



**25**  
years  
of  
**GOODVALLEY**  
Sustainable Farming  
Since 1994



**GOODVALLEY**  
Since  1994  
Home of Quality

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**Interim  
report  
Q3 2019**

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# Highlights

Goodvalley continued to increase production and grow sales of live pigs in Q3 2019 to accommodate increasing demand across the Group's markets. Higher prices for live pigs boosted earnings from the Group's pig production. At the same time, though, the crop yield came in at a record-low level and the higher pig prices had a temporary negative impact on profitability on value added pork products. The Group's operational performance improved slightly in the quarter driven by continued efforts to improve production planning and processes.

“

*Our pig production generated strong results in the quarter as we leveraged our recent investments in production capacity, enabling us to sell more live pigs at a higher average price while simultaneously improving operational efficiency slightly. Even though we realised a record-low crop yield from our land in Ukraine in particular and saw the pig price effect partly offset by relatively fixed pork product sales prices, we now expect to reach the high end of our revenue and earnings outlook for the full-year.*

”

*says CEO Hans Henrik Pedersen.*

## Contact information

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## Conference call

A conference call for investors, analysts and other stakeholders will be conducted in English by CEO Hans Henrik Pedersen and Vice CEO Kristian Brokop on 27 November 2019 at 10 AM (CET). The conference call can be followed live via [this link](#), and participants may dial telephone numbers provided at our corporate website to ask questions.

## Q3 2019

- Group revenue grew to DKK 414 million (Q3 2018: DKK 377 million) driven by an increase in sales of live pigs at a higher average price, which boosted Adjusted EBITDA\* to DKK 71 million (Q3 2018: DKK 35 million) corresponding to an Adjusted EBITDA margin of 17.2 % (Q3 2018: 9.2%).
- The Polish segment grew revenue to DKK 228 million (Q3 2018: DKK 221 million) and lifted Adjusted EBITDA to DKK 34 million (Q3 2018: DKK 4 million) due to higher live pig sales volume and price. The positive development was partly offset by relatively fixed domestic pork product prices despite fewer pigs slaughtered in the quarter.
- Revenue in the Ukrainian business increased to DKK 138 million (Q3 2018: DKK 108 million) driven by higher pig prices, whereas Adjusted EBITDA declined to DKK 15 million (Q3 2018: DKK 17 million) as the crop yield came in at a record-low level below the low yield realised in the comparison period.
- In Russia, revenue was stable at DKK 48 million (Q3 2018: DKK 48 million), while Adjusted EBITDA declined to DKK 18 million (Q3 2018: DKK 22 million) due to lower pig prices.

## OUTLOOK:

Based on the positive development in Q3 2019, Goodvalley expects to reach the high end of the previously communicated outlook for 2019 in terms of revenue and Adjusted EBITDA. The Group now expects to generate revenue of DKK 1,450-1,550 against the previous expectation of DKK 1,400-1,550 million and an Adjusted EBITDA of DKK 250-280 million against the former expectation of DKK 220-280 million.

## 9M 2019

- Group revenue was DKK 1,121 million (9M 2018: DKK 1,102 million), and Adjusted EBITDA amounted to DKK 185 million (9M 2018: DKK 190 million), corresponding to an Adjusted EBITDA margin of 16.5% (9M 2018: 17.3%).
- In Poland, revenue came to DKK 680 million (DKK 687 million) with Adjusted EBITDA of DKK 63 million (9M 2018: DKK 58 million).
- The business in Ukraine generated revenue of DKK 310 million (9M 2018: DKK 291 million) and Adjusted EBITDA of DKK 68 million (9M 2018: DKK 95 million).
- Russian revenue was DKK 131 million (9M 2018: DKK 125 million) with Adjusted EBITDA of DKK 42 million (9M 2018: DKK 52 million).

\*In this report, Adjusted EBITDA refers to EBITDA adjusted for herd price changes and non-recurring items, cf. page 3.

# Financial highlights

DKK million	Q3 2019	Q3 2018	9M 2019	9M 2018	DKK million	Q3 2019	Q3 2018	9M 2019	9M 2018
<b>Income statement</b>					<b>Financial ratios</b>				
Revenue	414	377	1,121	1,102	Gross margin	21.6%	19.2%	28.1%	27.0%
Total income	338	322	1,235	1,178	EBITDA margin	15.1%	10.5%	21.4%	19.0%
Gross profit	90	72	315	298	Adjusted EBITDA margin	17.2%	9.2%	16.5%	17.3%
EBITDA	63	40	240	210	EBIT margin	6.2%	3.0%	11.8%	11.1%
Adjusted EBITDA	71	35	185	190	Free cash flow / Revenue	6.9%	(8.6%)	7.2%	(6.2%)
EBIT	26	12	132	122	Cash conversion	63.4%	167.9%	72.3%	76.7%
Financial items, net	1	(33)	(9)	(51)	Capex	(19)	(111)	(60)	(220)
Profit / (loss) for the period	26	(21)	120	67	NIBD/Adjusted EBITDA LTM	5.4	4.1	5.4	4.1
Adjusted* profit	18	(6)	26	57	Equity ratio	51.2%	45.5%	51.2%	45.5%
<b>Cash flow</b>					ROIC	2.5%	6.4%	2.5%	6.4%
Operating activity	44	58	131	146	FTE end of period	2,260	2,306	2,260	2,306
Investing activity	(16)	(91)	(52)	(214)	<b>Share ratios</b>				
Free cash flow	28	(33)	78	(68)	Earnings per share, DKK	0.5	(0.4)	2.2	1.2
Financing activity	(34)	(4)	(68)	9	<b>Goodvalley Bond Obligor Group*</b>				
<b>Balance sheet</b>					Revenue	367	328	991	977
Non-current assets	2,057	1,907	2,057	1,907	Total income	300	277	1,105	1,043
Net working capital	636	600	636	600	EBITDA	50	14	202	148
Invested capital	2,694	2,507	2,694	2,507	Adjusted EBITDA	53	13	143	138
Total assets	2,866	2,798	2,866	2,798	Interest bearing debt	1,190	1,221	1,190	1,221
Equity	1,468	1,274	1,468	1,274	Net interest bearing debt	1,132	1,171	1,132	1,171
Net interest-bearing debt	1,158	1,178	1,158	1,178	Adjusted EBITDA LTM	159	223	159	223
					NIBD/Adjusted EBITDA LTM	7.1	5.2	7.1	5.2

\*In this report, Adjusted profit refers to profit for the period adjusted for non-recurring items, herd price changes and exchange rate adjustments in financial items.

\*Bond Obligor Group consists of: Goodvalley A/S, Finansax ApS, Goodvalley Agro SA, Goodvalley Sp. Z o.o. and Goodvalley Ukraine LLC.

# Financial performance



## BUSINESS DEVELOPMENT

Goodvalley continued to see increasing demand for live pigs in all markets as African Swine Fever (ASF) continued to spread in Asia resulting in higher demand and prices across European markets in Q3 2019. The Group reduced the number of pigs slaughtered and thus pork volumes sold from the slaughterhouse in Poland as elevated input prices and relatively fixed sales prices for value added pork products eroded profitability.

The Group's operational performance was stable with a feed conversion ratio of 2.72 (Q3 2018: 2.73) and a slight increase in the number of pigs sold per sow to a level of 31.3 (Q3 2018: 31.2). The positive developments were driven by continued efforts to improve production planning and processes while ensuring knowledge sharing across all segments. Goodvalley's pig production volumes were furthermore positively affected by the expanded production capacity, which was installed last year and has been taken into use in recent quarters. The Group intensified the efforts to mitigate risks related to ASF across all markets during the quarter.

DKK million	Q3 2019	Q3 2018	9M 2019	9M 2018
Revenue	414	377	1,121	1,102
Change in fair value	(85)	(60)	93	62
Grants and other income	9	5	21	14
<b>TOTAL INCOME</b>	<b>338</b>	<b>322</b>	<b>1,235</b>	<b>1,178</b>

## INCOME STATEMENT

### Revenue

Consolidated revenue increased to DKK 414 million (Q3 2018: DKK 377 million) in Q3 2019 as Goodvalley grew live pig sales in all markets, supported by favourable prices following ASF outbreaks in several Asian countries, entailing a decline in supply. On that background, the average sales price increased to DKK 12.78 per kilo (Q3 2018: DKK 11.24 per kilo). The positive development in live pig sales was partly offset by a detrimental impact on profitability from pork sales in Poland due to a time lag in transferring the higher pig prices. The Group consequently reduced the number of pigs slaughtered to limit this effect as much as possible. Sales of live pigs accounted for 55% of Group revenue, while 37% came from sales of pork products.

Total income increased to DKK 338 million (Q3 2018: DKK 322 million) in Q3 2019 following fair value adjustments of DKK -85 million (Q3 2018: DKK -60 million) caused mainly by an unexpectedly low crop yield in Ukraine.

In 9M 2019, revenue came to DKK 1,121 million (9M 2018: DKK 1,102 million), and total income was DKK 1,235 million (9M 2018: DKK 1,178 million).

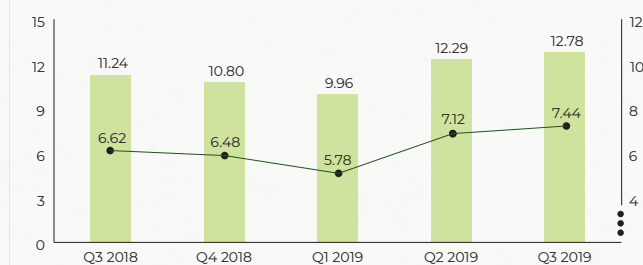
DKK million	Q3 2019	Q3 2018	9M 2019	9M 2018
EBITDA	63	40	240	210
Herd price adjustment	8	(5)	(55)	(19)
<b>ADJUSTED EBITDA</b>	<b>71</b>	<b>35</b>	<b>185</b>	<b>190</b>
<b>ADJUSTED EBITDA MARGIN</b>	<b>17.2%</b>	<b>9.2%</b>	<b>16.5%</b>	<b>17.3%</b>
EBITDA margin	15.1%	10.5%	21.4%	19.0%

### Cost of goods sold

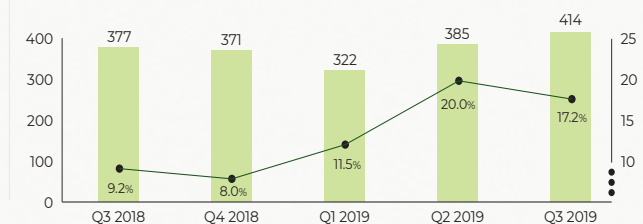
Cost of goods sold was stable at DKK 248 million (Q3 2018: DKK 250 million) in Q3 2019. Costs declined as Goodvalley reduced the number of pigs slaughtered, but this development was offset by higher costs related to increased feed consumption due to higher volumes produced and elevated costs primarily related to developing the land added to the Group's arable activities in 2018 in Ukraine.

Cost of goods sold was DKK 920 million (9M 2018: DKK 880 million) in 9M 2019.

PIG PRICE, DKK / KG., AND MEAT TO FEED RATIO



REVENUE, DKK MILLION, AND ADJUSTED EBITDA MARGIN, %



# Financial performance

## GROUP

### SG&A

Goodvalley's sales, general and administrative expenses came to DKK 27 million (Q3 2018: DKK 32 million) in Q3 2019 from a relatively high level in the comparison period, which was marked by expenses related to the strengthening of the Group's organisation and brand. SG&A expenses include Group costs not directly attributable to individual segments, cf. note 2 to the financial statements.

In 9M 2019, the Group's SG&A came to DKK 75 million (9M 2018: DKK 88 million).

### EBITDA

The Group's Adjusted EBITDA increased to DKK 71 million (Q3 2018: DKK 35 million) in Q3 2019, corresponding to an Adjusted EBITDA margin of 17.2% (Q3 2018: 9.2%). EBITDA increased to DKK 63 million (Q3 2018: DKK 40 million), corresponding to an EBITDA margin of 15.1% (Q3 2018: 10.5%).

In 9M 2019, Goodvalley's Adjusted EBITDA amounted to DKK 185 million (9M 2018: DKK 190 million), corresponding to an Adjusted EBITDA margin of 16.5% (9M 2018: 17.3%). The Group reported

EBITDA of DKK 240 million (9M 2018: DKK 210 million) and an EBITDA margin of 21.4% (9M 2018: 19.0%) in 9M 2019.

Implementation of IFRS 16 "Leases" as of 1 January 2019 improved Adjusted EBITDA by DKK 3 million in Q3 2019 and DKK 10 million in 9M 2019, while depreciation and interest expenses have increased correspondingly. Please refer to note 1 in the financial statements.

### EBIT

EBIT increased to DKK 26 million (Q3 2018: DKK 12 million) in Q3 2019, corresponding to an EBIT margin of 6.2% (Q3 2018: 3.0%).

In 9M 2019, the Group's EBIT came to DKK 132 million (9M 2018: DKK 122 million), corresponding to an EBIT margin of 11.8% (9M 2018: 11.1%).

### Adjusted profit

In Q3 2019, the Group's Adjusted profit\* increased to DKK 18 million (Q3 2018: DKK -6 million), corresponding to an Adjusted profit margin of 4.3% (Q3 2018: -1.6%).

Adjusted profit for 9M 2019 came to DKK 26 million (9M 2018: DKK 57 million), corresponding to an Adjusted profit margin of 2.3% (9M 2018: 5.2%).

### Total comprehensive income

The Group's total comprehensive income amounted to DKK 69 million (Q3 2018: DKK -44 million) in Q3 2019 including positive exchange adjustments of foreign enterprises of DKK 42 million (Q3 2018: DKK -23 million).

For 9M 2019, total comprehensive income was DKK 238 million (9M 2018: DKK 9 million).

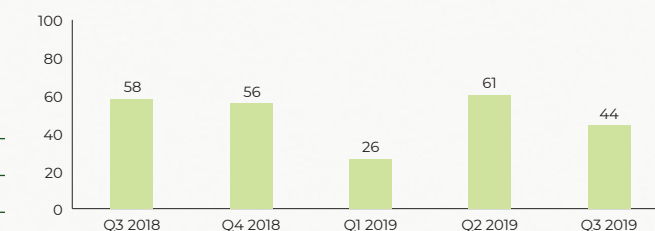
### BALANCE SHEET

The balance sheet amounted to a total of DKK 2,866 million (9M 2018: DKK 2,798 million) at 30 September 2019.

Net working capital was DKK 636 million (9M 2018: DKK 600 million) at 30 September 2019 including 116 thousand tonnes of grain and other feed components in stock (9M 2018: 145 thousand tonnes).

DKK million	Q3 2019	Q3 2018	9M 2019	9M 2018
Net profit	26	(21)	120	67
Herd price adjustment	8	(5)	(55)	(19)
Exchange rate adjustment	(17)	20	(39)	9
<b>Adjusted profit</b>	<b>18</b>	<b>(6)</b>	<b>26</b>	<b>57</b>
<b>ADJUSTED PROFIT MARGIN</b>	<b>4.3%</b>	<b>(1.6%)</b>	<b>2.3%</b>	<b>5.2%</b>
Net Profit margin	6.4%	(5.6%)	10.7%	6.1%

OPERATING CASH FLOW, DKK MILLION



\*In this report, Adjusted profit refers to profit for the period adjusted for non-recurring items, price changes of herd on stock and exchange rate adjustments in financial items.



# Financial performance

## GROUP

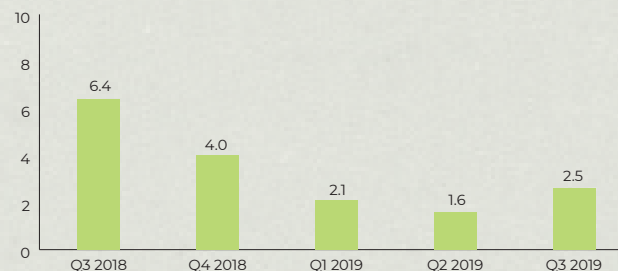
Goodvalley's invested capital increased to DKK 2,694 million (9M 2018: DKK 2,507 million) at 30 September 2019. Return on invested capital (ROIC) decreased to 2.5% (9M 2018: 6.4%) as the invested capital were impacted by upward currency adjustments.

Total equity increased to DKK 1,468 million (9M 2018: DKK 1,274 million) at 30 September 2019, corresponding to an equity ratio of 51.2% (9M 2018: 45.5%).

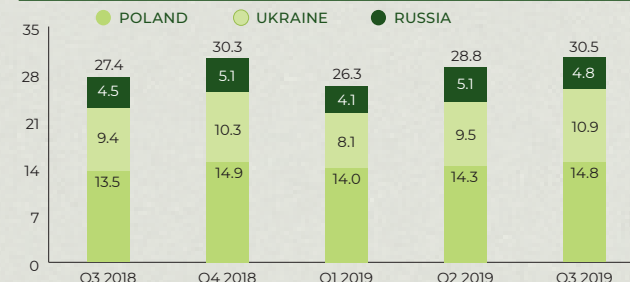
Goodvalley's net interest-bearing debt decreased to DKK 1,158 million (9M 2018: DKK 1,178 million) at 30 September 2019 as the Group reduced its short and long-term liabilities following the positive financial developments. The net interest-bearing debt was impacted by a DKK 52 million effect of IFRS 16 "Leases" implementation, cf. note 1 to the financial statements. NIBD/Adjusted EBITDA LTM increased to 5.4 (9M 2018: 4.1).



ROIC, %



PIGS SOLD, THOUSAND TONNES (LIVE WEIGHT)



# Financial performance

## POLAND

Goodvalley's sales of pork products in Poland were impacted by challenging market conditions characterised by high input costs that could not be absorbed in the sales prices for value added pork products. The reduction in the number of pigs slaughtered resulted in a significant decline in pork sales to 8.5 thousand tonnes (Q3 2018: 12.0 thousand tonnes) in Q3 2019. Sales of Goodvalley's branded products continued to improve in Q3 2019 supported by a nationwide TV campaign and online marketing. Overall, deboned meat accounted for 29% (Q3 2018: 40%) of pork sales, while the share of value-added products including branded products was 71% (Q3 2018: 60%) in the quarter.

Moderately higher sales of live pigs of 14.8 thousand tonnes (Q3 2018: 13.5 thousand tonnes) at a higher average pig price of DKK 12.60 per kilo (Q3 2018: DKK 10.35 per kilo) outweighed the negative impact of lower incremental margin on pork products in the quarter.

Revenue in the Polish business grew to DKK 228 million (Q3

2018: DKK 221 million) driven by higher prices for live pigs and increasing live pig volumes. The Polish business accounted for 56% of Group revenue, and segment revenue was comprised of 66% from pork products, 28% from external sales of live pigs and 6% from external sales of crops and energy.

Total income came to DKK 218 million (Q3 2018: DKK 202 million) in Q3 2019 and includes fair value adjustments of DKK -16 million (Q3 2018: DKK -24 million).

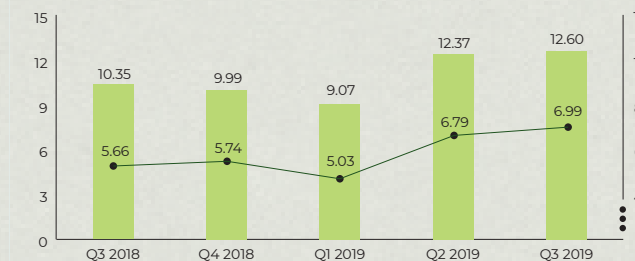
Adjusted EBITDA increased to DKK 34 million (Q3 2018: DKK 4 million), resulting in a strong improvement of the Adjusted EBITDA margin to 15.0% (Q3 2018: 1.8%) as a result of the higher pig prices and improved efficiency. During the quarter, pigs sold per sow increased to a level of 30.1 (Q3 2018: 29.7) and the feed conversion ratio improved to a level of 2.70 (Q3 2018: 2.85) driven by operational improvements and streamlining of production planning and processes while the feed price stabilised at a high level of DKK 1.81 per kilo (Q3 2018: DKK 1.83 per kilo). EBITDA

DKK million	Q3 2019	Q3 2018	9M 2019	9M 2018
<b>REVENUE</b>	228	221	680	687
Change in fair value	(16)	(24)	86	27
Other income	6	5	18	13
<b>TOTAL INCOME</b>	<b>218</b>	<b>202</b>	<b>784</b>	<b>727</b>
<b>EBITDA</b>	<b>33</b>	<b>-</b>	<b>121</b>	<b>63</b>
<b>ADJUSTED EBITDA</b>	<b>34</b>	<b>4</b>	<b>63</b>	<b>58</b>
Adjusted EBITDA margin	15.0%	1.8%	9.3%	8.4%

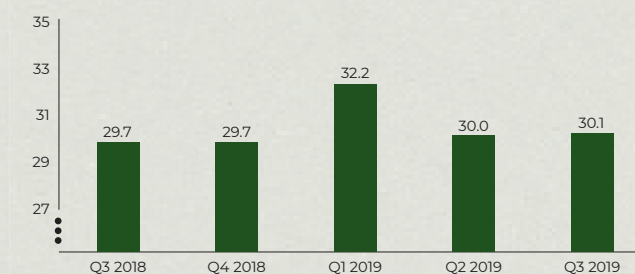
SALE OF PORK (SLAUGHTERED), THOUSAND TONNES



PIG PRICE, DKK/ KG., AND MEAT TO FEED RATIO



PIGS SOLD PER SOW, HEADS





# Financial performance

## POLAND

increased to DKK 33 million (Q3 2018: DKK 0 million) in Q3 2019.

In 9M 2019, pork volume declined to 22.0 thousand tonnes (9M 2018: 26.0 thousand tonnes) while sales of live pigs increased to 43.1 thousand tonnes (9M 2018: 41.8 thousand tonnes). Revenue came to DKK 680 million (9M 2018: DKK 687 million), accounting for 60% of Group revenue, with Adjusted EBITDA amounting to DKK 63 million (9M 2018: DKK 58 million) and EBITDA standing at DKK 121 million (9M 2018: DKK 63 million).

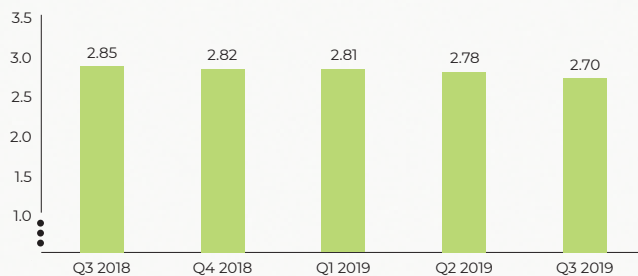


## Goodvalley Hot Dogs

### PARÓWKI

Goodvalley Hot Dogs is one of our popular products which is sold in retail stores across Poland. The Hot Dogs have a 100% meat content and are completely free from any preservatives.

FEED CONVERSION RATIO, KG., (WHOLE HERD)



## All of Goodvalley branded products have three common attributes:



**NON GMO  
FEED**



**RWA**



**CLIMATE-  
FRIENDLY**



# Financial performance

## UKRAINE

In Q3 2019, the Ukrainian business grew its sales of live pigs to 10.9 thousand tonnes (Q3 2018: 9.4 thousand tonnes) at a higher average price of DKK 13.28 per kilo (Q3 2018: DKK 11.73 per kilo). The segment's revenue increased to DKK 138 million (Q3 2018: DKK 108 million) comprised of 85% from external sales of live pigs and 15% from external sales of crops and energy, accounting in total for 33% of Group revenue in Q3 2019.

The segment's total income increased to DKK 82 million (Q3 2018: DKK 75 million) in Q3 2019. Fair value adjustments were DKK -59 million (Q3 2018: DKK -33 million) as the effect of higher pig prices and volumes could not absorb the impact of significantly lower arable yields following heavy rain in the beginning of the year.

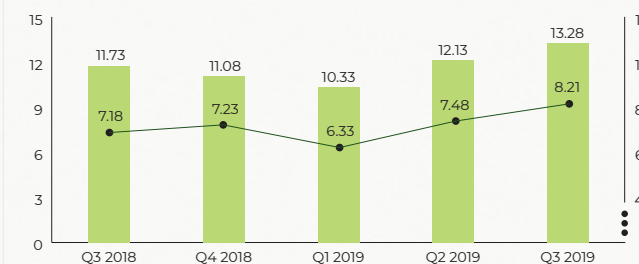
Adjusted EBITDA declined to DKK 15 million (Q3 2018: DKK 17 million) in Q3 2019, corresponding to an Adjusted EBITDA margin of 10.7% (Q3 2018: 15.7%). EBITDA came to DKK 14 million (Q3 2018: DKK 22 million). Production efficiency was slightly lower

in Q3 2019 as pigs sold per sow declined to 32.8 (Q3 2018: 33.2). The feed conversion ratio increased to a level of 2.73 (Q3 2018: 2.58) as more finishers were produced following expansion of finisher capacity entailing an increase in the feed conversion ratio compared to weaners. The feed price stabilised at DKK 1.62 per kilo (Q3 2018: DKK 1.63 per kilo).

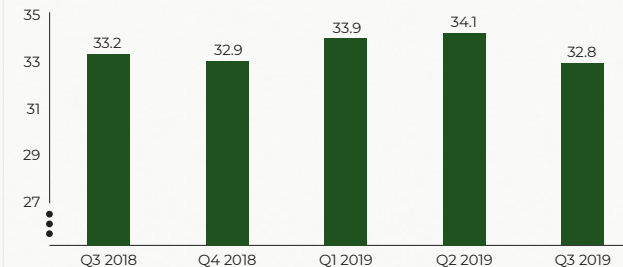
In 9M 2019, the Ukrainian segment's live pig sales came to 28.5 thousand tonnes (9M 2018: 28.2 thousand tonnes), resulting in revenue of DKK 310 million (9M 2018: DKK 291 million), accounting for 28% of Group revenue. Adjusted EBITDA came to DKK 68 million (9M 2018: DKK 95 million), and EBITDA was DKK 69 million (9M 2018: DKK 100 million) in 9M 2019.

DKK million	Q3 2019	Q3 2018	9M 2019	9M 2018
<b>REVENUE</b>	138	108	310	291
Change in fair value	(59)	(33)	8	25
Other income	3	-	2	1
<b>TOTAL INCOME</b>	82	75	320	316
<b>EBITDA</b>	14	22	69	100
<b>ADJUSTED EBITDA</b>	15	17	68	95
Adjusted EBITDA margin	10.7%	15.7%	21.9%	32.7%

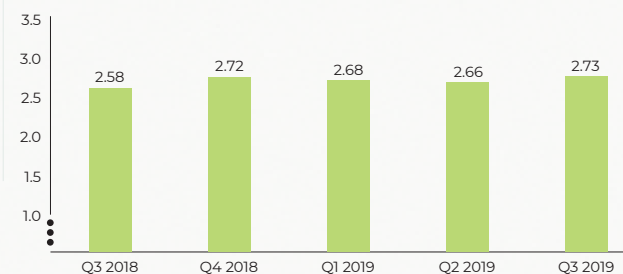
PIG PRICE, DKK/ KG., AND MEAT TO FEED RATIO



PIGS SOLD PER SOW, HEADS



FEED CONVERSION RATIO, KG., (WHOLE HERD)



# Financial performance

## RUSSIA

Goodvalley Russia grew its sales of live pigs in Q3 2019 to 4.8 thousand tonnes (Q3 2018: 4.5 thousand tonnes) while the average price for live pigs declined to DKK 12.15 per kilo (Q3 2018: DKK 13.56 per kilo) from a high comparison level as production capacity in the market increased. Revenue came to DKK 48 million (Q3 2018: DKK 48 million), and the Russian business accounted in total for 11% of Group revenue in the quarter.

In Q3 2019, total income for the Russian activities decreased to DKK 38 million (Q3 2018: DKK 45 million).

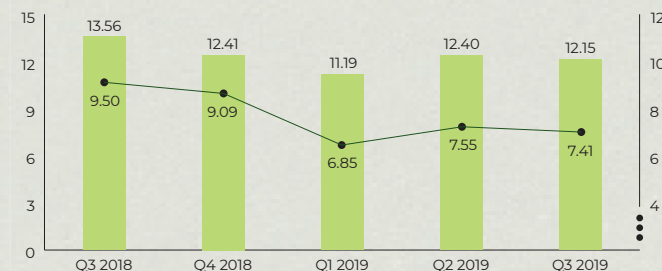
Adjusted EBITDA declined to DKK 18 million (Q3 2018: DKK 22 million), corresponding to an Adjusted EBITDA margin of 37.9% (Q3 2018: 45.0%) in Q3 2019 driven by higher feed prices in the quarter at DKK 1.64 per kilo (Q3 2018: DKK 1.43 per kilo) resulting in a steep drop in the meat to feed ratio. Pig production efficiency was higher as the number of pigs sold per sow increased to 32.5 (Q3 2018: 32.0) as a result of the Group's continued work to

promote cross-border knowledge sharing and management education programmes. EBITDA declined to DKK 13 million (Q3 2018: DKK 26 million) in Q3 2019.

In 9M 2019, the Russian segment grew its live pig sales volume to 14.0 thousand tonnes (9M 2018: 13.1 thousand tonnes) and revenue to DKK 131 million (9M 2018: DKK 125 million), accounting for 12% of Group revenue. Adjusted EBITDA was DKK 42 million (9M 2018: DKK 52 million), and EBITDA came to DKK 38 million (9M 2018: DKK 62 million) in 9M 2019.

DKK million	Q3 2019	Q3 2018	9M 2019	9M 2018
<b>REVENUE</b>	48	48	131	125
Change in fair value	(10)	(3)	(1)	10
Other income	-	-	1	-
<b>TOTAL INCOME</b>	38	45	131	135
<b>EBITDA</b>	13	26	38	62
<b>ADJUSTED EBITDA</b>	18	22	42	52
Adjusted EBITDA margin	37.9%	45.0%	31.8%	42.4%

PIG PRICE, DKK/ KG AND MEAT TO FEED RATIO



PIGS SOLD PER SOW, HEADS



FEED CONVERSION RATIO, KG., (WHOLE HERD)





# Outlook

Goodvalley expects to reach the high end of the previously communicated outlook for 2019 in terms of revenue and Adjusted EBITDA based on year-to-date performance and expectations of higher market prices for live pigs. The expected price increases are seen to boost results from the Group's pig production units, while simultaneously reducing earnings from the production of value added food products due to elevated input prices and relatively fixed sales prices for pork products in Poland. The outlook for 2019 is furthermore impacted by expectations of higher feed costs compared to the 2018 level. Group revenue is now expected to amount to DKK 1,450-1,550 million against the previous expectation of DKK 1,400-1,550, and Adjusted EBITDA is expected to reach DKK 250-280 million against the former expectation of DKK 220-280 million.

## Assumptions

Following Q3 2019, Goodvalley now bases the outlook for the full-year on an average market price for live pigs of DKK 12.1 per

kilo (previously DKK 12.0 per kilo) slaughter pig and a feed price of DKK 1.70 per kilo (previously DKK 1.72 per kilo) at Group level.

Current fluctuations in live pig prices in Goodvalley's markets continue to be driven mainly by changes in supply and demand in the Chinese market following ASF outbreaks, entailing continued low transparency. The outlook is furthermore based on current exchange rates for the Group's key currencies as well as the prevailing economic situation in Goodvalley's markets.

The outlook represents our current expectations for the development in the Group's revenue and Adjusted EBITDA, and Goodvalley's EBITDA may thus deviate significantly from this outlook.

DKK MILLION	2019 OUTLOOK ANNUAL REPORT 2018	2019 OUTLOOK 27 NOVEMBER 2019
REVENUE	1,400-1,550	1,450-1,550
ADJUSTED EBITDA	220-280	250-280

*This report contains forward-looking statements reflecting Goodvalley's current forecasts of future events, operational performance and financial results. Such statements are subject to uncertainty as factors within and beyond Goodvalley's control may cause actual performance and results to differ materially from the forecasts in this report. Such factors include, among other things, the fair value of pigs, global and local market prices of pork meat, changes in consumer preferences and demand, consumer purchasing power, competition, any outbreak of animal diseases or epidemics, the supply of utilities, developments in financial markets and changes or amendments to legislation, regulation or the political situation in Goodvalley's markets. See also the section on risk management and note 4.2 to the annual financial statements for 2018.*



## FINANCIAL CALENDAR 2020

27 FEBRUARY:	ANNUAL REPORT 2019
23 APRIL:	ANNUAL GENERAL MEETING
28 MAY:	INTERIM REPORT Q1 2020
21 AUGUST:	INTERIM REPORT Q2 2020
26 NOVEMBER:	INTERIM REPORT Q3 2020

# Management statement

The Board of Directors and Executive Board have today reviewed and approved the Interim Report of Goodvalley A/S and subsidiaries ("the Group") for the period 1 January – 30 September 2019. The Interim Report has been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union and additional Danish requirements for listed companies.

Furthermore, the Interim Report has been prepared in accordance with the accounting policies set out in the Group's Annual Report for 2018, except for the effect of implementation of IFRS 16 with effect from 1 January 2019. The Interim Report has not been audited or reviewed by the Group's independent auditor.

In our opinion, the accounting policies used are appropriate and the overall presentation of the interim consolidated financial statements give a true and fair view of the Group's assets, liabilities and financial position as at 30 September 2019 and of the results of the Group's operations and cash flows for the period 1 January - 30 September 2019.

We further consider that the Management Commentary (on page 1 – 10) includes a true and fair description of the development and performance of the Group, the results for the period and the financial position, as well as a description of the principal risks and uncertainties that the Group faces in accordance with Danish requirements for listed companies.

Apart from the information set out in the Interim Report, there have been no changes to the Group's significant risks and uncertainties that have not been disclosed in the Annual Report 2018.

Copenhagen, 27 November 2019

## Executive Board

Hans Henrik Pedersen  
 Chief Executive Officer

Kristian Brokop Jakobsen  
 Vice Chief Executive Officer

## Board of Directors

Anders Christen Obel  
 Chairman

Niels Rauff Hansen  
 Vice Chairman

Anders Bundgaard

Erling Bech Poulsen

Leif Bergvall Hansen

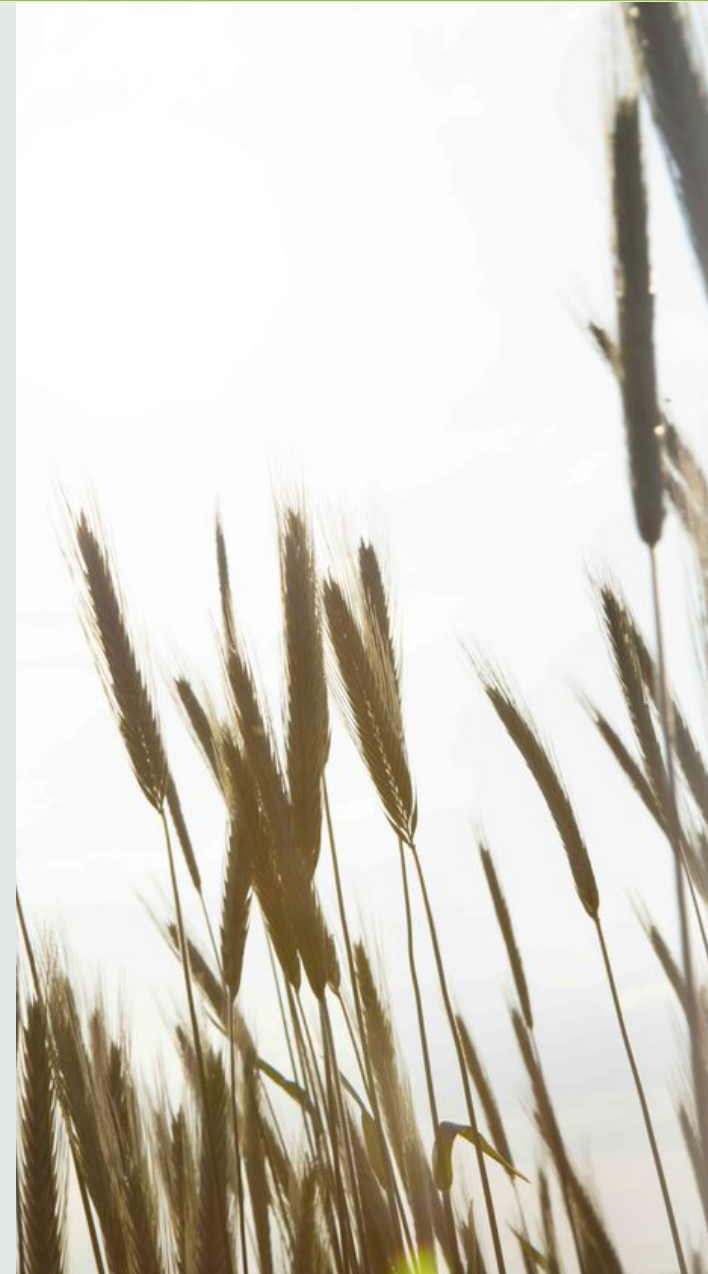
Helle Okholm



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# Consolidated Financial Statements

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## Consolidated statement of comprehensive income

### CONSOLIDATED INCOME STATEMENT

DKK MILLION	Q3 2019	Q3 2018	9M 2019	9M 2018
Revenue	414	377	1,121	1,102
Change in fair value of biological Assets	(85)	(60)	93	62
Grants and other income	9	5	21	14
<b>TOTAL INCOME</b>	<b>338</b>	<b>322</b>	<b>1,235</b>	<b>1,178</b>
Cost of goods sold (COGS)	(248)	(250)	(920)	(880)
<b>GROSS PROFIT</b>	<b>90</b>	<b>72</b>	<b>315</b>	<b>298</b>
SG&A	(27)	(32)	(75)	(88)
<b>EBITDA</b>	<b>63</b>	<b>40</b>	<b>240</b>	<b>210</b>
Depreciation and amortisation	(37)	(28)	(108)	(88)
<b>PROFIT BEFORE FINANCIAL EXPENSES AND TAX</b>	<b>26</b>	<b>12</b>	<b>132</b>	<b>122</b>
Financial income	1	2	3	5
Financial expenses	(17)	(15)	(51)	(47)
Exchange rate adjustments	17	(20)	39	(9)
<b>PROFIT/(LOSS) BEFORE TAX</b>	<b>27</b>	<b>(21)</b>	<b>123</b>	<b>71</b>
Income tax	(1)	-	(3)	-
<b>PROFIT/(LOSS) OF CONTINUING OPERATIONS</b>	<b>26</b>	<b>(21)</b>	<b>120</b>	<b>71</b>
Profit/(loss) for the year of discontinued operations	-	-	-	(4)
<b>PROFIT/(LOSS) FOR THE PERIOD</b>	<b>26</b>	<b>(21)</b>	<b>120</b>	<b>67</b>
<i>Profit/(loss) is attributable to:</i>				
Owners	26	(21)	120	67
<b>TOTAL</b>	<b>26</b>	<b>(21)</b>	<b>120</b>	<b>67</b>

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

DKK MILLION	Q3 2019	Q3 2018	9M 2019	9M 2018
Profit/(loss) for the period	26	(21)	120	67
<i>Items that may be reclassified subsequently to profit or loss</i>				
Exchange adjustments of foreign enterprises	42	(23)	118	(58)
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>69</b>	<b>(44)</b>	<b>238</b>	<b>9</b>
<i>Comprehensive income is attributable to:</i>				
Owners	69	(44)	238	9
<b>TOTAL</b>	<b>69</b>	<b>(44)</b>	<b>238</b>	<b>9</b>



## Consolidated balance sheet

### ASSETS

DKK MILLION	9M 2019	9M 2018	2018
Goodwill	92	86	84
Other intangible assets	26	25	24
<b>INTANGIBLE ASSETS</b>	<b>118</b>	<b>111</b>	<b>108</b>
Land and buildings	1,119	1,004	1,051
Leasehold improvements	111	116	117
Plant and machinery	302	260	276
Other fixtures and fittings, tools and equipment	128	115	120
Property, plant and equipment in progress	90	184	142
Right of use assets	52	-	-
<b>PROPERTY, PLANT AND EQUIPMENT</b>	<b>1,802</b>	<b>1,679</b>	<b>1,706</b>
Non-current asset investment	4	2	4
<b>FINANCIAL ASSET INVESTMENTS</b>	<b>4</b>	<b>2</b>	<b>4</b>
Biological assets - basic herd	133	115	109
<b>BIOLOGICAL ASSETS</b>	<b>133</b>	<b>115</b>	<b>109</b>
<b>NON-CURRENT ASSETS</b>	<b>2,057</b>	<b>1,907</b>	<b>1,927</b>
Biological assets - sales herd	268	221	184
Biological assets - arable, crop production	84	83	66
Inventories	252	263	260
<b>BIOLOGICAL ASSETS AND INVENTORIES</b>	<b>604</b>	<b>567</b>	<b>510</b>
Trade receivables	58	69	73
Receivables from associates	7	7	7
Other receivables	47	36	35
Prepayments	23	42	15
<b>RECEIVABLES</b>	<b>135</b>	<b>154</b>	<b>130</b>
Cash at bank and in hand	70	101	63
Assets held for sale	-	69	-
<b>CURRENT ASSETS</b>	<b>809</b>	<b>891</b>	<b>703</b>
<b>ASSETS</b>	<b>2,866</b>	<b>2,798</b>	<b>2,630</b>

### LIABILITIES AND EQUITY

DKK MILLION	9M 2019	9M 2018	2018
Share capital	538	538	538
Reserve for exchange adjustments	(431)	(549)	(549)
Retained earnings	1,361	1,285	1,241
<b>Capital and reserves attributable to owners</b>	<b>1,468</b>	<b>1,274</b>	<b>1,230</b>
<b>TOTAL EQUITY</b>	<b>1,468</b>	<b>1,274</b>	<b>1,230</b>
Bond debt	968	967	970
Provision for deferred tax	4	4	4
Other provisions	8	3	4
Credit institutions	30	42	39
Lease liabilities	52	-	-
Subordinated loan from Polen Invest A/S	85	85	70
Deferred income	8	9	8
<b>LONG-TERM LIABILITIES</b>	<b>1,154</b>	<b>1,110</b>	<b>1,095</b>
Credit institutions	81	157	131
Subordinated loan from Polen Invest A/S	7	24	24
Trade payables	85	103	93
Other provisions	1	-	1
Other payables	69	58	53
Deferred income	2	3	3
<b>SHORT-TERM LIABILITIES</b>	<b>244</b>	<b>345</b>	<b>305</b>
Liabilities of disposal group classified as held for sale	-	69	-
<b>LIABILITIES</b>	<b>1,398</b>	<b>1,523</b>	<b>1,400</b>
<b>LIABILITIES AND EQUITY</b>	<b>2,866</b>	<b>2,798</b>	<b>2,630</b>

## Statement of changes in equity

### 9M 2019

DKK MILLION	SHARE CAPITAL	RESERVE FOR EXCHANGE ADJUSTMENTS	RETAINED EARNINGS	EQUITY OWNERS	TOTAL EQUITY
EQUITY AT 1 JANUARY 2019	538	(549)	1,241	1,230	1,230
Net profit for the period			120	120	120
Other comprehensive income		118		118	118
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>		118	120	238	238
<b>EQUITY AT 30 SEPTEMBER 2019</b>	<b>538</b>	<b>(431)</b>	<b>1,361</b>	<b>1,468</b>	<b>1,468</b>

### 9M 2018

DKK MILLION	SHARE CAPITAL	RESERVE FOR EXCHANGE ADJUSTMENTS	RETAINED EARNINGS	EQUITY OWNERS	TOTAL EQUITY
EQUITY AT 1 JANUARY 2018	538	(491)	1,218	1,265	1,265
Net profit for the year	-		67	67	67
Other comprehensive income/ (loss)	-	(58)		(58)	(58)
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>-</b>	<b>(58)</b>	<b>67</b>	<b>9</b>	<b>9</b>
<b>EQUITY AT 30 SEPTEMBER 2018</b>	<b>538</b>	<b>(549)</b>	<b>1,285</b>	<b>1,274</b>	<b>1,274</b>



## Statement of cash flows

### STATEMENT OF CASH FLOWS

DKK MILLION	Q3 2019	Q3 2018	9M 2019	9M 2018
<b>PROFIT</b>	<b>26</b>	<b>(21)</b>	<b>120</b>	<b>67</b>
Adjustments:				
Financial income and expenses	15	13	48	42
Currency (gains)/losses	(17)	16	(37)	8
Depreciation and amortisation	37	28	108	88
Tax on the profit for the period	1	-	3	
Other adjustments	(4)	30	6	51
Change in working capital	2	6	(66)	(67)
<b>CASH FLOWS FROM OPERATING ACTIVITIES BEFORE FINANCIAL INCOME AND EXPENSES</b>	<b>60</b>	<b>72</b>	<b>182</b>	<b>188</b>
Financial income received	1	1	3	5
Financial expenses paid	(17)	(15)	(51)	(47)
<b>CASH FLOWS FROM ORDINARY ACTIVITIES</b>	<b>45</b>	<b>58</b>	<b>134</b>	<b>146</b>
Corporate tax paid	(1)	0	(3)	0
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>44</b>	<b>58</b>	<b>131</b>	<b>146</b>
Purchase intangible assets	(1)	-	-	(30)
Purchase property, plant and equipment	(19)	(111)	(60)	(220)
Sale of property, plant and equipment	-	19	4	34
Change of financial investments	1	1	3	1
Sale of fixed asset investments	-	-	1	1
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>(16)</b>	<b>(91)</b>	<b>(52)</b>	<b>(214)</b>

### STATEMENT OF CASH FLOWS

DKK MILLION	Q3 2019	Q3 2018	9M 2019	9M 2018
Proceeds from borrowings	4	32	40	155
Repayments of borrowings	(38)	(36)	(107)	(147)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>(34)</b>	<b>(4)</b>	<b>(68)</b>	<b>9</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(9)</b>	<b>(35)</b>	<b>4</b>	<b>(61)</b>
Cash and cash equivalents at opening	78	140	63	171
Exchange adjustment, beginning, cash and cash equivalents	1	(4)	3	(10)
<b>CASH AND CASH EQUIVALENTS</b>	<b>70</b>	<b>101</b>	<b>70</b>	<b>101</b>

## Note 1 - Accounting principles

This interim financial report is prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and additional Danish disclosure requirements for interim reports of listed companies.

The accounting policies are unchanged from those applied in the Annual Report for 2018, to which reference is made, except for the effect of implementation of IFRS 16. The effects of transitioning to IFRS 16 are described below.

### IMPACT OF NEW ACCOUNTING STANDARDS IN 2019

#### IFRS 16

IFRS 16 replaces IAS 17 Leases, and sets out the principles for the recognition, measurement, presentation and disclosure of leases and will result in almost all leases being recognised on the balance sheet by lessees, as the distinction between operating and finance leases is removed. Under this new standard, an asset (the right to use the leased item) and a financial liability to make lease payments are recognized for all leases with a term of more than 12 months unless the leased asset is of low value. Accordingly, the Group's leases were recognised in the balance sheet at 1 January 2019 in the form of right of use assets and lease liabilities.

As regards the income statement, IFRS 16 implementation has resulted in lease expenses being replaced by depreciation of right of use assets and interest on lease liabilities.

The recognition of lease assets and lease liabilities, respectively, resulted in an increase of the Group's total assets and liabilities of DKK 59 million at 1 January 2019. The amount is specified below.

<b>LEASE LIABILITIES 31 DECEMBER 2018 AS DISCLOSED IN THE ANNUAL REPORT 2018</b>	<b>163</b>
Short-term leases (less than 12 months)	(38)
Leases of a low value	(15)
Discounting	(51)
<b>LEASE LIABILITIES RECOGNISED AT 1 JANUARY 2019</b>	<b>59</b>

Based on the current lease composition, IFRS 16 implementation will mean that annual leasing expenses of DKK 13 million are replaced by depreciation of DKK 10 million and interest of DKK 5 million in 2019. Implementation will thus increase EBITDA with DKK 13 million and decrease pre-tax profit by DKK 2 million for the full financial year.

The Group's key figures and financial ratios are also affected by capitalisation of leases under IFRS 16. Invested capital and net interest-bearing debt both increased by DKK 59 million at 1 January 2019, and based on the current composition of leases, implementation is expected to reduce the return on invested capital (ROIC) by about 0.2 of a percentage point, the equity ratio by about 1.1 percentage points and improve the NIBD/Adjusted EBITDA LTM by around 0.1.

Any new leases entered into in 2019 will be recognised as additions of right of use assets and lease liabilities, respectively, which will enhance the effect on the above-mentioned accounting items and ratios in 2019.

### GROSS PROFIT FULLY SPLIT BY NATURE:

<b>DKK MILLION</b>	<b>9 M 2019</b>	<b>9 M 2018</b>
<b>GROSS PROFIT FULLY SPLIT BY NATURE:</b>		
Gross profit reported	90	72
Staff expenses	48	45
SG&A	(15)	(19)
<b>Gross profit by nature</b>	<b>123</b>	<b>98</b>
<b>INCOME STATEMENT SPLIT BY FUNCTIONS (DEPRECIATION AND AMORTISATION):</b>		
Total income	338	322
Cost of goods sold including depreciation and amortisation	(281)	(277)
<b>GROSS PROFIT</b>	<b>57</b>	<b>45</b>
Other operating items		
SG&A, including depreciation and amortisation	(32)	(34)
<b>EBIT</b>	<b>25</b>	<b>11</b>
<b>DEPRECIATION AND AMORTISATION</b>		
Amortisation of intangible assets	-	-
Depreciation of tangible assets	(37)	(28)
<b>TOTAL DEPRECIATION AND AMORTISATION</b>	<b>(37)</b>	<b>(28)</b>
<b>DEPRECIATION AND AMORTISATION</b>		
Cost of goods sold	(33)	(26)
Sales and administrative costs	(4)	(2)
<b>TOTAL DEPRECIATION AND AMORTISATION</b>	<b>(37)</b>	<b>(28)</b>

## Note 2 - Segment information

### 9M 2019

DKK MILLION	POLAND	UKRAINE	RUSSIA	OTHER / NOT ALLOCATED	INTERCOMPANY ELIMINATIONS	TOTAL
Revenue	680	310	131	-	-	1,121
Change in fair value of biological assets	86	8	(1)	-	-	93
Grants and other income	18	2	1	-	-	21
<b>TOTAL INCOME</b>	<b>784</b>	<b>320</b>	<b>131</b>	-	-	<b>1,235</b>
Cost of goods sold (COGS)	(613)	(225)	(82)	-	-	(920)
<b>GROSS PROFIT</b>	<b>171</b>	<b>95</b>	<b>49</b>	-	-	<b>315</b>
SG&A	(50)	(26)	(11)	(15)	27	(75)
<b>EBITDA</b>	<b>121</b>	<b>69</b>	<b>38</b>	<b>(15)</b>	<b>27</b>	<b>240</b>
<i>Adjusted EBITDA</i>	63	68	42	(15)	27	185
Depreciation and amortisation	(59)	(30)	(11)	(8)	-	(108)
<b>EBIT</b>	<b>62</b>	<b>39</b>	<b>27</b>	<b>(23)</b>	<b>27</b>	<b>132</b>
Net financials				(48)	-	(48)
Exchange rate adjustments				39	-	39
<b>PROFIT/(LOSS) BEFORE TAX</b>	<b>62</b>	<b>39</b>	<b>27</b>	<b>(32)</b>	<b>27</b>	<b>123</b>
<b>SEGMENT ASSETS</b>	<b>1,043</b>	<b>466</b>	<b>234</b>			

### GEOGRAPHY

DKK MILLION	REVENUE	
	9M 2019	9M 2018
Poland	589	578
Ukraine	310	291
Russia	131	125
Rest of world	91	109
<b>TOTAL</b>	<b>1,121</b>	<b>1,102</b>



## Note 2 - Segment information

### 9M 2018

DKK MILLION	POLAND	UKRAINE	RUSSIA	OTHER / NOT ALLOCATED	INTERCOMPANY ELIMINATIONS	TOTAL
Revenue	687	291	125	-	-	1,102
Change in fair value of biological assets	27	25	11	-	-	62
Grants and other income	13	1	(0)	-	-	14
<b>TOTAL INCOME</b>	<b>727</b>	<b>316</b>	<b>135</b>	-	-	<b>1,178</b>
Cost of goods sold (COGS)	(624)	(193)	(63)	-	-	(880)
<b>GROSS PROFIT</b>	<b>103</b>	<b>123</b>	<b>72</b>	-	-	<b>298</b>
SG&A	(40)	(23)	(10)	(36)	21	(88)
<b>EBITDA</b>	<b>63</b>	<b>100</b>	<b>62</b>	<b>(36)</b>	21	<b>210</b>
<i>Adjusted EBITDA</i>	58	95	52	(36)	21	190
Depreciation and amortisation	(57)	(20)	(11)	-	-	(88)
<b>EBIT</b>	<b>6</b>	<b>80</b>	<b>51</b>	<b>(36)</b>	<b>21</b>	<b>122</b>
Net financials				(42)	-	(42)
Exchange rate adjustments				(9)	-	(9)
<b>PROFIT/(LOSS) BEFORE TAX</b>	<b>6</b>	<b>80</b>	<b>51</b>	<b>(87)</b>	<b>21</b>	<b>71</b>
<b>SEGMENT ASSETS</b>	<b>1,115</b>	<b>360</b>	<b>290</b>			

## Note 2 - Segment information

### Q3 2019

DKK MILLION	POLAND	UKRAINE	RUSSIA	OTHER / NOT ALLOCATED	INTERCOMPANY ELIMINATIONS	TOTAL
Revenue	228	138	48	-	-	414
Change in fair value of biological assets	(16)	(59)	(10)	-	-	(85)
Grants and other income	6	3	-	-	-	9
<b>TOTAL INCOME</b>	<b>218</b>	<b>82</b>	<b>38</b>	<b>-</b>	<b>-</b>	<b>338</b>
Cost of goods sold (COGS)	(167)	(60)	(21)	-	-	(248)
<b>GROSS PROFIT</b>	<b>51</b>	<b>22</b>	<b>17</b>	<b>-</b>	<b>-</b>	<b>90</b>
SG&A	(18)	(8)	(4)	(6)	9	(27)
<b>EBITDA</b>	<b>33</b>	<b>48</b>	<b>12</b>	<b>(6)</b>	<b>9</b>	<b>63</b>
<i>Adjusted EBITDA</i>	34	15	18	(6)	9	71
Depreciation and amortisation	(19)	(11)	(4)	(3)	-	(37)
<b>EBIT</b>	<b>14</b>	<b>3</b>	<b>9</b>	<b>(9)</b>	<b>9</b>	<b>26</b>
Net financials				(16)	-	(16)
Exchange rate adjustments				17	-	17
<b>PROFIT/(LOSS) BEFORE TAX</b>	<b>14</b>	<b>3</b>	<b>9</b>	<b>(23)</b>	<b>9</b>	<b>27</b>

## Note 2 - Segment information

### Q3 2018

DKK MILLION	POLAND	UKRAINE	RUSSIA	OTHER / NOT ALLOCATED	INTERCOMPANY ELIMINATIONS	TOTAL
Revenue	221	108	48	-	-	377
Change in fair value of biological assets	(24)	(33)	(3)	-	-	(60)
Grants and other income	5	-	-	-	-	5
<b>TOTAL INCOME</b>	<b>202</b>	<b>75</b>	<b>45</b>	<b>-</b>	<b>-</b>	<b>322</b>
Cost of goods sold (COGS)	(189)	(45)	(16)	-	-	(250)
<b>GROSS PROFIT</b>	<b>13</b>	<b>30</b>	<b>29</b>	<b>-</b>	<b>-</b>	<b>72</b>
SG&A	(14)	(8)	(3)	(15)	7	(33)
<b>EBITDA</b>	<b>-</b>	<b>22</b>	<b>26</b>	<b>(15)</b>	<b>7</b>	<b>39</b>
<i>Adjusted EBITDA</i>	<i>4</i>	<i>17</i>	<i>22</i>	<i>(15)</i>	<i>7</i>	<i>35</i>
Depreciation and amortisation	(19)	(6)	(3)	-	-	(28)
<b>EBIT</b>	<b>(19)</b>	<b>17</b>	<b>22</b>	<b>(15)</b>	<b>7</b>	<b>11</b>
Net financials				(13)	-	(13)
Exchange rate adjustments				(20)	-	(20)
<b>PROFIT/(LOSS) BEFORE TAX</b>	<b>(19)</b>	<b>17</b>	<b>22</b>	<b>(48)</b>	<b>7</b>	<b>(21)</b>



## Note 3 - Biological assets

### BIOLOGICAL ASSETS

DKK MILLION	BASIC HERD	SALES	TOTAL
2019			
Opening balance as of 1 January	109	184	290
<i>Movements:</i>			
Purchases	3	-	3
Produced piglets	-	485	486
Gain/loss from change in fair value	12	442	455
Sales	(28)	(801)	(829)
Transfer between groups	29	(29)	-
Exchange adjustments	10	(14)	(3)
<b>CLOSING BALANCE - VALUES AS OF 30 SEPTEMBER</b>	<b>133</b>	<b>268</b>	<b>401</b>
2018			
Opening balance as of 1 January	118	196	314
<i>Movements:</i>			
Purchases	4	1	5
Produced piglets	3	703	583
Gain/loss from change in fair value	(2)	71	69
Sales	(22)	(729)	(751)
Transfer between groups	16	(16)	-
Exchange adjustments	(1)	(5)	(6)
<b>CLOSING BALANCE - VALUES AS OF 30 SEPTEMBER</b>	<b>115</b>	<b>221</b>	<b>336</b>

The value for produced piglets are calculated as the value of weaners at standard rates. Fair value gains comprise changes as a consequence of biological growth and price changes. Disposals from sales and transfer amounts are calculated using the fair value per unit at the time of the sales or transfer. Transfer between groups covers pigs transferred to own breeding as young females.

### BIOLOGICAL ASSETS

DKK MILLION	9 M 2019	9 M 2018
<i>Arable, crop production</i>		
Opening balance as of 1 January	66	53
Purchases	158	141
Gain/(loss) from change in fair value	(31)	12
Harvest	(109)	(99)
Exchange adjustments	-	(1)
<b>CLOSING BALANCE - VALUES AS OF 30 SEPTEMBER</b>	<b>84</b>	<b>83</b>
<b>Numbers of hectares harvested</b>	<b>23,762</b>	<b>20,471</b>
<b>Numbers of hectares seeded as of closing balance</b>	<b>15,227</b>	<b>9,669</b>

## Note 4 - Obligor Group

### BOND TERMS

Issuer	Goodvalley A/S
Security package:	First ranking security over material assets and share pledges
Original Guarantors:	Goodvalley A/S, Finansax ApS, Goodvalley Agro SA, Goodvalley Sp. Z o.o. and Goodvalley Ukraine LLC
Status of the bond:	Senior secured
Currency:	EUR
Initial debt amount:	EUR 135 million
Total framework:	EUR 270 million
Other facilities:	Super senior RCF up to DKK 125 million, governed under an inter-creditor agreement with bondholders. Basket of DKK 80 million for factoring.
Tenor:	4 years ( May 2021 )
Pricing:	3m EURIBOR + 450bps p.a., quarterly interest payments, EURIBOR floor of 0.0 %
Rating:	Unrated
Call options:	Non call during the first 24 months, then 50/25/0 % of initial coupon after 24/36/42, month respectively.
Incurrence test:	NIBD/EBITDA LTM fixed herd price (net leverage) of < 2.75x for any additional debt raised.
Restricted payments:	Dividends or cash contributions to Restricted Subsidiaries are payable up to Net Leverage of < 2.75x
Information covenant:	Annual audited statements, quarterly unaudited reports.
General undertakings:	Inter alia restrictions on distributions, mergers, demergers, acquisitions, disposals, financial indebtedness, negative pledge, financial support, subsidiary distribution customary for a HY bond.
Change of control:	Investor put at 101 %
Equity claw:	35%
Listing of bonds:	Nasdaq Copenhagen.
Trustee:	Nordic Trustee.
Governing law:	Danish law.

## Note 5 - Seasonality

The Group's financial performance is influenced by seasonal fluctuations relating to the arable production, where the Group's main activities historically are generated in Q3 based on the harvest. Revenue and operating profit before tax thus vary in the various reporting periods for which reason they are not necessarily indicative of future trends. The results of the individual quarters are therefore not reliable sources in terms of projecting the Group's development and full year earnings.

## Note 6 - Related parties transactions

The Group has obtained a subordinated loan from the Parent company; Polen Invest A/S, with a balance of DKK 92 million at 30 September 2019 (balance at 30 September 2018: DKK 108 million). For the 9 months ended 30 September 2019 the Group has repaid DKK 5 million (9M 2018: DKK 5 million) as part of the annual repayment. The Company intends to repay the loan partly during last quarter of 2019, if the financial position of the Company allows it. The loan carries interest, and the interest for 9M 2019 amounts to DKK 4 million (9M 2018: DKK 4 million).

# Glossary

## GENERAL

### Group

Goodvalley A/S, Finansax ApS, Goodvalley Agro SA, Goodvalley Sp. Z O.O., Goodvalley Ukraine LLC and Goodvalley Russia LLC.

## PRODUCTION

### ASF

African swine fever.

### Arable stock, WIP

The arable stock in the fields which is not yet harvested.

### Basic herd

The part of the pig herd, which consists of sows, maiden gilts and boars.

### Bio assets

Biological assets (mainly pigs and crops).

### Bioenergy

Energy produced based on biological resources.

### Biosecurity

Level of measures taken to prevent infection by contagious diseases.

### Certificates on biogas

Energy units used for calculating extra price for sold kWh on top of market price (based on political decisions).

### Crop split

The split between the different types of crops grown in the fields.

### Cultivated land

Land used for crop production.

### Efficiency

Measurable technical results from the production.

### Feed conversion ratio

Kilo of feed used for one kilo meat produced (live weight).

### Live weight

Weight of the pig before slaughtering and deboning.

### Modified Atmosphere Packaging (MAP)

A packing method where the products are packed in a sealed and protected atmosphere to increase the period from manufacturing to last sales date.

### Meat-to-feed ratio

Price of one kilo meat (carcass weight) divided by the price of one kilo feed.

### Oil seeds

Crops that contain oil. Typically rape seed, soya and sunflower.

### Piglets

Pigs in farrowing before they are weaned from the sow.

### Pig price

Price per kilo pig meat in carcass weight.

### Pigs sold per sow

Pigs born per sow in period adjusted for mortality rate in the period and annualized.

### Processed products

Meat products which have been cooked, smoked or salted.

### Raised without antibiotics (RWA)

Pigs that have been raised without exposure to antibiotics from birth till slaughter.

### Sales herd

The part of the pig herd that consist of piglets, weaners and slaughter pigs.

### Carcass weight

Weight of the pig in kilos of meat after slaughtering and deboning.

### Slaughter pigs

Pigs from 30 kilo live weight to slaughter (app. 120 kilo).

### Weaners

A pig in the period between weaning from the sow and slaughter pig (approximately 6.5-30 kilo).



# GOODVALLEY

Since



1994

## Home of Quality

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*We work for a better tomorrow*

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