

Company announcement no 12/2018

## Interim Report Q3 2018

EBITDA fixed herd prices (FHP) for Q3 2018 decreased to 5,470 kEUR (Q3 2017: 7,348 kEUR), corresponding to an EBITDA margin FHP of 20.7% (Q3 2017: 25.7%). Decline in the quarterly EBITDA in Q3 2018 compared to Q3 2017 of 1,878 kEUR is mainly a mix of negative price effect on sales prices/feed prices (of 3,577 kEUR) and positive of harvest effect compared to Q3 2017 (of 1,728 kEUR).

The lower average prices on live pigs end Q3 2018 compared to Q2 2018 had a negative impact on herd valuation in Q3 with -2,757 kEUR (-3,185kEUR for Q2 2017, respectively). Free cash flow was -19 kEUR in Q3 2018 (Q3 2017: 6.478 kEUR).

Harvest did result in poor yields, but due to higher prices than last year EBITDA Q3 is still 1,728 kEUR better than Q3 2017, harvest is in 2017 Q3 included with 1,057 kEUR.

Insurance payment, most of payment relating to ASF outbreak has been received after 30<sup>th</sup> September (1,9 mEUR received).

### Selected financial highlights and key ratios

EUR millions	Q3 2018	Q3 2017	9M 2018	9M 2017	2017
Total revenue	26.243	28.536	74.926	84.701	109.596
EBITDA	2.713	4.163	13.102	26.410	21.608
EBITDA margin	10,3%	14,6%	17,5%	31,2%	19,7%
EBITDA fixed herd price	5.470	7.348	12.977	23.976	26.653
EBITDA margin fixed herd price	20,8%	25,7%	17,3%	28,3%	24,3%
Net income	-1.300	879	1.237	15.602	6.062
Free cash flow	-19	6.478	-373	18.439	17.954
Net interest-bearing debt	78.156	51.466	78.156	51.466	74.274

## Further information

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## Finance Calendar 2019

28 Feb 2019: Annual report 2018

31 Maj 2019: Interim report Q1 2019

31 Aug 2019: Interim report Q2 2019

30 Nov 2019: 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.

## Table of contents

REVIEW .....	4
Financial Highlights and Key Ratios .....	4
Management's Review .....	5
Development in segments in Q3 2018 .....	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 .....	18

## Review

### Financial Highlights and Key Ratios

EUR '000	Q3 2018	Q3 2017	9M 2018	9M 2017	2017
<b>Income statement</b>					
Revenue	26.243	28.536	74.926	84.701	109.596
EBITDA	2.713	4.163	13.102	26.410	21.608
EBITDA fixed herd price	5.470	7.348	12.977	23.976	26.653
EBIT	963	2.181	7.634	20.465	13.811
Financial items, net	-2.318	-1.235	-6.433	-4.276	-5.900
Profit/(loss) for the period	-1.300	879	1.237	15.602	6.062
<b>Cash flow</b>					
Operating activity	902	8.178	2.262	20.715	19.550
Investing activity	-2.579	-2.780	-7.564	-5.660	-6.221
Financing activity	1.837	-1.545	5.529	-13.258	-11.435
Free cash flow	-19	6.478	-373	18.439	17.954
<b>Balance sheet</b>					
Non-current assets	101.676	106.858	101.676	106.858	104.944
Net working capital	22.063	24.565	22.063	24.565	18.614
Net operating assets	123.739	131.423	123.739	131.423	123.558
Total assets	179.670	161.671	179.670	161.671	180.370
Equity	52.256	84.674	52.256	84.674	54.071
Net interest bearing debt	78.156	51.466	78.156	51.466	74.274
<b>Key financials Group</b>					
EBITDA margin	10,3%	14,6%	17,5%	31,2%	19,7%
EBITDA margin - fixed herd prices	20,8%	25,7%	17,3%	28,3%	24,3%
Cash conversion - fixed herd prices	0%	88%	-3%	77%	67%
NIBD / EBITDA fixed price LTM	5,0	1,7	4,5	1,7	2,8
Equity ratio	29,1%	52,4%	29,1%	52,4%	30,0%

## *Management's Review*

### **Income statement**

#### **Revenue**

Revenue for Q3 2018 was 26,243 kEUR (Q3 2017: 28,536 kEUR) with the comparison period negatively impacted by a lower sales prices of 9% compared to Q3 2017.

#### **Value adjustment, biological assets**

Herd valuation (due to price changes) in Q3 2018 of -2,757 kEUR compared to effect in Q3 2017 of -3,185 kEUR is decreasing effect on 3th quarter result.

#### **EBITDA fixed herd prices (FHP)**

Decline in the quarterly EBITDA in Q3 2018 compared to Q3 2017 of 1,878 kEUR is a mix of effects, the main once being

- Prices effect on pigs and feed LT -3,549 kEUR and RU -28 kEUR or total of -3,577 kEUR
- Better harvest +1,728 kEUR (compared to Q3 2017)

EBITDA FHP for the Q3 2018 was 5,470 kEUR corresponding to an EBITDA margin of 20.8 % (Q3 2017: 25.7 %).

#### **Net financials**

Net financial expenses for Q3 2018 increased to 1,659 kEUR (Q3 2017: 1.079 kEUR) driven by higher gross debt due partly to IFC reserve.

Foreign exchange adjustments in Q3 2018 was negative with -659 kEUR (Q3 2017 -156 kEUR), the foreign exchange adjustments is driven mainly by fluctuations in internal debt (-785 kEUR Q3 2018) hence no or limited cash effect.

### **Balance Sheet**

At 30 September 2018, Idavang's balance sheet amounted to 179,670 kEUR (September 2017: 161,670 kEUR).

At 30 September, equity decrease 1,815 kEUR to 52.256 kEUR (December 2017 54.071 kEUR) due to the profit in the period is lower than adjustments being foreign exchange rate and hedge accounting.

Net interest-bearing debt increase to 78.156 kEUR at the end of September 2018 (December 2017: 74.274 kEUR). Net working capital amounted to 22,063 kEUR at 30 September 2018 (December 2017: 18.614 kEUR), increase of 3,449 kEUR mainly due to the Receivables +4,137 kEUR (driven by insurance claim of which 1,933 kEUR have been received after balance date).

#### **Cash flow**

Cash flow from ordinary activities for Q3 2018 decreased to 2,848 kEUR (Q3 2017: 9,067 kEUR) mainly due to increase in receivables in Q3 (+3,131 kEUR). EBITDA fixed herd prices decrease of +1,878 kEUR is mainly non-cash effect coming from improvement in harvest (non-cash) of 1,728 kEUR and negative price effects of -3.577 kEUR.

Therefore, decrease in Q3 cash flow from ordinary activities for Q3 2018 of 6,219 kEUR can mainly be attributed to negative price effects from operation of 3,577 kEUR and insurance receivable, the insurance receivable is only a timing issue.

#### **Events after the balance sheet date**

- No events after balance sheet date



## Development in segments in Q3 2018

### Lithuania

EUR '000	Q3 2018	Q3 2017	9M 2018	9M 2017	2017
Revenue	13.492	16.486	40.520	47.282	61.066
Value adjustment, biological assets	-2.397	-3.314	-1.762	720	-2.407
Production costs	-13.764	-12.402	-39.777	-35.655	-48.474
Administrative costs	-467	-411	-1.488	-1.287	-1.861
Other income	509	269	982	904	1.258
Other expense	-10	-	-	-	-
<b>Operating profit</b>	<b>-2.638</b>	<b>628</b>	<b>-1.526</b>	<b>11.965</b>	<b>9.582</b>
Net Financials	-289	-300	-743	-846	-1.215
Foreign exchange adjustments	-	-	-	-	-17
<b>Profit before tax</b>	<b>-2.927</b>	<b>328</b>	<b>-2.268</b>	<b>11.119</b>	<b>8.350</b>
Tax on profit for the year	63	-57	66	-565	-1.800
<b>Profit for the period</b>	<b>-2.864</b>	<b>271</b>	<b>-2.202</b>	<b>10.555</b>	<b>6.550</b>

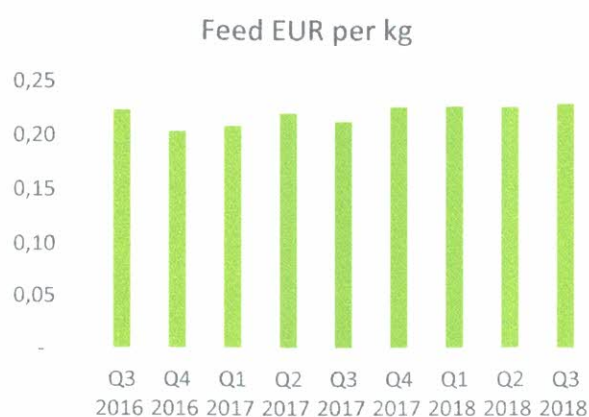
EUR '000	Q3 2018	Q3 2017	9M 2018	9M 2017	2017
Depreciations included in production cost	-762	-809	-2.377	-2.422	-3.232
<b>EBITDA</b>	<b>-1.876</b>	<b>1.437</b>	<b>851</b>	<b>14.387</b>	<b>12.814</b>
<i>EBITDA fixed herd prices</i>	<i>521</i>	<i>4.751</i>	<i>2.613</i>	<i>13.667</i>	<i>15.221</i>

Lithuania accounted for 51 % of Group revenue in Q3 2018 (Q3 2017: 58 %).

EBITDA fixed herd price for Q3 2018 amounted to 521 kEUR corresponding to an EBITDA margin of 3.9 % (Q3 2017: 4,751 kEUR and EBITDA margin 28.8 %). The EBITDA decline compared to Q3 2017 of 4,230 kEUR relate mainly to prices negatively affecting both sales and feed with 3,535 kEUR, but also negative development in feed consumption 463 kEUR.

The negative development in feed consumption is highly influenced by external reasons being quarantine on one farm and change in production setup (less contracting and more rented farms in LT) due to ASF restrictions. The quarantine is cancelled and the new production setup is being optimized.

The sales price decreased 18 % compared to Q3 2017 to an average 1,01 EUR per kilo slaughter pigs live weight in Q3 2018 (Q3 2017: 1,24 EUR per kilo live weight slaughter pigs) with 2.884 kEUR negative effect, and feed prices increased 7,6% compared to Q3 2017 with 664 kEUR in negative effect on EBITDA.



## Russia

EUR '000	Q3 2018	Q3 2017	9M 2018	9M 2017	2017
Revenue	12.752	12.051	34.406	37.420	48.531
Value adjustment, biological assets	-360	129	1.887	1.714	-2.639
Production costs	-8.338	-10.079	-25.716	-28.793	-38.135
Administrative costs	-326	-335	-1.028	-1.112	-1.562
Other income	73	56	408	278	319
Other expense	-8	-17	-59	-54	-83
<b>Operating profit</b>	<b>3.793</b>	<b>1.805</b>	<b>9.898</b>	<b>9.452</b>	<b>6.431</b>
Net Financials	-434	-576	-1.494	-2.470	-3.232
Foreign exchange adjustments	126	7	341	3	-213
<b>Profit before tax</b>	<b>3.486</b>	<b>1.237</b>	<b>8.745</b>	<b>6.985</b>	<b>2.986</b>
Tax on profit for the year	-8	-9	-30	-15	-42
<b>Profit for the period</b>	<b>3.477</b>	<b>1.228</b>	<b>8.716</b>	<b>6.970</b>	<b>2.944</b>

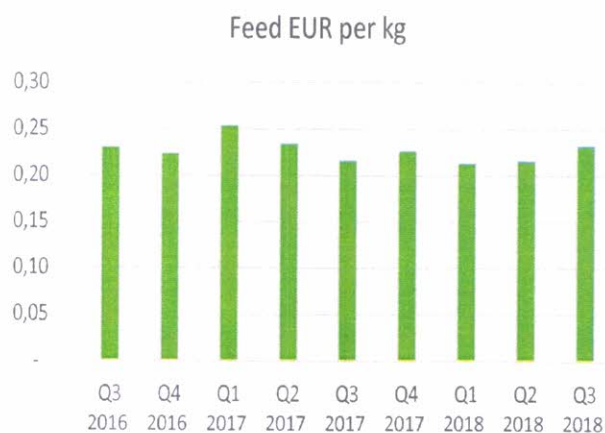
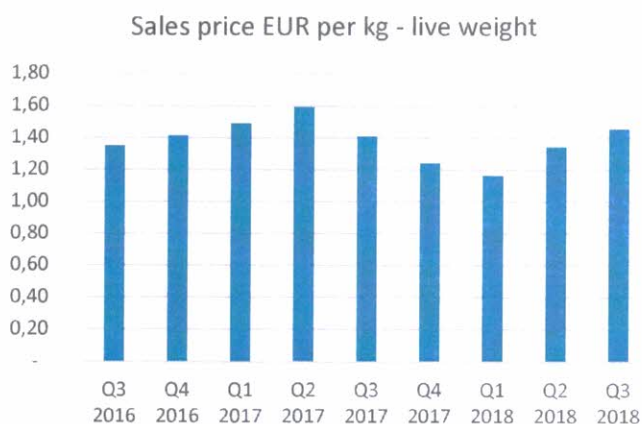
  

EUR '000	Q3 2018	Q3 2017	9M 2018	9M 2017	2017
Depreciations included in production cost	-988	-1.172	-3.091	-3.519	-4.560
<b>EBITDA</b>	<b>4.781</b>	<b>2.977</b>	<b>12.989</b>	<b>12.972</b>	<b>10.991</b>
<i>EBITDA fixed herd prices</i>	<i>5.142</i>	<i>2.848</i>	<i>11.102</i>	<i>11.258</i>	<i>13.630</i>

Russia accounted for 49 % of Group revenue in Q3 2018 (Q3 2017: 42 %).

EBITDA fixed herd price for Q3 2018 amounted to 5,142 kEUR corresponding to an EBITDA margin of 40.3 % (Q3 2017: 2,848 kEUR and EBITDA margin 23.6 %). The EBITDA increased compared to Q3 2017 of (2,294 kEUR) relate mainly to improved harvest result of 1,728 kEUR (effecting production cost positive) and positive effect from devaluation on variable and fixed cost in RUB of 10% (EURRUB 69 Q3 2017 EURRUB 77 Q3 2018).

The sales price increased 3 % compared to Q3 2017 to an average 1,46 EUR per kilo slaughter pigs live weight in Q3 2018 (Q3 2017: 1,41 EUR per kilo live weight slaughter pigs) with 386 kEUR positive effect, but feed prices increased 7,7% compared to Q3 2017 with 414 kEUR in negative effect on EBITDA, hence almost neutral 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 31 September 2018 as well as of the results of the Group operations and cash flows for the period 1 January – 30 September 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 Baltersen



Ole B. Hansen



## Financial Statement

### Income Statement

EUR '000	Q3 2018	Q3 2017	9M 2018	9M 2017	2017
Revenue	26.243	28.536	74.926	84.701	109.596
Value adjustment, biological assets	-2.757	-3.185	125	2.434	-5.046
Production costs	-22.103	-22.484	-65.493	-64.448	-86.614
Administrative costs	-1.007	-1.001	-3.245	-3.115	-5.373
Other income	582	332	1.389	1.182	1.577
Other expense	4	-17	-68	-289	-330
<b>Operating profit</b>	<b>963</b>	<b>2.181</b>	<b>7.634</b>	<b>20.465</b>	<b>13.811</b>
Net Financials	-1.659	-1.079	-4.928	-3.384	-4.625
Foreign exchange adjustments	-659	-156	-1.505	-892	-1.275
<b>Profit before tax</b>	<b>-1.356</b>	<b>945</b>	<b>1.201</b>	<b>16.189</b>	<b>7.911</b>
Tax on profit for the year	55	-66	36	-587	-1.849
<b>Profit for the period</b>	<b>-1.300</b>	<b>879</b>	<b>1.237</b>	<b>15.602</b>	<b>6.062</b>

EUR '000	Q3 2018	Q3 2017	9M 2018	9M 2017	2017
Depreciations included in production cost	-1.750	-1.982	-5.468	-5.945	-7.797
<b>EBITDA</b>	<b>2.713</b>	<b>4.163</b>	<b>13.102</b>	<b>26.410</b>	<b>21.608</b>
<i>EBITDA fixed herd prices</i>	<i>5.470</i>	<i>7.348</i>	<i>12.977</i>	<i>23.976</i>	<i>26.653</i>

### Statement of comprehensive income

EUR '000	Q3 2018	Q3 2017	9M 2018	9M 2017	2017
Profit for the period	-1.300	879	1.237	15.602	6.062
<b>Other comprehensive income</b>					
Exchange adjustments, foreign subsidiaries	-1.896	-466	-4.124	-2.941	-2.892
Hedge accounting	790	-354	1.071	-239	-352
<b>Other comprehensive income to be reclassified to profit or loss in subsequent periods</b>	<b>-1.106</b>	<b>-820</b>	<b>-3.053</b>	<b>-3.180</b>	<b>-3.244</b>
Other comprehensive income not to be reclassified to profit or loss in subsequent periods	-	-	-	-	-
<b>Total comprehensive income</b>	<b>-2.407</b>	<b>59</b>	<b>-1.815</b>	<b>12.421</b>	<b>2.818</b>

## Assets

EUR '000	Q3 2018	Q3 2017	2017
Intangible assets	1.312	1.370	1.353
Property, Plant and Equipment	85.941	89.802	88.592
Biological Assets, Breeding herd	13.659	14.921	14.235
Deferred tax	760	760	760
Financial fixed assets	4	4	4
<b>Total non-current assets</b>	<b>101.676</b>	<b>106.858</b>	<b>104.944</b>
Inventories	9.616	8.252	9.182
Biological Assets, Commercial herd	21.243	29.412	22.455
Biological Assets, Arable	851	163	579
<b>Biological Assets</b>	<b>22.093</b>	<b>29.575</b>	<b>23.033</b>
Trade receivables	2.612	2.272	2.055
Other receivables	4.982	1.185	1.432
Prepayments	2.266	995	2.236
Income taxes receivables	-	-	-
<b>Receivables</b>	<b>9.860</b>	<b>4.451</b>	<b>5.723</b>
<b>Assets held for sale</b>	<b>-</b>	<b>41</b>	<b>37</b>
Cash	36.424	12.494	37.450
<b>Total current assets</b>	<b>77.994</b>	<b>54.813</b>	<b>75.426</b>
<b>Total Assets</b>	<b>179.670</b>	<b>161.671</b>	<b>180.370</b>

## Liabilities and Equity

EUR '000	Q3 2018	Q3 2017	2017
Share capital	1.000	1.000	1.000
Share premium	-	17.158	-
Exchange adjustments	-30.888	-26.813	-26.764
Other reserves	534	-424	-537
Retained earnings	81.609	93.754	80.372
<b>Equity</b>	<b>52.256</b>	<b>84.674</b>	<b>54.071</b>
Borrowings	92.341	39.788	92.148
Grants	775	2.275	2.221
Deferred tax	2.030	864	2.073
Provisions	134	432	134
Other non-current liabilities	301	39	39
<b>Non current liabilities</b>	<b>95.582</b>	<b>43.398</b>	<b>96.614</b>
Borrowings	22.243	24.176	19.581
Trade payables	7.078	6.863	7.403
Income taxes payables	-297	560	470
Other payables	2.808	2.000	2.231
<b>Current liabilities</b>	<b>31.832</b>	<b>33.598</b>	<b>29.685</b>
<b>Total liabilities</b>	<b>127.414</b>	<b>76.996</b>	<b>126.299</b>
<b>Total Equity and Liabilities</b>	<b>179.670</b>	<b>161.670</b>	<b>180.370</b>

## Cash Flow Statement

EUR '000	Q3 2018	Q3 2017	9M 2018	9M 2017	2017
Operating profit/loss	963	2.181	7.634	20.465	13.811
Adjustment for non-cash operating items	5.298	5.088	6.414	3.547	12.036
	6.261	7.269	14.048	24.012	25.848
Change in working capital incl. herd	- 3.413	1.798	- 6.086	189	- 1.426
<b>Cash flow from ordinary activities before financials</b>	<b>2.848</b>	<b>9.067</b>	<b>7.962</b>	<b>24.202</b>	<b>24.421</b>
Net financials	- 1.659	- 1.079	- 4.928	- 3.384	- 4.625
Corporate tax paid	- 287	190	- 772	- 103	- 246
<b>Cash flow from ordinary activities</b>	<b>902</b>	<b>8.178</b>	<b>2.262</b>	<b>20.715</b>	<b>19.550</b>
<b>Cash flow from investing activities</b>	<b>- 2.579</b>	<b>- 2.780</b>	<b>- 7.564</b>	<b>- 5.660</b>	<b>- 6.221</b>
Proceeds from borrowings	6.199	1.649	18.880	3.529	94.160
Repayments of borrowings	- 4.362	- 3.194	- 13.352	- 16.787	- 59.594
Dividends paid to shareholders	-	-	-	-	- 21.000
Deposit on Escrow account	-	-	-	-	- 25.000
<b>Cash flow from financing activities</b>	<b>1.837</b>	<b>- 1.545</b>	<b>5.529</b>	<b>- 13.258</b>	<b>- 11.435</b>
Cash and cash equivalents primo priod	11.955	8.797	12.451	11.248	11.248
Change in cash and cash equivalents	159	3.854	228	1.797	1.894
Exchange adjustments	- 689	- 157	- 1.254	- 551	- 691
<b>Cash and cash equivalents end priod</b>	<b>11.424</b>	<b>12.494</b>	<b>11.424</b>	<b>12.494</b>	<b>12.451</b>

The group furthermore has 1.500 kEUR in overdraft facilities in super senior facility which are not utilised at period-end and own 3.500 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					1.237	1.237
Other comprehensive income			- 4.124	1.072		- 3.052
Total comprehensive income	-	-	- 4.124	1.072	1.237	- 1.815
Dividend						-
Transfer						-
Equity at 30th June 2018	1.000	-	- 30.888	535	81.609	52.256

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 September 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	9M 2018	9M 2017	2017
<b>Commercial herd primo</b>	22.455	28.889	28.889
Change in fair value	-104	1.517	-5.581
Exchange adjustments	-1.108	-994	-854
<b>Commercial herd ultimo</b>	<b>21.243</b>	<b>29.412</b>	<b>22.455</b>
<b>Breeding herd primo</b>	14.235	13.655	13.655
Change in fair value	38	1.743	1.064
Exchange adjustments	-615	-476	-484
<b>Breeding herd ultimo</b>	<b>13.659</b>	<b>14.921</b>	<b>14.235</b>
<b>Herd total primo</b>	36.690	42.544	42.544
Change in fair value due to volume	-191	826	529
Change in fair value due to price	125	2.434	-5.046
Exchange adjustments	-1.723	-1.470	-1.337
<b>Herd total ultimo</b>	<b>34.902</b>	<b>44.334</b>	<b>36.690</b>
<b>Crop primo</b>	579	1.160	1.160
Change in fair value due to volume	463	-973	-521
Change in fair value due to price	-	-	-
Exchange adjustments	-191	-24	-60
<b>Crop ultimo</b>	<b>851</b>	<b>163</b>	<b>579</b>
<b>Total Biological Assets primo</b>	37.269	43.704	43.704
Change in fair value due to volume	273	-147	8
Change in fair value due to price	125	2.434	-5.046
Exchange adjustments	-1.914	-1.494	-1.398
<b>Total Biological Assets ultimo</b>	<b>35.752</b>	<b>44.496</b>	<b>37.269</b>

### Note 3 Segment reporting

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

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		310		73	-	383
Other expense		189	-	8	22	203
<b>Operating profit</b>	-	<b>2.638</b>	-	<b>3.793</b>	- <b>192</b>	<b>963</b>
Net Financials	-	289	-	434	- 937	- 1.659
Foreign exchange adjustments		-		126	- 785	- 659
<b>Profit before tax</b>	-	<b>2.927</b>	-	<b>3.486</b>	- <b>1.914</b>	- <b>1.356</b>
Tax on profit for the year		63	-	8	-	55
<b>Profit for the period</b>	-	<b>2.864</b>		<b>3.477</b>	- <b>1.914</b>	- <b>1.300</b>
EUR '000						
Depreciations included in production cost	-	762	-	988	-	- 1.750
<b>EBITDA</b>	-	<b>1.876</b>		<b>4.781</b>	- <b>192</b>	<b>2.713</b>
<i>EBITDA fixed herd prices</i>		<i>521</i>		<i>5.142</i>	- <i>192</i>	<i>5.470</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		783		408	-	1.190
Other expense		199	-	59	- 9	131
<b>Operating profit</b>	-	<b>1.526</b>	-	<b>9.898</b>	- <b>738</b>	<b>7.634</b>
Net Financials	-	743	-	1.494	- 2.692	- 4.928
Foreign exchange adjustments		-		341	- 1.846	- 1.505
<b>Profit before tax</b>	-	<b>2.268</b>	-	<b>8.745</b>	- <b>5.276</b>	<b>1.201</b>
Tax on profit for the year		66	-	30	-	36
<b>Profit for the period</b>	-	<b>2.202</b>		<b>8.716</b>	- <b>5.276</b>	<b>1.237</b>
EUR '000						
Depreciations included in production cost	-	2.377	-	3.091	-	- 5.468
<b>EBITDA</b>		<b>851</b>		<b>12.989</b>	- <b>738</b>	<b>13.102</b>
<i>EBITDA fixed herd prices</i>		<i>2.613</i>		<i>11.102</i>	- <i>738</i>	<i>12.977</i>

Q3 2017				
EUR '000	Lithuania	Russia	Other / Eliminations	Group
Revenue	16.486	12.051	-	28.536
Value adjustment, biological assets	- 3.314	129	-	- 3.185
Production costs	- 12.402	- 10.079	- 3	- 22.484
Administrative costs	- 411	- 335	- 255	- 1.001
Other income	269	56	6	332
Other expense	-	- 17	- 0	- 17
<b>Operating profit</b>	<b>628</b>	<b>1.805</b>	<b>- 252</b>	<b>2.181</b>
Net Financials	- 300	- 576	- 204	- 1.079
Foreign exchange adjustments	-	7	- 163	- 156
<b>Profit before tax</b>	<b>328</b>	<b>1.237</b>	<b>- 620</b>	<b>945</b>
Tax on profit for the year	- 57	- 9	- 0	- 66
<b>Profit for the period</b>	<b>271</b>	<b>1.228</b>	<b>- 620</b>	<b>879</b>
EUR '000				
Depreciations included in production cost	- 809	- 1.172	- 1	- 1.982
<b>EBITDA</b>	<b>1.437</b>	<b>2.977</b>	<b>- 251</b>	<b>4.163</b>
<i>EBITDA fixed herd prices</i>	<i>4.751</i>	<i>2.848</i>	<i>- 251</i>	<i>7.348</i>
9M 2017				
EUR '000	Lithuania	Russia	Other / Eliminations	Group
Revenue	47.282	37.420	-	84.701
Value adjustment, biological assets	720	1.714	-	2.434
Production costs	- 35.655	- 28.793	-	- 64.448
Administrative costs	- 1.287	- 1.112	- 717	- 3.115
Other income	904	278	-	1.182
Other expense	-	- 54	- 235	- 289
<b>Operating profit</b>	<b>11.965</b>	<b>9.452</b>	<b>- 953</b>	<b>20.465</b>
Net Financials	- 846	- 2.470	- 69	- 3.384
Foreign exchange adjustments	-	3	- 895	- 892
<b>Profit before tax</b>	<b>11.119</b>	<b>6.985</b>	<b>- 1.916</b>	<b>16.189</b>
Tax on profit for the year	- 565	- 15	- 7	- 587
<b>Profit for the period</b>	<b>10.555</b>	<b>6.970</b>	<b>- 1.923</b>	<b>15.602</b>
EUR '000				
Depreciations included in production cost	- 2.422	- 3.519	- 4	- 5.945
<b>EBITDA</b>	<b>14.387</b>	<b>12.972</b>	<b>- 949</b>	<b>26.410</b>
<i>EBITDA fixed herd prices</i>	<i>13.667</i>	<i>11.258</i>	<i>- 949</i>	<i>23.976</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
<b>Operating profit</b>	<b>9.582</b>	<b>6.431</b>	<b>- 2.202</b>	-	<b>13.811</b>
Net Financials	- 1.215	- 3.232	- 178	-	- 4.625
Foreign exchange adjustments	- 17	- 213	- 1.045	-	- 1.275
<b>Profit before tax</b>	<b>8.350</b>	<b>2.986</b>	<b>- 3.425</b>	-	<b>7.911</b>
Tax on profit for the year	- 1.800	- 42	- 7	-	- 1.849
<b>Profit for the period</b>	<b>6.550</b>	<b>2.944</b>	<b>- 3.432</b>	-	<b>6.062</b>
EUR '000					
Depreciations included in production cost	- 3.232	- 4.560	- 5	-	- 7.797
<b>EBITDA</b>	<b>12.814</b>	<b>10.991</b>	<b>- 2.197</b>	-	<b>21.608</b>
<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

<b>Issuer</b>	Idavang A/S
<b>Security package:</b>	(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
<b>Original Guarantors:</b>	Rus Invest Aps, Rurik A/S, Pskov Invest Aps, Idavang Russia A/S, UAB Idavang, UAB Idavang Pasodele and UAB Kepaliai
<b>Status of the bond:</b>	Senior secured
<b>Currency:</b>	EUR
<b>Initial debt amount:</b>	EUR 85 millions
<b>Other facilities:</b>	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)
<b>Tenor</b>	4 years
<b>Pricing:</b>	3m EURIBOR + 650 bps p.a., quarterly interest payments, EURIBOR floor of 0.0%
<b>Rating:</b>	Unrated
<b>Call options:</b>	Non call during the first 24 months, then 50/30/10/0 after 24/30/36/42
<b>Incurrence test</b>	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
<b>Restricted payments</b>	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)
<b>Information covenants:</b>	Annual audited statements, quarterly unaudited reports
<b>Change of control:</b>	Investor put at 101%
<b>Listing of bonds:</b>	Nasdaq Copenhagen
<b>Trustee:</b>	Nordic Trustee
<b>Governing law:</b>	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	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017
<b>Income statement</b>						
Revenue	26.243	25.282	23.401	24.895	28.536	29.027
EBITDA	2.685	4.963	5.454	4.802	4.163	14.683
EBITDA fixed herd price	5.442	4.518	3.017	2.677	7.348	10.576
EBIT	963	3.116	3.555	6.654	2.181	12.685
Financial items, net	- 2.318	- 2.134	- 1.981	- 1.624	- 1.235	- 2.397
Profit/(loss) for the period	- 1.300	963	1.575	9.540	879	9.863
<b>Cash flow</b>						
Operating activity	902	774	587	1.165	8.178	8.509
Investing activity	- 2.579	- 4.102	- 882	- 562	- 2.780	- 1.628
Financing activity	1.837	9.196	5.504	1.824	1.545	3.502
Free cash flow	- 19	- 1.743	1.388	485	6.478	7.762
<b>Balance sheet</b>						
Non-current assets	101.676	103.082	102.612	104.944	106.858	107.331
Net working capital	22.063	24.921	22.330	18.614	24.565	31.601
Net operating assets	123.739	128.004	124.942	123.558	131.423	138.932
Total assets	179.670	182.159	174.713	180.370	161.671	162.778
Equity	52.256	54.662	54.883	54.071	84.674	84.615
Net interest bearing debt	78.156	76.920	74.108	74.274	51.466	57.257
<b>Key financials Group</b>						
EBITDA margin	10,2%	19,6%	23,3%	-19,3%	14,6%	50,6%
EBITDA margin - fixed herd prices	20,7%	17,9%	12,9%	10,8%	25,7%	36,4%
Cash conversion	-0,3%	-38,6%	46,0%	-18,1%	88,2%	73,4%
NIBD / EBITDA fixed price LTM	5,0	4,4	3,1	2,8	1,7	1,9
Equity ratio	29,1%	30,0%	31,4%	30,0%	52,4%	52,0%

## Appendix / Production information

	Q3 2018	Q2 2018	Q1 2018	Q4 2017
<b>Number of Sows</b>				
Lithuania	14.596	15.510	15.477	15.507
Russia	9.617	9.849	9.820	9.955
Total	24.213	25.359	25.297	25.462
<b>Pigs sold (slaughterpigs, Weaners and Sows)</b>				
Lithuania	116.950	114.310	118.515	122.868
Russia	86.641	84.578	82.234	87.412
Total	203.591	198.888	200.749	210.280
<b>Displacement</b>				
Lithuania	1.784	15.471	1.457	1.318
Purchased 30 kg	- 2.500	- 8.183		
Skabeikiai ASF	- 19.571			
Russia	875	2.501	- 1.101	- 3.055
Total	- 19.412	9.789	356	- 1.737
<b>Total production</b>				
Lithuania	116.234	121.598	119.972	124.186
Russia	87.516	87.079	81.133	84.357
Total	203.750	208.677	201.105	208.543
<b>Feed cost kEUR</b>				
Lithuania	- 9.339	- 9.162	- 8.764	- 8.505
Russia	- 5.801	- 5.239	- 5.371	- 5.549
Total	- 15.139	- 14.401	- 14.135	- 14.054
<b>Feed conversion kg/kg</b>				
Lithuania	2,99	2,84	2,90	2,79
Russia	2,79	3,03	2,96	2,90
Group	2,91	2,91	2,92	2,83