

Company announcement no 22/2020

Interim Report Q3 2020

EBITDA fixed herd prices (FHP) for Q3 2020 decreased to 7,253 mEUR (Q3 2019: 9,052 kEUR), corresponding to an EBITDA margin FHP of 29.3% (Q3 2019: 31.0%). Q3 harvest influenced EBITDA margin significantly, as it is EBITDA without revenue. Harvest EBITDA was Q3 2020 3.8 mEUR and Q3 2019 3.8 mEUR, EBITDA margin FHP (without harvest) was 14.1% (Q3 2019: 18.0%).

Sales prices in Q3 were 1.12 EUR/kg live weight down from 1,14 EUR/kg (Q2 2020). The price decrease from Q2 has been driven by a Corona impact on the supply chain and effect from ASF outbreak in Germany, partly compensated with that Russian prices have rebounded somewhat due to season and increasing export from Russia to Vietnam.

The outlook is highly uncertain with the ASF situation in China/Germany and a potential rebound of Coronavirus impacting supply chains.

Feed prices in Q3 were 229 EUR/T as in Q2 2020 (compared to 244 EUR/T Q3 2019). A significant amount of grain is hedged until harvest 2021 either in storage or contract, reducing feed price fluctuations.

The herd valuation in Q3 decreased by 3,821 mEUR (compared to 30.06.2020). Lower prices drove the decrease in EU and Lithuania, partly compensated by Russia.

Free cash flow was 3,771 kEUR in Q3 2020 (Q3 2019: 2.294 kEUR). Net interest-bearing debt has last quarter decreased from 68,3 mEUR to 64,0 mEUR driven by operational cashflow Q3 (3,1 mEUR) and devaluating in Q3 (2,4 mEUR).

Idavang expects IFC put option being called during November month.

Selected financial highlights and key ratios

EUR millions	Q3 2020	Q3 2019	9M 2020	9M 2019	2019
Total revenue	24.728	29.161	79.284	79.640	110.540
EBITDA	3.432	6.117	14.115	18.219	26.918
EBITDA margin	13,9%	21,0%	17,8%	22,9%	24,4%
EBITDA fixed herd price	7.253	9.052	19.258	16.725	22.829
EBITDA margin fixed herd price	29,3%	31,0%	24,3%	21,0%	20,7%
Net income	-1.477	2.611	283	8.602	10.979
Free cash flow	3.771	2.294	25.168	5.041	-807
Net interest-bearing debt	63.995	80.155	63.995	80.155	90.143

Further information

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

Media - Jytte Rosenmaj, Board Member phone +45 26 73 46 99

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 2020	Q3 2019	9M 2020	9M 2019	2019
Income statement					
Revenue	24.728	29.161	79.284	79.640	110.540
EBITDA	3.432	6.117	14.115	18.219	26.918
EBITDA fixed herd price	7.253	9.052	19.258	16.725	22.829
EBIT	1.648	4.380	8.522	12.594	18.419
Financial items, net	-3.628	-1.362	-8.171	-3.366	-4.803
Profit/(loss) for the period	-1.477	2.611	283	8.602	10.979
Cash flow					
Operating activity	882	3.889	21.594	5.325	2.710
Investing activity	-739	-3.395	-2.751	-5.243	-9.593
Financing activity	-1.504	-4.871	-15.362	-11.550	-2.769
Free cash flow	3.771	2.294	25.168	5.041	-807
Balance sheet					
Non-current assets	97.979	110.044	97.979	110.044	115.024
Net working capital	11.883	23.154	11.883	23.154	32.075
Net operating assets	109.862	133.198	109.862	133.198	147.099
Total assets	167.393	187.398	167.393	187.398	200.082
Equity	54.211	63.960	54.211	63.960	67.348
Net interest bearing debt	63.995	80.155	63.995	80.155	90.143
Key financials Group					
EBITDA margin	13,9%	21,0%	17,8%	22,9%	24,4%
EBITDA margin - fixed herd prices	29,3%	31,0%	24,3%	21,0%	20,7%
Cash conversion - fixed herd prices	52%	25%	131%	30%	-4%
NIBD / EBITDA fixed price LTM	2,5	4,3	2,5	4,3	3,9
Equity ratio	32,4%	34,1%	32,4%	34,1%	33,7%

Management's Review

Income statement

Revenue

The revenue for Q3 2020 was 24,728 kEUR (Q3 2019: 29,161 kEUR) down 15%. The lower sale is due to lower sales prices of 13% compared to Q3 2019, partly compensated with higher volume.

Value adjustment, biological assets

The herd valuation in Q3 decreased by 3,821 mEUR (compared to 30.06.2020). Lower prices drove the decrease in EU and Lithuania, partly compensated by Russia.

EBITDA fixed herd prices (FHP)

EBITDA fixed herd prices (FHP) for Q3 2020 decreased to 7,253 mEUR (Q3 2019: 9,052 kEUR), corresponding to an EBITDA margin FHP of 29.3% (Q3 2019: 31.0%). Q3 harvest influenced EBITDA margin significantly, as it is EBITDA without revenue. Harvest EBITDA was Q3 2020 3.8 mEUR and Q3 2019 3.8 mEUR, EBITDA margin FHP (without harvest) was 14.1% (Q3 2019: 18.0%).

Sales prices in Q3 were 1.12 EUR/kg live weight down from 1,14 EUR/kg (Q2 2020). The price decrease from Q2 has been driven by a Corona impact on the supply chain and effect from ASF outbreak in Germany, partly compensated with that Russian prices have rebounded somewhat due to increasing export from Russia to Vietnam.

Feed prices in Q3 were 229 EUR/T where unchanged compared to Q1 and Q2 2020 (compared to 244 EUR/T Q3 2019). A significant amount of grain is hedged until harvest 2021 either in storage or contract, reducing fluctuations on feed price.

Net financials

The net interest expenses for Q3 2020 decrease 239 kEUR to 1,389 kEUR (Q3 2019: 1,628 kEUR). Interest in Q3 2020 is positively impacted by more own bonds (152 kEUR lower bond interest) and 39 kEUR in savings on repurchased bonds (price below par).

Foreign exchange adjustments in Q3 2020 was negative with 2,238 kEUR (Q3 2019 +266 kEUR), the foreign exchange adjustments are driven mainly by currency fluctuations in intercompany debt (2,080 kEUR Q3 2020) hence limited cash effect.

Balance Sheet

At 30 September 2020, Idavang's balance sheet amounted to 167,393 kEUR (December 2019: 200,082 kEUR).

Equity on 30th September 2020 amounted to EUR 54.2m at an equity ratio of 32%.

Net interest-bearing debt has last quarter decreased from 68,3 mEUR to 64,0 mEUR driven by operational cashflow Q3 (3,1 mEUR) and devaluating in Q3 (2,4 mEUR).

The networking capital decreased to 11,883 kEUR (from 32,075 kEUR Q4 2019). The decrease of 20,192 kEUR is mainly due to 10,390 kEUR due to adverse price and exchange rate effect on the commercial herd, lower inventories due to higher hedge level with contracts (-3,215 kEUR), and factoring of Lithuanian trade receivables (as buying bond below par is more attractive than factoring).

Cash flow

Cash flow from ordinary activities for Q3 2020 decreased to 3,120 kEUR (Q3 2019: 3,889 kEUR). The decrease of 769 kEUR consists of mainly of two factors, EBITDA FHP decreased cash flows with 1,799 kEUR and improvement of networking capital in 2020 compared to 2019.

Events after the balance sheet date

- No events after the balance sheet date

Development in segments in Q3 2020

Lithuania

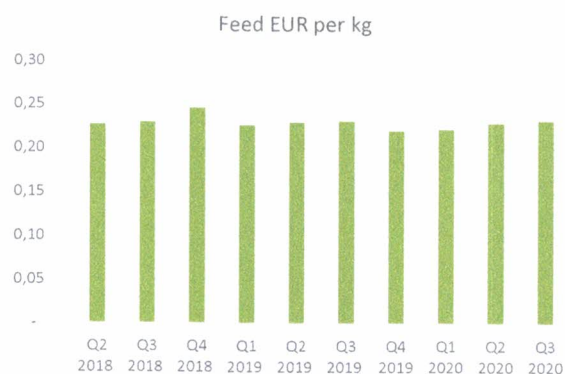
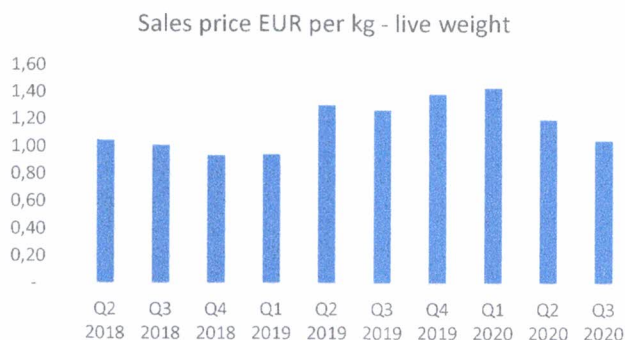
EUR '000	Q3 2020	Q3 2019	9M 2020	9M 2019	2019
Revenue	13.396	17.056	34.841	45.725	65.052
Value adjustment, biological assets	-4.092	-1.179	-4.240	4.592	7.894
Production costs	-12.879	-13.984	-26.376	-40.145	-54.833
Administrative costs	-429	-455	-896	-1.536	-1.904
Other income	458	418	949	1.035	1.318
Other expense	-	-101	-2	-145	-147
Operating profit	-3.545	1.754	4.275	9.525	17.380
Net Financials	-208	-250	-491	-798	-1.105
Foreign exchange adjustments	-	-	-	-	-
Profit before tax	-3.753	1.505	3.785	8.727	16.275
Tax on profit for the year	502	-408	-525	-625	-2.382
Profit for the period	-3.251	1.097	3.259	8.101	13.893

EUR '000	Q3 2020	Q3 2019	9M 2020	9M 2019	2019
Depreciations included in production cost	-761	-715	-1.464	-2.267	-3.895
EBITDA	-2.784	2.469	5.739	11.792	21.275
<i>EBITDA fixed herd prices</i>	<i>1.309</i>	<i>3.648</i>	<i>9.980</i>	<i>7.201</i>	<i>13.381</i>

Lithuania accounted for 54 % of Group revenue in Q3 2020 (Q3 2019: 58 %).

The EBITDA fixed herd price for Q3 2020 amounted to 1,309 kEUR, corresponding to an EBITDA margin of 10.0% (Q3 2019: 3,648 kEUR and EBITDA margin 21.4 %). The EBITDA decreased compared to Q3 2019 by 2.339 kEUR. The EBITDA is influenced by negative development in sales prices of 2,895 kEUR, partly compensated by cost reductions, especially in maintenance cost.

The sales price decreased 18 % compared to Q3 2019 to an average of 1,05 EUR per kilo slaughter pigs' live weight in Q3 2020 (Q3 2019: 1,27 EUR per kilo live weight slaughter pigs) with 2,895 kEUR negative effect.



Russia

EUR '000	Q3 2020	Q3 2019	9M 2020	9M 2019	2019
Revenue	11.331	12.105	19.715	33.916	45.488
Value adjustment, biological assets	271	-1.756	2.919	-3.098	-3.805
Production costs	-5.972	-7.328	-19.432	-26.771	-38.828
Administrative costs	-274	-359	-594	-1.071	-1.496
Other income	38	141	337	698	981
Other expense	-10	-14	-43	-66	-109
Operating profit	5.383	2.790	2.902	3.607	2.231
Net Financials	-350	-455	-703	-1.274	-1.532
Foreign exchange adjustments	-158	-40	-71	-59	-83
Profit before tax	4.875	2.295	2.128	2.273	615
Tax on profit for the year	2	-0	-46	-1	-256
Profit for the period	4.877	2.294	2.082	2.272	359

EUR '000	Q3 2020	Q3 2019	9M 2020	9M 2019	2019
Depreciations included in production cost	-1.023	-1.022	-2.341	-3.357	-4.598
EBITDA	6.406	3.812	5.242	6.964	6.829
<i>EBITDA fixed herd prices</i>	<i>6.135</i>	<i>5.567</i>	<i>2.324</i>	<i>10.063</i>	<i>10.634</i>

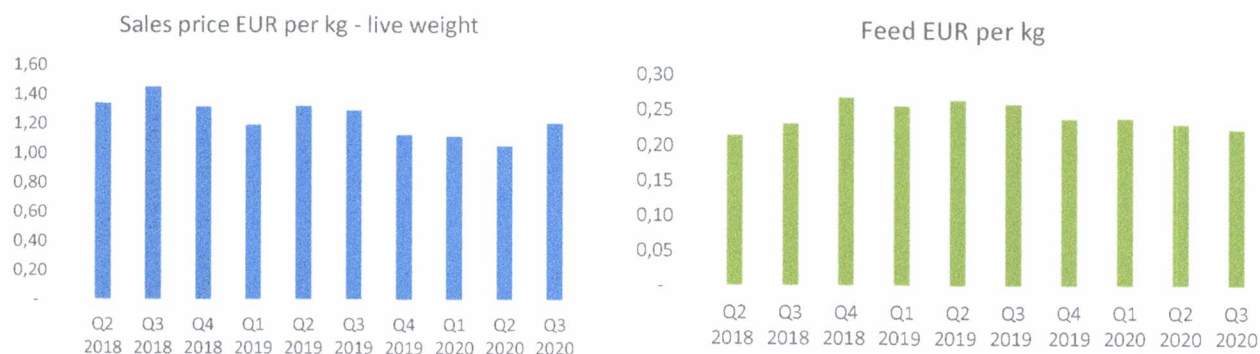
Russia accounted for 46 % of Group revenue in Q3 2020 (Q3 2019: 42 %).

The EBITDA fixed herd price for Q3 2020 amounted to 6,135 kEUR, corresponding to an EBITDA margin of 54.1 % (Q3 2019: 5,567 kEUR and EBITDA margin 46.0 %), an increase of 568 kEUR. Development in EBITDA is mainly negative from sales price development 772 kEUR, a decrease of feed prices of 13% result in a positive impact of 961 kEUR and general cost reductions.

Q3 harvest influenced EBITDA margin significantly, as it is EBITDA without revenue, hence EBITDA margin FHP (without harvest) was 20.8% (Q3 2019: 14.3%).

Harvest EBITDA was 59 kEUR lower in Q3 2020 (3,776 kEUR compared to 3,835 kEUR Q3 2019). The harvest EBITDA was affected by lower yields, but which were neutralized by higher prices than 2019.

The sales price decreased 7 % compared to Q3 2019 to an average of 1,21 EUR per kilo slaughter pigs' live weight (Q3 2019: 1,29 EUR per kilo live weight slaughter pigs) with 772 kEUR negative effect,



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 30th September 2020 as well as of the results of the Group operations and cash flows for the period 1st January – 30th September 2020.

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 Baltersen

CEO



Michael Thuesen Henriksen

CFO

Board of Directors



Niels Hermansen

Chairman



Jytte Rosenmaj



Carsten Lund Thomsen



Claus Baltersen



Ole B. Hansen

Financial Statement

Income Statement

EUR '000	Q3 2020	Q3 2019	9M 2020	9M 2019	2019
Revenue	24.728	29.161	79.284	79.640	110.540
Value adjustment, biological assets	-3.821	-2.934	-5.142	1.494	4.089
Production costs	-18.851	-21.312	-64.664	-66.916	-93.667
Administrative costs	-893	-977	-2.675	-3.144	-4.586
Other income	495	559	1.782	1.733	2.305
Other expense	-10	-115	-62	-211	-262
Operating profit	1.648	4.380	8.522	12.594	18.419
Net Financials	-1.389	-1.628	-4.123	-4.958	-6.563
Foreign exchange adjustments	-2.238	266	-4.047	1.593	1.760
Profit before tax	-1.980	3.019	351	9.229	13.616
Tax on profit for the year	504	-408	-68	-626	-2.638
Profit for the period	-1.477	2.611	283	8.602	10.979
EUR '000	Q3 2020	Q3 2019	9M 2020	9M 2019	2019
Depreciations included in production cost	-1.785	-1.737	-5.594	-5.625	-8.498
EBITDA	3.432	6.117	14.115	18.219	26.917
<i>EBITDA fixed herd prices</i>	<i>7.253</i>	<i>9.052</i>	<i>19.258</i>	<i>16.725</i>	<i>22.829</i>

Statement of comprehensive income

EUR '000	Q3 2020	Q3 2019	9M 2020	9M 2019	2019
Profit for the period	-1.477	2.611	283	8.602	10.979
Other comprehensive income					
Exchange adjustments, foreign subsidiaries	-7.912	1.114	-13.823	5.834	6.321
Hedge accounting	254	-577	403	-876	-352
Other comprehensive income to be reclassified to profit or loss in subsequent periods	-7.658	537	-13.420	4.958	5.969
Other comprehensive income not to be reclassified to profit or loss in subsequent periods	-	-	-	-	-
Total comprehensive income	-9.135	3.148	-13.137	13.560	16.948

Assets

EUR '000	Q3 2020	Q3 2019	9M 2020	9M 2019	2019
Intangible assets	1.229	1.313	1.229	1.313	1.305
Property, Plant and Equipment	79.509	93.095	79.509	93.095	96.745
Biological Assets, Breeding herd	16.033	14.429	16.033	14.429	15.772
Deferred tax	757	757	757	757	757
Financial fixed assets	450	451	450	451	445
Total non-current assets	97.979	110.044	97.979	110.044	115.024
Inventories	12.383	14.555	12.383	14.555	15.599
Biological Assets, Commercial herd	20.165	26.939	20.165	26.939	27.662
Biological Assets, Arable	611	1.014	611	1.014	1.589
Biological Assets	20.776	27.953	20.776	27.953	29.251
Trade receivables	1.195	3.554	1.195	3.554	5.664
Other receivables	403	1.670	403	1.670	1.715
Prepayments	838	1.518	838	1.518	2.192
Income taxes receivables	-	-	-	-	351
Receivables	2.436	6.742	2.436	6.742	9.922
Cash	33.818	28.102	33.818	28.102	30.286
Total current assets	69.414	77.354	69.414	77.354	85.058
Total Assets	167.393	187.398	167.393	187.398	200.082

Liabilities and Equity

EUR '000	Q3 2020	Q3 2019	9M 2020	9M 2019	2019
Share capital	1.000	1.000	1.000	1.000	1.000
Exchange adjustments	-40.051	-26.715	-40.051	-26.715	-26.228
Other reserves	415	-512	415	-512	12
Retained earnings	92.847	90.188	92.847	90.188	92.564
Equity	54.211	63.960	54.211	63.960	67.348
Borrowings	81.974	96.432	81.974	96.432	92.735
Grants	1.636	1.915	1.636	1.915	2.003
Deferred tax	1.819	1.589	1.819	1.589	3.069
Provisions	134	134	134	134	134
Other non-current liabilities	39	39	39	39	39
Non current liabilities	85.602	100.109	85.602	100.109	97.980
Borrowings	16.289	11.826	16.289	11.826	27.694
Trade payables	8.269	8.540	8.269	8.540	5.332
Income taxes payables	1.083	540	1.083	540	-
Other payables	1.938	2.423	1.938	2.423	1.727
Current liabilities	27.579	23.329	27.579	23.329	34.753
Total liabilities	113.181	123.437	113.181	123.437	132.733
Total Equity and Liabilities	167.392	187.398	167.393	187.398	200.082

Cash Flow Statement

EUR '000	Q3 2020	Q3 2019	9M 2020	9M 2019	2019
Operating profit/loss	1.648	4.380	8.522	12.594	18.420
Adjustment for non-cash operating items	5.860	4.094	11.139	3.255	4.028
	7.507	8.475	19.661	15.849	22.448
Change in working capital incl. herd	- 3.126	- 2.672	8.142	- 5.938	- 12.613
Cash flow from ordinary activities before financials	4.382	5.803	27.803	9.911	9.835
Net financials	- 3.628	1.799	- 6.324	4.958	-
Corporate tax paid	128	115	115	373	1.049
Cash flow from ordinary activities	882	3.889	21.594	5.325	8.786
Cash flow from investing activities	- 739	- 3.395	- 2.751	- 5.243	- 9.593
Proceeds from borrowings	1.887	6.370	7.288	-	18.500
Repayments of borrowings	- 3.391	1.499	- 22.650	- 11.550	- 21.269
Dividends paid to shareholders	-	-	-	-	-
Deposit on Escrow account	-	-	-	-	-
Cash flow from financing activities	- 1.504	- 4.871	- 15.362	- 11.550	- 2.769
Cash and cash equivalents primo priod	9.888	7.539	5.524	13.586	13.586
Change in cash and cash equivalents	- 1.361	4.376	3.482	- 11.467	- 9.652
Exchange adjustments	566	64	88	1.108	1.590
Cash and cash equivalents end priod	9.093	3.227	9.093	3.227	5.524

The group furthermore has 7.600 kEUR overdraft facilities not utilized at period-end and own 10.300 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 2020	1.000	-	-	26.228	12	92.564	67.348
Profit/Loss for the period					283		283
Other comprehensive income			-	13.823	403	-	13.420
Total comprehensive income	-	-	-	13.823	403	283	- 13.137
Dividend							-
Transfer							-
Equity at 30th September 2020	1.000	-	-	40.051	415	92.847	54.211

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					10.979		10.979
Other comprehensive income			6.321	-	352		5.969
Total comprehensive income	-	-	6.321	-	352	10.979	16.948
Dividend							-
Transfer		-					-
Equity at 31st December 2019	1.000	-	-	26.228	12	92.564	67.348

Notes

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

The interim condensed consolidated financial statements for the 9 months ended 30th September 2020 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 31st December 2019.

The Group's accounting policies is unchanged compared with the Group's annual financial statements as at 31st December 2019.

Note 2 Biological assets measured at fair value

The change in the value of biological assets for Q3 2020 is stated in the below table. The total change in fair value is included in revenue reported in the income statement.

EUR '000	Q3 2020	Q3 2019	9M 2020	9M 2019	2019
Commercial herd primo	25.381	28.694	27.662	21.739	21.739
Change in fair value	-3.628	-1.921	-4.755	3.712	4.523
Exchange adjustments	-1.588	166	-2.742	1.488	1.400
Commercial herd ultimo	20.165	26.939	20.165	26.939	27.662
Breeding herd primo	16.101	14.788	15.772	14.194	14.194
Change in fair value	1.180	-492	2.396	-581	637
Exchange adjustments	-1.248	133	-2.135	816	941
Breeding herd ultimo	16.033	14.429	16.033	14.429	15.772
Herd total primo	41.482	43.482	43.434	35.933	35.933
Change in fair value due to volume	1.373	521	2.784	1.637	1.071
Change in fair value due to price	-3.821	-2.934	-5.142	1.494	4.089
Exchange adjustments	-2.837	299	-4.878	2.304	2.341
Herd total ultimo	36.198	41.368	36.198	41.368	43.434
Crop primo	3.154	1.589	1.589	1.453	1.453
Change in fair value due to volume	-2.477	-608	-608	-628	-73
Change in fair value due to price	-	-	-	-	-
Exchange adjustments	-66	34	-370	189	209
Crop ultimo	611	1.015	611	1.014	1.589
Total Biological Assets primo	44.636	45.071	45.023	37.386	37.386
Change in fair value due to volume	-1.104	-87	2.176	1.009	998
Change in fair value due to price	-3.821	-2.934	-5.142	1.494	4.089
Exchange adjustments	-2.903	333	-5.248	2.493	2.550
Total Biological Assets ultimo	36.809	42.383	36.809	42.382	45.023

Note 3 Segment reporting

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

Q3 2020					
EUR '000	Lithuania	Russia	Other / Eliminations		Group
Revenue	13.396	11.331	-		24.728
Value adjustment, biological assets	- 4.092	271	-	-	3.821
Production costs	- 12.879	- 5.972	-	-	18.851
Administrative costs	- 429	- 274	- 190	-	893
Other income	458	38	-		495
Other expense	-	- 10	-	-	10
Operating profit	- 3.545	5.383	- 190		1.648
Net Financials	- 208	- 350	- 832	-	1.389
Foreign exchange adjustments	-	- 158	- 2.080	-	2.238
Profit before tax	- 3.753	4.875	- 3.102		1.980
Tax on profit for the year	502	2	-		504
Profit for the period	- 3.251	4.877	- 3.102		1.477
EUR '000					
Depreciations included in production cost	- 761	- 1.023	-	-	1.785
EBITDA	- 2.784	6.406	- 190		3.432
<i>EBITDA fixed herd prices</i>	<i>1.309</i>	<i>6.135</i>	<i>- 190</i>		<i>7.253</i>
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>

9M 2020						
EUR '000	Lithuania		Russia		Other / Eliminations	Group
Revenue		48.237		31.046	-	79.284
Value adjustment, biological assets	-	8.332		3.190	-	5.142
Production costs	-	39.255	-	25.405	4	64.664
Administrative costs	-	1.325	-	869	482	2.675
Other income		1.407		375	-	1.782
Other expense	-	2	-	53	7	62
Operating profit		730		8.284	493	8.522
Net Financials	-	698	-	1.053	2.372	4.123
Foreign exchange adjustments		-	-	229	3.818	4.047
Profit before tax		32		7.003	6.684	351
Tax on profit for the year	-	24	-	44	-	68
Profit for the period		8		6.958	6.684	283
EUR '000						
Depreciations included in production cost	-	2.226	-	3.364	4	5.594
EBITDA		2.956		11.649	489	14.115
<i>EBITDA fixed herd prices</i>		<i>11.288</i>		<i>8.459</i>	<i>489</i>	<i>19.258</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>

2019					
EUR '000	Lithuania	Russia	Other / Eliminations		Group
Revenue	65.052	45.488	-		110.540
Value adjustment, biological assets	7.894	- 3.805	-		4.089
Production costs	- 54.833	- 38.828	- 5		- 93.667
Administrative costs	- 1.904	- 1.496	- 1.186		- 4.586
Other income	1.318	981	-		2.299
Other expense	- 147	- 109	-		- 256
Operating profit	17.380	2.231	- 1.192		18.419
Net Financials	- 1.105	- 1.532	- 3.926		- 6.563
Foreign exchange adjustments	-	- 83	1.844		1.760
Profit before tax	16.275	615	- 3.274		13.616
Tax on profit for the year	- 2.382	- 256	-		- 2.638
Profit for the period	13.893	359	- 3.274		10.979
<hr/>					
EUR '000					
Depreciations included in production cost	- 3.895	- 4.598	- 5		- 8.498
EBITDA	21.275	6.829	- 1.187		26.917
<i>EBITDA fixed herd prices</i>	<i>13.381</i>	<i>10.634</i>	<i>- 1.187</i>		<i>22.829</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 obligation of Idavang A/S and Jast ApS constitute a payment of 17.9 mEUR (until 31.12.2020), the value is confirmed by IFC.

Quarterly Financial Highlights and Key Ratios

EUR '000	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019
Income statement						
Revenue	24.728	25.826	28.730	30.900	29.161	27.462
EBITDA	3.432	- 2.666	13.349	8.699	6.117	10.194
EBITDA fixed herd price	7.253	4.754	7.250	6.104	9.052	6.928
EBIT	1.648	- 4.546	11.420	5.825	4.380	8.242
Financial items, net	- 3.628	- 387	- 4.156	- 1.437	- 1.362	- 1.342
Profit/(loss) for the period	- 1.477	- 4.728	6.487	2.376	2.611	6.424
Cash flow						
Operating activity	882	7.236	13.477	- 2.616	3.889	5.178
Investing activity	- 739	- 1.104	- 908	- 4.350	- 3.395	- 1.170
Financing activity	- 1.504	- 7.450	- 6.407	8.781	- 4.871	- 1.498
Free cash flow	3.771	7.695	13.702	- 5.849	2.294	5.350
Balance sheet						
Non-current assets	97.979	106.656	103.089	115.024	110.044	109.036
Net working capital	11.883	20.567	28.609	32.075	23.154	28.797
Net operating assets	109.862	127.224	131.698	147.099	133.198	137.834
Total assets	167.393	182.406	187.883	200.082	187.398	187.346
Equity	54.211	63.346	63.681	67.348	63.960	60.812
Net interest bearing debt	63.995	68.340	73.494	90.143	80.155	82.371
Key financials Group						
EBITDA margin	13,9%	-10,3%	46,5%	28,2%	21,0%	37,1%
EBITDA margin - fixed herd prices	29,3%	18,4%	25,2%	19,8%	31,0%	25,2%
Cash conversion	52,0%	161,9%	189,0%	-95,8%	25,3%	77,2%
NIBD / EBITDA fixed price LTM	2,5	2,5	2,5	3,9	4,3	5,4
Equity ratio	32,4%	34,7%	33,9%	33,7%	34,1%	32,5%

Appendix / Production information

Idavang Group

	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018
Number of Sows								
Lithuania	15.170	15.125	14.981	15.048	15.293	15.124	14.577	14.428
Russia	10.410	10.474	10.261	10.257	10.184	10.014	9.978	9.846
Total	25.580	25.599	25.242	25.305	25.477	25.138	24.555	24.274
Pigs sold (slaughterpigs, Weaners and Sows)								
Lithuania	113.213	118.357	113.624	123.838	119.249	114.015	115.141	117.521
Russia	81.760	79.440	83.908	93.494	87.340	78.701	85.791	86.747
Total	194.973	197.797	197.532	217.332	206.589	192.716	200.932	204.268
Displacement								
Lithuania	7.784	3.101	2.144	- 4.389	- 1.195	5.041	- 2.232	- 5.137
Russia	5.427	10.254	1.181	- 5.792	4.005	9.176	- 427	- 2.548
Total	13.211	13.355	3.325	- 10.181	2.810	14.217	- 2.659	- 7.685
Total production								
Lithuania	120.997	121.458	115.768	119.449	118.054	119.056	112.909	112.384
Russia	87.187	89.694	85.089	87.702	91.345	87.877	85.364	84.199
Total	208.184	211.152	200.857	207.151	209.399	206.933	198.273	196.583
Feed cost kEUR								
Lithuania	- 9.118	- 8.952	- 8.706	- 8.659	- 9.034	- 8.828	- 8.878	- 9.876
Russia	- 6.600	- 6.597	- 6.698	- 7.027	- 7.528	- 6.869	- 6.575	- 6.741
Total	- 15.718	- 15.549	- 15.403	- 15.687	- 16.562	- 15.697	- 15.453	- 16.617
Feed conversion kg/kg								
Lithuania	2,83	2,81	2,85	2,84	2,91	2,84	2,98	2,97
Russia	2,85	2,91	2,86	2,87	2,92	2,84	2,91	2,78
Group	2,84	2,85	2,85	2,85	2,91	2,84	2,95	2,89