.192
Trade receivables	3.554	2.612	3.554	2.612	2.194
Other receivables	1.670	4.982	1.670	4.982	1.930
Prepayments	1.518	2.266	1.518	2.266	1.117
Income taxes receivables	-	-	-	-	464
Receivables	6.742	9.860	6.742	9.860	5.706
Assets held for sale	-	-	-	-	-
Cash	28.103	36.425	28.103	36.425	38.462
Total current assets	77.355	77.995	77.355	77.995	77.519
Total Assets	187.399	179.671	187.399	179.671	180.966

Liabilities and Equity

EUR '000	Q3 2019	Q3 2018	9M 2019	9M 2018	2018
Share capital	1.000	1.000	1.000	1.000	1.000
Share premium	-	-	-	-	-
Exchange adjustments	-26.715	-30.888	-26.715	-30.888	-32.549
Other reserves	-512	534	-512	534	364
Retained earnings	90.188	81.609	90.188	81.609	81.585
Equity	63.960	52.256	63.960	52.256	50.400
Borrowings	96.432	92.341	96.432	92.341	96.436
Grants	1.915	775	1.915	775	1.925
Deferred tax	1.589	2.030	1.589	2.030	1.594
Provisions	134	134	134	134	134
Other non-current liabilities	39	301	39	301	39
Non current liabilities	100.109	95.582	100.109	95.582	100.128
Borrowings	11.826	22.243	11.826	22.243	20.345
Trade payables	8.540	7.078	8.540	7.078	8.208
Income taxes payables	540	-297	540	-297	-
Other payables	2.423	2.808	2.423	2.808	1.887
Current liabilities	23.329	31.832	23.329	31.832	30.439
Total liabilities	123.437	127.414	123.437	127.414	130.567
Total Equity and Liabilities	187.398	179.670	187.398	179.670	180.967

Cash Flow Statement

EUR '000	Q3 2019	Q3 2018	9M 2019	9M 2018	2018
Operating profit/loss	4.380	963	12.594	7.634	10.126
Adjustment for non-cash operating items	6.046	5.298	3.255	6.414	5.574
	10.427	6.261	15.849	14.048	15.700
Change in working capital incl. herd	- 2.672	- 3.413	- 5.938	- 6.086	- 3.045
Cash flow from ordinary activities before financials	7.755	2.848	9.911	7.962	12.655
Net financials	- 1.799	- 1.659	- 4.958	- 4.928	-
Corporate tax paid	- 115	- 287	373	772	- 1.027
Cash flow from ordinary activities	5.841	902	5.325	2.262	11.628
Cash flow from investing activities	- 3.395	- 2.579	- 5.243	- 7.564	- 11.865
Proceeds from borrowings	- 6.370	6.199	-	18.880	24.558
Repayments of borrowings	1.499	- 4.362	- 11.550	- 13.352	- 14.744
Dividends paid to shareholders	-	-	-	-	-
Deposit on Escrow account	-	-	-	-	-
Cash flow from financing activities	- 4.871	1.837	- 11.550	5.529	9.814
Cash and cash equivalents primo priod	5.587	11.955	13.586	12.451	12.457
Change in cash and cash equivalents	- 2.425	159	- 11.467	228	3.224
Exchange adjustments	64	- 689	1.108	- 1.254	- 2.095
Cash and cash equivalents end priod	3.227	11.424	3.227	11.424	13.586

The group furthermore has 10,700 kEUR overdraft facilities not utilized at period-end and own 1.200 kEUR Idavang Bonds.

Statement of changes in equity

Statement of changes in equity

EUR '000	Share capital	Share premium	Exchange adjustment	Other reserves	Retained earnings	Total		
Equity at 1st January 2019	1.000	-	-	32.549	364	81.585	50.400	
Profit/Loss for the period					8.602		8.602	
Other comprehensive income			5.834	-	876		4.958	
Total comprehensive income	-	-	5.834	-	876	8.602	13.560	
Dividend							-	
Transfer							-	
Equity at 30th September 2019	1.000	-	-	26.715	-	512	90.187	63.960

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							1.213	1.213
Other comprehensive income			-	5.785	901		-	4.884
Total comprehensive income	-	-	-	5.785	901	1.213	-	3.671
Dividend								-
Transfer		-						-
Equity at 31st December 2018	1.000	-	-	32.549	364	81.585		50.400

Notes

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

The interim condensed consolidated financial statements for the 6 months ended 30 June 2019 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 2018.

The Group's accounting policies is unchanged compared with the Group's annual financial statements as at 31 December 2018.

Note 2 Biological assets measured at fair value

The change in the value of biological assets for Q3 2019 is stated in the below table. The total change in fair value is included in revenue reported in the income statement.

EUR '000	Q3 2019	9M 2019	2018
Commercial herd primo	28.694	21.739	22.455
Change in fair value	-1.921	3.712	736
Exchange adjustments	166	1.488	-1.452
Commercial herd ultimo	26.939	26.939	21.739
Breeding herd primo	14.788	14.194	14.235
Change in fair value	-492	-581	874
Exchange adjustments	133	816	-915
Breeding herd ultimo	14.429	14.429	14.194
Herd total primo	43.482	35.933	36.690
Change in fair value due to volume	521	1.637	-946
Change in fair value due to price	-2.934	1.494	2.556
Exchange adjustments	299	2.304	-2.367
Herd total ultimo	41.368	41.368	35.933
Crop primo	3.659	1.453	579
Change in fair value due to volume	-2.679	-628	1.024
Change in fair value due to price	-	-	-
Exchange adjustments	34	189	-150
Crop ultimo	1.014	1.014	1.453
Total Biological Assets primo	47.141	37.386	37.269
Change in fair value due to volume	-2.158	1.009	78
Change in fair value due to price	-2.934	1.494	2.556
Exchange adjustments	333	2.493	-2.517
Total Biological Assets ultimo	42.382	42.382	37.386

Note 3 Segment reporting

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

Q3 2019				
EUR '000	Lithuania	Russia	Other / Eliminations	Group
Revenue	17.056	12.105	-	29.161
Value adjustment, biological assets	- 1.179	- 1.756	-	- 2.934
Production costs	- 13.984	- 7.328	-	- 21.312
Administrative costs	- 455	- 359	- 163	- 977
Other income	418	141	-	559
Other expense	- 101	- 14	-	- 115
Operating profit	1.754	2.790	- 163	4.380
Net Financials	- 250	- 455	- 923	- 1.628
Foreign exchange adjustments	-	- 40	306	266
Profit before tax	1.505	2.295	- 780	3.019
Tax on profit for the year	- 408	- 0	-	- 408
Profit for the period	1.097	2.294	- 780	2.611
EUR '000				
Depreciations included in production cost	- 715	- 1.022	-	- 1.737
EBITDA	2.469	3.812	- 163	6.117
<i>EBITDA fixed herd prices</i>	<i>3.648</i>	<i>5.567</i>	<i>- 163</i>	<i>9.052</i>

Q3 2018				
EUR '000	Lithuania	Russia	Other / Eliminations	Group
Revenue	13.492	12.752	-	26.243
Value adjustment, biological assets	- 2.397	- 360	-	- 2.757
Production costs	- 13.764	- 8.338	-	- 22.103
Administrative costs	- 467	- 326	- 214	- 1.007
Other income	509	73	-	582
Other expense	- 10	- 8	22	4
Operating profit	2.638	3.793	- 192	963
Net Financials	- 289	- 434	- 937	- 1.659
Foreign exchange adjustments	-	126	- 785	- 659
Profit before tax	2.927	3.486	- 1.914	1.356
Tax on profit for the year	63	8	-	55
Profit for the period	2.864	3.477	- 1.914	1.300
EUR '000				
Depreciations included in production cost	- 762	- 988	-	- 1.750
EBITDA	1.876	4.781	- 192	2.713
<i>EBITDA fixed herd prices</i>	<i>521</i>	<i>5.142</i>	<i>- 192</i>	<i>5.470</i>

9M 2019							
EUR '000	Lithuania		Russia		Other / Eliminations		Group
Revenue		45.725		33.916		-	79.640
Value adjustment, biological assets		4.592	-	3.098		-	1.494
Production costs	-	40.145	-	26.771		-	- 66.916
Administrative costs	-	1.536	-	1.071	-	538	- 3.144
Other income		1.035		698		-	1.733
Other expense	-	145	-	66		-	- 211
Operating profit		9.525		3.607	-	538	12.594
Net Financials	-	798	-	1.274	-	2.886	- 4.958
Foreign exchange adjustments		-	-	59		1.652	1.593
Profit before tax		8.727		2.273	-	1.772	9.229
Tax on profit for the year	-	625	-	1		-	- 626
Profit for the period		8.101		2.272	-	1.772	8.602
EUR '000							
Depreciations included in production cost	-	2.267	-	3.357		-	- 5.625
EBITDA		11.792		6.964	-	538	18.219
<i>EBITDA fixed herd prices</i>		<i>7.201</i>		<i>10.063</i>	-	<i>538</i>	<i>16.725</i>
9M 2018							
EUR '000	Lithuania		Russia		Other / Eliminations		Group
Revenue		40.520		34.406		-	74.926
Value adjustment, biological assets	-	1.762		1.887		-	125
Production costs	-	39.777	-	25.716		-	- 65.493
Administrative costs	-	1.488	-	1.028	-	729	- 3.245
Other income		982		408		-	1.389
Other expense		-	-	59	-	9	- 68
Operating profit	-	1.526		9.898	-	738	7.634
Net Financials	-	743	-	1.494	-	2.692	- 4.928
Foreign exchange adjustments		-		341	-	1.846	- 1.505
Profit before tax	-	2.268		8.745	-	5.276	1.201
Tax on profit for the year		66	-	30		-	36
Profit for the period	-	2.202		8.716	-	5.276	1.237
EUR '000							
Depreciations included in production cost	-	2.377	-	3.091		-	- 5.468
EBITDA		851		12.989	-	738	13.102
<i>EBITDA fixed herd prices</i>		<i>2.613</i>		<i>11.102</i>	-	<i>738</i>	<i>12.977</i>

2018					
EUR '000	Lithuania	Russia	Other / Eliminations		Group
Revenue	53.257	46.261	-		99.518
Value adjustment, biological assets	- 1.206	3.762	-		2.556
Production costs	- 53.158	- 35.692	- 5		- 88.854
Administrative costs	- 2.054	- 1.414	- 1.194		- 4.661
Other income	1.095	579	-		1.674
Other expense	-	- 102	- 4		- 106
Operating profit	- 2.066	13.395	- 1.203		10.126
Net Financials	- 1.042	- 2.218	- 3.660		- 6.921
Foreign exchange adjustments	-	53	- 2.428		- 2.375
Profit before tax	- 3.108	11.229	- 7.291		830
Tax on profit for the year	413	30	-		383
Profit for the period	- 2.695	11.200	- 7.291		1.213
EUR '000					
Depreciations included in production cost	- 3.270	- 4.235	- 3		- 7.508
EBITDA	1.204	17.630	- 1.200		17.634
<i>EBITDA fixed herd prices</i>	<i>2.410</i>	<i>13.868</i>	<i>- 1.200</i>		<i>15.078</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 2018 the full obligation of Idavang A/S and Jast ApS constitute a payment of apx. 9.8 mEUR. The obligation is revaluated every year on the results for financial year.

Quarterly Financial Highlights and Key Ratios

EUR '000	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018
Income statement						
Revenue	29.161	27.462	23.018	24.592	26.243	25.282
EBITDA	6.117	10.194	1.907	4.535	2.713	4.935
EBITDA fixed herd price	9.052	6.928	745	2.104	5.470	4.490
EBIT	4.380	8.242	- 28	2.492	963	3.116
Financial items, net	- 1.362	- 1.342	- 663	- 2.863	- 2.318	- 2.134
Profit/(loss) for the period	2.611	6.424	- 433	- 24	- 1.300	963
Cash flow						
Operating activity	5.841	3.226	- 3.741	3.013	902	774
Investing activity	- 3.395	- 1.170	- 678	- 4.301	- 2.579	- 4.102
Financing activity	- 4.871	- 1.498	- 5.182	4.285	1.837	9.196
Free cash flow	4.246	3.398	- 2.601	136	19	1.743
Balance sheet						
Non-current assets	110.044	109.036	107.128	103.447	101.676	103.082
Net working capital	23.154	28.797	22.322	18.764	22.063	24.921
Net operating assets	133.198	137.834	129.450	122.211	123.739	128.004
Total assets	187.398	187.345	180.718	180.966	179.670	182.159
Equity	63.960	60.812	53.507	50.400	52.256	54.662
Net interest bearing debt	80.155	82.372	83.720	78.319	78.156	76.920
Key financials Group						
EBITDA margin	21,0%	37,1%	8,3%	18,4%	10,3%	19,5%
EBITDA margin - fixed herd prices	31,0%	25,2%	3,2%	8,6%	20,8%	17,8%
Cash conversion	46,9%	49,0%	-349,1%	6,5%	-0,3%	-38,8%
NIBD / EBITDA fixed price LTM	4,3	5,4	6,5	5,2	5,0	4,4
Equity ratio	34,1%	32,5%	29,6%	27,9%	29,1%	30,0%

Appendix / Production information

Idavang Group

	Q3 2019	Q2 2019	Q1 2019	Q4 2018
Number of Sows				
Lithuania	15.293	15.124	14.577	14.428
Russia	10.184	10.014	9.978	9.846
Total	25.477	25.138	24.555	24.274
Pigs sold (slaughterpigs, Weaners and Sows)				
Lithuania	119.249	114.015	115.141	117.521
Russia	87.340	78.701	85.791	86.747
Total	206.589	192.716	200.932	204.268
Displacement				
Lithuania	- 1.195	5.041	- 2.232	- 5.137
Russia	4.005	9.176	- 427	- 2.548
Total	2.810	14.217	- 2.659	- 7.685
Total production				
Lithuania	118.054	119.056	112.909	112.384
Russia	91.345	87.877	85.364	84.199
Total	209.399	206.933	198.273	196.583
Feed cost kEUR				
Lithuania	- 8.854	- 8.828	- 8.878	- 9.876
Russia	- 7.395	- 6.869	- 6.575	- 6.741
Total	- 16.249	- 15.697	- 15.453	- 16.617
Feed conversion kg/kg				
	Q3 2019	Q2 2019	Q1 2019	Q4 2018
Lithuania	2,91	2,84	2,98	2,97
Russia	2,92	2,84	2,91	2,78
Group	2,91	2,84	2,95	2,89