

Company announcement no 16/2020

Interim Report Q2 2020

EBITDA fixed herd prices (FHP) for Q2 2020 decreased to 4,754 mEUR (Q2 2019: 6,928 kEUR), corresponding to an EBITDA margin FHP of 18.4% (Q2 2019: 25.2%). The quarterly EBITDA in Q2 2020 decreased with 2,174 kEUR (compared to Q2 2019) is mainly due to decreasing sales prices 3.181 kEUR, partially compensated with higher production (+7,4% in kg) and a one-time subsidy in LT of 371 kEUR (relating to Zone 3 compensation mainly for 2018)

Sales prices in Q2 were 1.14 EUR/kg live weight down from 1,31 EUR/kg (Q1 2020). The price decrease from Q1 has been driven by a Corona impact on the supply chain, e.g., temporary German slaughterhouses closing and losing the export license to China. July price (2020) 1.14 EUR/kg live weight. The outlook is highly uncertain with the ASF situation in China, Coronavirus impacting supply chains, and the current trade war between the USA and China.

Feed prices in Q2 were 230 EUR/T as in Q1 2020 (compared to 244 EUR/T Q2 2019). A significant amount of grain is hedged until harvest 2021 either in storage, on fields, or contract, reducing fluctuations on feed price.

The herd valuation in Q2 decreased with 7,420 mEUR (compared to 31.03.2020). Lower prices drove the decrease in EU and Lithuania. Free cash flow was 7,695 kEUR in Q2 2020 (Q2 2019: 3.398 kEUR).

Net interest-bearing debt has last quarter decreased from 73,5 mEUR to 68,3 mEUR driven by operational cashflow Q2 (4,8 mEUR) and reduced net working capital (4,1 mEUR). In contrast, NIBD has been negatively impacted by RUB, appreciating in Q2.

Construction in Luga is in operation with 10 slaughter pig stables.

IFC has confirmed that the internal process of utilizing the put option has been initiated, Idavang expects to repurchase the 20% shares during September for 17,905 kEUR (amount confirmed by IFC). Idavang will also have extraordinary general meeting 21th September (postponed due to administrative reasons), to ensure all legal formalities are in place when IFC exercise the put option.

Selected financial highlights and key ratios

EUR millions	Q2 2020	Q2 2019	6M 2020	6M 2019	2019
Total revenue	25.826	27.462	54.556	50.480	110.540
EBITDA	-2.666	10.194	10.683	12.102	26.918
EBITDA margin	-10,3%	37,1%	19,6%	24,0%	24,4%
EBITDA fixed herd price	4.754	6.928	12.005	7.674	22.829
EBITDA margin fixed herd price	18,4%	25,2%	22,0%	15,2%	20,7%
Net income	-4.728	6.424	1.759	5.991	10.979
Free cash flow	7.695	5.350	21.397	2.748	-807
Net interest-bearing debt	68.340	82.371	68.340	82.371	90.143

Further information

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Finance Calendar 2020

31th Aug 2020: Interim report Q2 2020

26th Nov 2020: Interim report Q3 2020

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 2020	Q2 2019	6M 2020	6M 2019	2019
Income statement					
Revenue	25.826	27.462	54.556	50.480	110.540
EBITDA	-2.666	10.194	10.683	12.102	26.918
EBITDA fixed herd price	4.754	6.928	12.005	7.674	22.829
EBIT	-4.546	8.242	6.874	8.214	18.419
Financial items, net	-387	-1.342	-4.543	-2.004	-4.803
Profit/(loss) for the period	-4.728	6.424	1.759	5.991	10.979
Cash flow					
Operating activity	7.236	5.178	20.712	1.437	2.710
Investing activity	-1.104	-1.170	-2.012	-1.848	-9.593
Financing activity	-7.450	-1.498	-13.857	-6.679	-2.769
Free cash flow	7.695	5.350	21.397	2.748	-807
Balance sheet					
Non-current assets	106.656	109.036	106.656	109.036	115.024
Net working capital	20.567	28.797	20.567	28.797	32.075
Net operating assets	127.224	137.834	127.224	137.834	147.099
Total assets	182.406	187.346	182.406	187.346	200.082
Equity	63.346	60.812	63.345	60.812	67.348
Net interest bearing debt	68.340	82.371	68.340	82.371	90.143
Key financials Group					
EBITDA margin	-10,3%	37,1%	19,6%	24,0%	24,4%
EBITDA margin - fixed herd prices	18,4%	25,2%	22,0%	15,2%	20,7%
Cash conversion - fixed herd prices	162%	77%	178%	36%	-4%
NIBD / EBITDA fixed price LTM	2,5	5,4	2,5	5,4	3,9
Equity ratio	34,7%	32,5%	34,7%	32,5%	33,7%

Management's Review

Income statement

Revenue

The revenue for Q2 2020 was 25,826 kEUR (Q2 2019: 27,462 kEUR) down 6%. The lower sale is due to lower sales prices of 13% compared to Q2 2019, partly compensated with higher volume.

Value adjustment, biological assets

The herd valuation in Q2 decreased with 7,420 mEUR (compared to 31.03.2020). Lower prices drove the decrease in the EU and Lithuania. Free cash flow was 7,695 kEUR in Q2 2020 (Q2 2019: 3.398 kEUR).

EBITDA fixed herd prices (FHP)

EBITDA fixed herd prices (FHP) for Q2 2020 decreased to 4,754 mEUR (Q2 2019: 6,928 kEUR), corresponding to an EBITDA margin FHP of 18.4% (Q2 2019: 25.2%). The quarterly EBITDA in Q2 2020 increased with 2,174 kEUR (compared to Q2 2019) is mainly due to decreasing sales prices 3.181 kEUR, partially compensated with higher production (+7,4% in kg) and a one-time subsidy in LT of 371 kEUR subsidy (relating to Zone 3 compensation mainly for 2018)

Sales prices in Q2 were 1.14 EUR/kg live weight down from 1,31 EUR/kg (Q1 2020). The price decrease from Q1 has been driven by a Corona impact on the supply chain, e.g., temporary German slaughterhouses closing and losing the export license to China. July price (2020) 1.14 EUR/kg live weight. The outlook is highly uncertain with the ASF situation in China, Coronavirus impacting supply chains, and the current trade war between the US and CN.

Feed prices in Q2 were 230 EUR/T as in Q1 2020 (compared to 244 EUR/T Q2 2019). A significant amount of grain is hedged until harvest 2021 either in storage, on fields, or contract, reducing fluctuations on feed price.

Net financials

The net interest expenses for Q2 2019 increase 50 kEUR to 1,563 kEUR (Q2 2019: 1,513 kEUR). Interest in Q2 2020 is positively impacted by 61 kEUR in savings on repurchased bonds (price below par).

Foreign exchange adjustments in Q2 2020 was positive with 1,176 kEUR (Q2 2019 +172 kEUR), the foreign exchange adjustments are driven mainly by currency fluctuations in intercompany debt (1,083 kEUR Q2 2020) hence limited cash effect.

Balance Sheet

At 30 June 2020, Idavang's balance sheet amounted to 182,406 kEUR (December 2019: 200,082 kEUR).

Equity on 30th June 2020 amounted to EUR 63.3m at an equity ratio of 35%.

Net interest-bearing debt has last quarter decreased from 73,5 mEUR to 68,3 mEUR driven by operational cashflow Q2 (4,8 mEUR) and reduced net working capital (4,1 mEUR). Furthermore, NIBD has been negatively impacted by RUB becoming stronger in Q2.

The networking capital decreased to 20,567 kEUR (from 32,075 kEUR Q4 2019). The decrease of 11,508 kEUR is mainly due to lower inventories due to seasonality (-6,321 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 Q2 2020 increased to 7,236 kEUR (Q2 2019: 5,178 kEUR). The increase of 2,058 kEUR consists of mainly of two factors, EBITDA FHP decreased cash flows with 2,174 kEUR and improvement of networking capital with 5,101 kEUR in Q2 2020 (compared to Q2 2019), which predominate is due to Q2 2020 were factoring in Lithuanian was increased (within limits stated in bond terms).

Events after the balance sheet date

- No events after the balance sheet date

Development in segments in Q2 2020

Lithuania

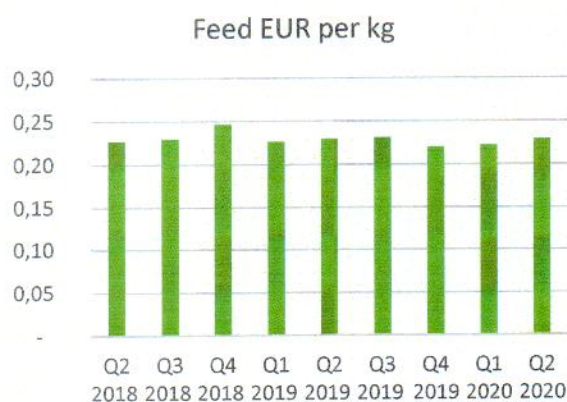
EUR '000	Q2 2020	Q2 2019	6M 2020	6M 2019	2019
Revenue	16.405	16.410	34.841	28.669	65.052
Value adjustment, biological assets	-5.144	3.518	-4.240	5.771	7.894
Production costs	-13.520	-12.725	-26.376	-26.161	-54.833
Administrative costs	-418	-569	-896	-1.081	-1.904
Other income	734	357	949	617	1.318
Other expense	-	-26	-2	-44	-147
Operating profit	-1.943	6.965	4.275	7.771	17.380
Net Financials	-249	-298	-491	-549	-1.105
Foreign exchange adjustments	-	-	-	-	-
Profit before tax	-2.191	6.667	3.785	7.222	16.275
Tax on profit for the year	240	-476	-525	-218	-2.382
Profit for the period	-1.951	6.191	3.259	7.004	13.893

EUR '000	Q2 2020	Q2 2019	6M 2020	6M 2019	2019
Depreciations included in production cost	-727	-756	-1.464	-1.552	-3.895
EBITDA	-1.216	7.720	5.739	9.323	21.275
<i>EBITDA fixed herd prices</i>	<i>3.929</i>	<i>4.202</i>	<i>9.980</i>	<i>3.553</i>	<i>13.381</i>

Lithuania accounted for 64 % of Group revenue in Q2 2020 (Q2 2019: 60 %).

The EBITDA fixed herd price for Q2 2020 amounted to 3,929 kEUR, corresponding to an EBITDA margin of 24.0% (Q2 2019: 3,929 kEUR and EBITDA margin 26.0 %). The EBITDA decreased compared to Q2 2019 by 273 kEUR. The EBITDA development is influenced by 371 kEUR subsidy (relating to Zone 3 compensation mainly for 2018), higher Production 6% (compared), and negative development in sales prices of 1,309 kEUR.

The sales price decreased 8 % compared to Q2 2019 to an average 1,20 EUR per kilo slaughter pigs' live weight in Q2 2020 (Q2 2019: 1,31 EUR per kilo live weight slaughter pigs) with 1,309 kEUR negative effect.



Russia

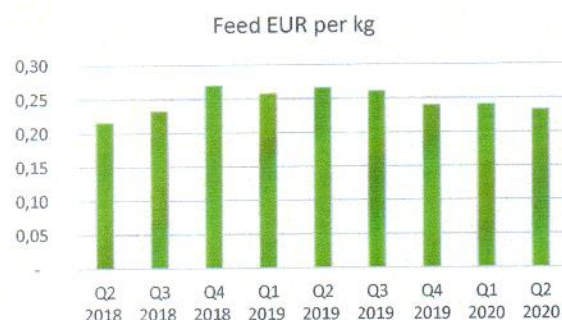
EUR '000	Q2 2020	Q2 2019	6M 2020	6M 2019	2019
Revenue	9.421	11.051	19.715	21.811	45.488
Value adjustment, biological assets	-2.275	-252	2.919	-1.343	-3.805
Production costs	-9.454	-9.391	-19.432	-19.443	-38.828
Administrative costs	-238	-395	-594	-712	-1.496
Other income	150	511	337	556	981
Other expense	-20	-32	-43	-52	-109
Operating profit	-2.416	1.493	2.902	817	2.231
Net Financials	-386	-218	-703	-819	-1.532
Foreign exchange adjustments	93	-1	-71	-19	-83
Profit before tax	-2.709	1.274	2.128	-21	615
Tax on profit for the year	-35	-0	-46	-1	-256
Profit for the period	-2.744	1.274	2.082	-22	359

EUR '000	Q2 2020	Q2 2019	6M 2020	6M 2019	2019
Depreciations included in production cost	-1.149	-1.196	-2.341	-2.335	-4.598
EBITDA	-1.266	2.689	5.242	3.152	6.829
<i>EBITDA fixed herd prices</i>	<i>1.009</i>	<i>2.941</i>	<i>2.324</i>	<i>4.495</i>	<i>10.634</i>

Russia accounted for 36 % of Group revenue in Q2 2020 (Q2 2019: 40 %).

The EBITDA fixed herd price for Q2 2020 amounted to 1,009 kEUR, corresponding to an EBITDA margin of 10.7 % (Q2 2019: 2,941 kEUR and EBITDA margin 26.6 %) a decrease of 1,932 kEUR.

The decrease mainly comes from the sales price decreased 20 % compared to Q2 2019 to an average 1,05 EUR per kilo slaughter pigs' live weight (Q2 2019: 1,32 EUR per kilo live weight slaughter pigs) equal to 1.872 kEUR.



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 Jun 2020 as well as of the results of the Group operations and cash flows for the period 1st Jan – 30th Jun 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	Q2 2020	Q2 2019	6M 2020	6M 2019	2019
Revenue	25.826	27.462	54.556	50.480	110.540
Value adjustment, biological assets	-7.420	3.266	-1.322	4.428	4.089
Production costs	-22.977	-22.117	-45.812	-45.604	-93.667
Administrative costs	-840	-1.179	-1.789	-2.167	-4.586
Other income	885	868	1.286	1.174	2.305
Other expense	-20	-58	-45	-96	-262
Operating profit	-4.546	8.242	6.874	8.214	18.419
Net Financials	-1.563	-1.513	-2.734	-3.331	-6.563
Foreign exchange adjustments	1.176	172	-1.809	1.327	1.760
Profit before tax	-4.933	6.901	2.331	6.210	13.616
Tax on profit for the year	205	-476	-572	-218	-2.638
Profit for the period	-4.728	6.424	1.759	5.991	10.979

EUR '000	Q2 2020	Q2 2019	6M 2020	6M 2019	2019
Depreciations included in production cost	-1.880	-1.952	-3.809	-3.888	-8.498
EBITDA	-2.666	10.194	10.683	12.102	26.917
<i>EBITDA fixed herd prices</i>	<i>4.754</i>	<i>6.928</i>	<i>12.005</i>	<i>7.674</i>	<i>22.829</i>

Statement of comprehensive income

EUR '000	Q2 2020	Q2 2019	6M 2020	6M 2019	2019
Profit for the period	-4.728	6.424	1.759	5.991	10.979
Other comprehensive income					
Exchange adjustments, foreign subsidiaries	4.381	703	-5.910	4.720	6.321
Hedge accounting	12	178	149	-299	-352
Other comprehensive income to be reclassified to profit or loss in subsequent periods	4.393	881	-5.761	4.421	5.969
Other comprehensive income not to be reclassified to profit or loss in subsequent periods	-	-	-	-	-
Total comprehensive income	-335	7.305	-4.002	10.412	16.948

Assets

EUR '000	Q2 2020	Q2 2019	6M 2020	6M 2019	2019
Intangible assets	1.269	1.318	1.269	1.318	1.305
Property, Plant and Equipment	88.079	91.723	88.079	91.723	96.745
Biological Assets, Breeding herd	16.101	14.788	16.101	14.788	15.772
Deferred tax	757	757	757	757	757
Financial fixed assets	450	450	450	450	445
Total non-current assets	106.656	109.036	106.656	109.036	115.024
Inventories	9.278	9.044	9.278	9.044	15.599
Biological Assets, Commercial herd	25.381	28.694	25.381	28.694	27.662
Biological Assets, Arable	3.154	3.659	3.154	3.659	1.589
Biological Assets	28.535	32.353	28.535	32.353	29.251
Trade receivables	1.569	3.534	1.569	3.534	5.664
Other receivables	720	1.961	720	1.961	1.715
Prepayments	1.035	952	1.035	952	2.192
Income taxes receivables	-	-	-	-	351
Receivables	3.325	6.448	3.325	6.448	9.922
Cash	34.612	30.465	34.612	30.465	30.286
Total current assets	75.750	78.310	75.750	78.310	85.058
Total Assets	182.406	187.346	182.406	187.346	200.082

Liabilities and Equity

EUR '000	Q2 2020	Q2 2019	6M 2020	6M 2019	2019
Share capital	1.000	1.000	1.000	1.000	1.000
Exchange adjustments	-32.138	-27.829	-32.138	-27.829	-26.228
Other reserves	160	65	160	65	12
Retained earnings	94.324	87.576	94.324	87.576	92.564
Equity	63.345	60.812	63.345	60.812	67.348
Borrowings	79.958	93.968	79.958	93.968	92.735
Grants	1.800	1.972	1.800	1.972	2.003
Deferred tax	2.433	1.589	2.433	1.589	3.069
Provisions	134	134	134	134	134
Other non-current liabilities	39	39	39	39	39
Non current liabilities	84.363	97.702	84.363	97.702	97.980
Borrowings	23.444	18.867	23.444	18.867	27.694
Trade payables	7.936	7.732	7.936	7.732	5.332
Income taxes payables	844	247	844	247	-
Other payables	2.473	1.986	2.473	1.986	1.727
Current liabilities	34.698	28.832	34.698	28.832	34.753
Total liabilities	119.061	126.534	119.061	126.534	132.733
Total Equity and Liabilities	182.406	187.346	182.406	187.346	200.082

Cash Flow Statement

EUR '000	Q2 2020	Q2 2019	6M 2020	6M 2019	2019
Operating profit/loss	- 4.546	8.242	6.874	8.214	18.420
Adjustment for non-cash operating items	9.312	- 1.136	5.279	- 839	4.028
	4.766	7.106	12.154	7.375	22.448
Change in working capital incl. herd	4.064	- 1.037	11.268	- 3.266	- 12.613
Cash flow from ordinary activities before financials	8.830	6.070	23.421	4.109	9.835
Net financials	- 1.563	- 1.342	- 2.696	- 3.159	-
Corporate tax paid	- 31	450	13	488	- 1.049
Cash flow from ordinary activities	7.236	5.178	20.712	1.437	8.786
Cash flow from investing activities	- 1.104	- 1.170	- 2.012	- 1.848	- 9.593
Proceeds from borrowings	2.287	2.437	5.402	6.370	18.500
Repayments of borrowings	- 9.738	- 3.935	- 19.259	- 13.049	- 21.269
Dividends paid to shareholders	-	-	-	-	-
Deposit on Escrow account	-	-	-	-	-
Cash flow from financing activities	- 7.450	- 1.498	- 13.857	- 6.679	- 2.769
Cash and cash equivalents primo priod	10.294	4.925	5.524	13.586	13.586
Change in cash and cash equivalents	- 1.319	2.510	4.843	- 7.090	- 9.652
Exchange adjustments	914	104	479	1.043	1.590
Cash and cash equivalents end priod	9.888	7.539	9.888	7.539	5.524

The group furthermore has 7.500 kEUR overdraft facilities not utilized at period-end and own 8.800 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					1.759		1.759
Other comprehensive income			-	5.910	148	-	5.762
Total comprehensive income	-	-	-	5.910	148	1.759	4.003
Dividend							-
Transfer							-
Equity at 31st Marts 2020	1.000	-	-	32.138	160	94.323	63.345

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
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 6 months ended 30th Jun 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 Dec 2019.

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

Note 2 Biological assets measured at fair value

The change in the value of biological assets for Q2 2020 is stated in the below table. The total change in fair value is included in revenue reported in the income statement.

EUR '000	Q2 2020	Q2 2019	6M 2020	6M 2019	2019
Commercial herd primo	30.555	24.130	27.662	21.739	21.739
Change in fair value	-6.019	-1.127	-1.127	5.633	4.523
Exchange adjustments	845	-1.154	-1.154	1.322	1.400
Commercial herd ultimo	25.381	21.849	25.381	28.694	27.662
Breeding herd primo	15.702	15.772	15.772	14.194	14.194
Change in fair value	-991	1.216	1.216	-89	637
Exchange adjustments	1.390	-887	-887	683	941
Breeding herd ultimo	16.101	16.101	16.101	14.788	15.772
Herd total primo	46.257	43.434	43.434	35.933	35.933
Change in fair value due to volume	409	1.411	1.411	1.116	1.071
Change in fair value due to price	-7.420	-1.322	-1.322	4.428	4.089
Exchange adjustments	2.235	-2.041	-2.041	2.005	2.341
Herd total ultimo	41.482	41.482	41.482	43.482	43.434
Crop primo	1.853	1.589	1.589	1.453	1.453
Change in fair value due to volume	1.327	1.869	1.869	2.051	-73
Change in fair value due to price	-	-	-	-	-
Exchange adjustments	-26	-304	-304	155	209
Crop ultimo	3.154	3.154	3.154	3.659	1.589
Total Biological Assets primo	48.110	45.023	45.023	37.386	37.386
Change in fair value due to volume	1.736	3.280	3.280	3.167	998
Change in fair value due to price	-7.420	-1.322	-1.322	4.428	4.089
Exchange adjustments	2.209	-2.345	-2.345	2.160	2.550
Total Biological Assets ultimo	44.636	44.636	44.636	47.141	45.023

Note 3 Segment reporting

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

EUR '000	Q2 2020			Group
	Lithuania	Russia	Other / Eliminations	
Revenue	16.405	9.421	-	25.826
Value adjustment, biological assets	- 5.144	- 2.275	-	- 7.420
Production costs	- 13.520	- 9.454	- 4	- 22.977
Administrative costs	- 418	- 238	- 183	- 840
Other income	734	150	-	885
Other expense	-	- 20	-	- 20
Operating profit	- 1.943	- 2.416	- 187	- 4.546
Net Financials	- 249	- 386	- 928	- 1.563
Foreign exchange adjustments	-	93	1.083	1.176
Profit before tax	- 2.191	- 2.709	- 33	- 4.933
Tax on profit for the year	240	35	-	205
Profit for the period	- 1.951	- 2.744	- 33	- 4.728
EUR '000				
Depreciations included in production cost	- 727	- 1.149	- 4	- 1.880
EBITDA	- 1.216	- 1.266	- 183	- 2.666
<i>EBITDA fixed herd prices</i>	<i>3.929</i>	<i>1.009</i>	<i>- 183</i>	<i>4.754</i>
Q2 2019				
EUR '000	Lithuania	Russia	Other / Eliminations	Group
Revenue	16.410	11.051	-	27.462
Value adjustment, biological assets	3.518	- 252	-	3.266
Production costs	- 12.725	- 9.391	-	- 22.117
Administrative costs	- 569	- 395	- 215	- 1.179
Other income	357	511	-	868
Other expense	- 26	- 32	-	- 58
Operating profit	6.965	1.493	- 215	8.242
Net Financials	- 298	- 218	- 998	- 1.513
Foreign exchange adjustments	-	1	173	172
Profit before tax	6.667	1.274	- 1.040	6.901
Tax on profit for the year	- 476	0	-	- 476
Profit for the period	6.191	1.274	- 1.040	6.424
EUR '000				
Depreciations included in production cost	- 756	- 1.196	-	- 1.952
EBITDA	7.720	2.689	- 215	10.194
<i>EBITDA fixed herd prices</i>	<i>4.202</i>	<i>2.941</i>	<i>- 215</i>	<i>6.928</i>

6M 2020				
EUR '000	Lithuania	Russia	Other / Eliminations	Group
Revenue	34.841	19.715	-	54.556
Value adjustment, biological assets	- 4.240	2.919	-	1.322
Production costs	- 26.376	- 19.432	- 4	- 45.812
Administrative costs	- 896	- 594	- 299	- 1.789
Other income	949	337	-	1.286
Other expense	- 2	- 43	-	- 45
Operating profit	4.275	2.902	- 303	6.874
Net Financials	- 491	- 703	- 1.541	- 2.734
Foreign exchange adjustments	-	- 71	- 1.738	- 1.809
Profit before tax	3.785	2.128	- 3.582	2.331
Tax on profit for the year	- 525	- 46	-	- 572
Profit for the period	3.259	2.082	- 3.582	1.759
EUR '000				
Depreciations included in production cost	- 1.464	- 2.341	- 4	- 3.809
EBITDA	5.739	5.242	- 299	10.683
<i>EBITDA fixed herd prices</i>	<i>9.980</i>	<i>2.324</i>	<i>- 299</i>	<i>12.005</i>
6M 2019				
EUR '000	Lithuania	Russia	Other / Eliminations	Group
Revenue	28.669	21.811	-	50.480
Value adjustment, biological assets	5.771	- 1.343	-	4.428
Production costs	- 26.161	- 19.443	-	- 45.604
Administrative costs	- 1.081	- 712	- 374	- 2.167
Other income	617	556	-	1.174
Other expense	- 44	- 52	-	- 96
Operating profit	7.771	817	- 374	8.214
Net Financials	- 549	- 819	- 1.963	- 3.331
Foreign exchange adjustments	-	- 19	1.346	1.327
Profit before tax	7.222	- 21	- 991	6.210
Tax on profit for the year	- 218	- 1	-	- 218
Profit for the period	7.004	- 22	- 991	5.991
EUR '000				
Depreciations included in production cost	- 1.552	- 2.335	-	- 3.888
EBITDA	9.323	3.152	- 374	12.102
<i>EBITDA fixed herd prices</i>	<i>3.553</i>	<i>4.495</i>	<i>- 374</i>	<i>7.674</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	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019
Income statement						
Revenue	25.826	28.730	30.900	29.161	27.462	23.018
EBITDA	- 2.666	13.349	8.699	6.117	10.194	1.907
EBITDA fixed herd price	4.754	7.250	6.104	9.052	6.928	745
EBIT	- 4.546	11.420	5.825	4.380	8.242	- 28
Financial items, net	- 387	- 4.156	- 1.437	- 1.362	- 1.342	- 663
Profit/(loss) for the period	- 4.728	6.487	2.376	2.611	6.424	- 433
Cash flow						
Operating activity	7.236	13.477	- 2.616	5.841	3.226	- 3.741
Investing activity	- 1.104	- 908	- 4.350	- 3.395	- 1.170	- 678
Financing activity	- 7.450	- 6.407	8.781	- 4.871	- 1.498	- 5.182
Free cash flow	7.695	13.702	- 5.849	4.246	3.398	- 2.601
Balance sheet						
Non-current assets	106.656	103.089	115.024	110.044	109.036	107.128
Net working capital	20.567	28.609	32.075	23.154	28.797	22.322
Net operating assets	127.224	131.698	147.099	133.198	137.834	129.450
Total assets	182.406	187.883	200.082	187.398	187.346	180.718
Equity	63.346	63.681	67.348	63.960	60.812	53.507
Net interest bearing debt	68.340	73.494	90.143	80.155	82.371	83.720
Key financials Group						
EBITDA margin	-10,3%	46,5%	28,2%	21,0%	37,1%	8,3%
EBITDA margin - fixed herd prices	18,4%	25,2%	19,8%	31,0%	25,2%	3,2%
Cash conversion	161,9%	189,0%	-95,8%	46,9%	49,0%	-349,1%
NIBD / EBITDA fixed price LTM	2,5	2,5	3,9	4,3	5,4	6,5
Equity ratio	34,7%	33,9%	33,7%	34,1%	32,5%	29,6%

Appendix / Production information

Idavang Group

	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019
Number of Sows						
Lithuania	15.125	14.981	15.048	15.293	15.124	14.577
Russia	10.474	10.261	10.257	10.184	10.014	9.978
Total	25.599	25.242	25.305	25.477	25.138	24.555
Pigs sold (slaughterpigs, Weaners and Sows)						
Lithuania	118.357	113.624	123.838	119.249	114.015	115.141
Russia	79.440	83.908	93.494	87.340	78.701	85.791
Total	197.797	197.532	217.332	206.589	192.716	200.932
Displacement						
Lithuania	3.101	2.144	- 4.389	- 1.195	5.041	- 2.232
Russia	10.254	1.181	- 5.792	4.005	9.176	- 427
Total	13.355	3.325	- 10.181	2.810	14.217	- 2.659
Total production						
Lithuania	121.458	115.768	119.449	118.054	119.056	112.909
Russia	89.694	85.089	87.702	91.345	87.877	85.364
Total	211.152	200.857	207.151	209.399	206.933	198.273
Feed cost kEUR						
Lithuania	- 8.952	- 8.706	- 8.659	- 9.034	- 8.828	- 8.878
Russia	- 6.597	- 6.698	- 7.027	- 7.528	- 6.869	- 6.575
Total	- 15.549	- 15.403	- 15.687	- 16.562	- 15.697	- 15.453
Feed conversion kg/kg						
Lithuania	2,81	2,85	2,84	2,91	2,84	2,98
Russia	2,91	2,86	2,87	2,92	2,84	2,91
Group	2,85	2,85	2,85	2,91	2,84	2,95