

Company announcement no 9/2020

Interim Report Q1 2020

EBITDA fixed herd prices (FHP) for Q1 2020 increased to 7,259 mEUR (Q1 2019: 745 kEUR), corresponding to an EBITDA margin FHP of 25.2% (Q1 2019: 3.2%). The quarterly EBITDA in Q1 2020 increased with 6,505 kEUR (compared to Q1 2019) is mainly due to increasing sales prices (+5.5 mEUR).

Sales prices in Q1 where 1.31 EUR/kg live weight, April price (2020) 1.23 EUR/kg live weight and we have end April and start May seen significant price reductions in pork prices and currently expect May prices to be around 1.08 EUR/kg. 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 Q1 been 230 EUR/T (compared to 243 EUR/T Q1 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 Q1 increased with 6,098 mEUR (compared to 31.12.2019). The increase was driven by the devaluation of RUB as the Russian herd indirectly is value in EUR. Free cash flow was 13,702 kEUR in Q1 2020 (Q1 2019: -2.6mEUR).

Net interest-bearing debt has been positively impacted by the devaluation of RUB (19% against EUR) (4 mEUR), together with earnings from Q1 and reduced networking capital.

Construction in Luga is progressing according to plan, the last two slaughter pig stables (out of 10) are expected in operations in Q2 2020.

IFC put option, IFC has confirmed the value of 17,905 kEUR.

Selected financial highlights and key ratios

| EUR millions | Q1 2020 | Q1 2019 | 2019 |
|--------------------------------|---------|---------|---------|
| Total revenue | 28.730 | 23.018 | 110.540 |
| EBITDA | 13.349 | 1.907 | 26.918 |
| EBITDA margin | 46,5% | 8,3% | 24,4% |
| EBITDA fixed herd price | 7.250 | 745 | 22.829 |
| EBITDA margin fixed herd price | 25,2% | 3,2% | 20,7% |
| Net income | 6.487 | -433 | 10.979 |
| Free cash flow | 13.702 | -2.601 | -807 |
| Net interest-bearing debt | 73.494 | 83.720 | 90.143 |

Further information

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

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

Finance Calendar 2020

25th May 2020: Annual General Meeting

25th May 2020: Interim report Q1 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 | Q1 2020 | Q1 2019 | 2019 |
|-------------------------------------|---------|---------|---------|
| Income statement | | | |
| Revenue | 28.730 | 23.018 | 110.540 |
| EBITDA | 13.349 | 1.907 | 26.918 |
| EBITDA fixed herd price | 7.250 | 745 | 22.829 |
| EBIT | 11.420 | -28 | 18.419 |
| Financial items, net | -4.156 | -663 | -4.803 |
| Profit/(loss) for the period | 6.487 | -433 | 10.979 |
| Cash flow | | | |
| Operating activity | 13.477 | -3.741 | 2.710 |
| Investing activity | -908 | -678 | -9.593 |
| Financing activity | -6.407 | -5.182 | -2.769 |
| Free cash flow | 13.702 | -2.601 | -807 |
| Balance sheet | | | |
| Non-current assets | 103.089 | 107.128 | 115.024 |
| Net working capital | 28.609 | 22.322 | 32.075 |
| Net operating assets | 131.698 | 129.450 | 147.099 |
| Total assets | 187.883 | 180.718 | 200.082 |
| Equity | 63.681 | 53.507 | 67.348 |
| Net interest bearing debt | 73.494 | 83.720 | 90.143 |
| Key financials Group | | | |
| EBITDA margin | 46,5% | 8,3% | 24,4% |
| EBITDA margin - fixed herd prices | 25,2% | 3,2% | 20,7% |
| Cash conversion - fixed herd prices | 189% | -349% | -4% |
| NIBD / EBITDA fixed price LTM | 2,5 | 6,5 | 3,9 |
| Equity ratio | 33,9% | 29,6% | 33,7% |

Management's Review

Income statement

Revenue

The revenue for Q1 2020 was 28,730 kEUR (Q1 2019: 23,018 kEUR), the higher sale is due to higher sales prices of 25% compared to Q1 2019.

Value adjustment, biological assets

The increase in herd valuation in Q1 2020 was 6,098 kEUR (compared to Q4 2019). Russia increased with 5,194 kEUR, as higher RUB prices drive the rise due to devaluation of RUB (versus EUR) as part of the Russia herd is valued in EUR.

EBITDA fixed herd prices (FHP)

EBITDA fixed herd prices (FHP) for Q1 2020 increased to 7,259 mEUR (Q1 2019: 745 kEUR), corresponding to an EBITDA margin FHP of 25.2% (Q1 2019: 3.2%). The quarterly EBITDA in Q1 2020 increased with 6,505 kEUR (compared to Q1 2019) is mainly due to increasing sales prices (+5.5 mEUR).

Sales prices in Q1 where 1.31 EUR/kg live weight, April price (2020) 1.23 EUR/kg live weight and we have end April and start May seen significant price reductions in pork prices and currently expect May prices to be around 1.08 EUR/kg. 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.

Net financials

The net interest expenses for Q1 2019 decrease 647 kEUR to 1,171 kEUR (Q1 2019: 1,818 kEUR). Interest in Q1 2020 is positively impacted by 415 kEUR in savings on repurchased bonds (price below par), and 113 kEUR received interest subsidies in Russia.

Foreign exchange adjustments in Q1 2020 was negative with 2,985 kEUR (Q1 2019 +1,155 kEUR), the foreign exchange adjustments are driven mainly by currency fluctuations in intercompany debt (2,821 kEUR Q1 2020) hence limited cash effect.

Balance Sheet

At 31 Marts 2020, Idavang's balance sheet amounted to 187,883 kEUR (December 2019: 200,082 kEUR).

Equity on 31 Marts 2020 amounted to EUR 63.7m at an equity ratio of 34%.

Net interest-bearing debt (NIBD) decreased to EUR 73.5m in Q1 2019, being EUR 16.6m lower than in December 2019. The positive development in NIBD is driven by four different elements first investments are below depreciations EUR 0.9m, a reduction in inventories (and other networking capital 7 mEUR and Q1 earnings. Russian loans are still in breach of covenants due to low Russian earning, but Idavang does not expect any material consequences hereof.

The networking capital amounted to 28,609 kEUR on 31 Marts 2020 (December 2019: 32,075 kEUR), the decrease of 3,466 kEUR is mainly due two factors increase in biological assets (+3,087 kEUR), driven by increased valuation, and decreasing inventories (-4,734 kEUR) reducing due to season 4-5 months to harvest.

Cash flow

Cash flow from ordinary activities for Q1 2020 increased to 13,477 kEUR (Q1 2019: -3,741 kEUR). The increase of 17,218 kEUR was mainly due to two factors EBITDA FHP increased cash flows with 6,505 kEUR and improvement of net working capital with 9,433 kEUR in Q1 2020 (compared to Q1 2019) partly due to the higher level of hedging of prices in Russia (with physical inventories) in 2020 than in 2019.

Events after the balance sheet date

- No events after the balance sheet date

Development in segments in Q1 2020

Lithuania

| EUR '000 | Q1 2020 | Q1 2019 | 2019 |
|-------------------------------------|--------------|------------|---------------|
| Revenue | 18.436 | 12.259 | 65.052 |
| Value adjustment, biological assets | 904 | 2.253 | 7.894 |
| Production costs | -12.857 | -13.435 | -54.833 |
| Administrative costs | -478 | -512 | -1.904 |
| Other income | 215 | 260 | 1.318 |
| Other expense | -2 | -18 | -147 |
| Operating profit | 6.218 | 807 | 17.380 |
| Net Financials | -242 | -251 | -1.105 |
| Foreign exchange adjustments | - | - | - |
| Profit before tax | 5.976 | 555 | 16.275 |
| Tax on profit for the year | -766 | 258 | -2.382 |
| Profit for the period | 5.210 | 814 | 13.893 |

| EUR '000 | Q1 2020 | Q1 2019 | 2019 |
|---|--------------|--------------|---------------|
| Depreciations included in production cost | -737 | -797 | -3.895 |
| EBITDA | 6.955 | 1.603 | 21.275 |
| <i>EBITDA fixed herd prices</i> | <i>6.051</i> | <i>-650</i> | <i>13.381</i> |

Lithuania accounted for 64 % of Group revenue in Q1 2020 (Q1 2019: 53 %).

The EBITDA fixed herd price for Q1 2020 amounted to 6,051 kEUR, corresponding to an EBITDA margin of 32.8% (Q1 2019: -650 kEUR and EBITDA margin -5.3 %). The EBITDA increased compared to Q1 2019 of 6,701 kEUR is mainly due to positive development in sales prices with 6,208 kEUR.

The sales price increased 52 % compared to Q1 2019 to an average 1,44 EUR per kilo slaughter pigs' live weight in Q1 2020 (Q1 2019: 0,95 EUR per kilo live weight slaughter pigs) with 6,208 kEUR positive effect.

Sales price EUR per kg - live weight



Feed EUR per kg



Russia

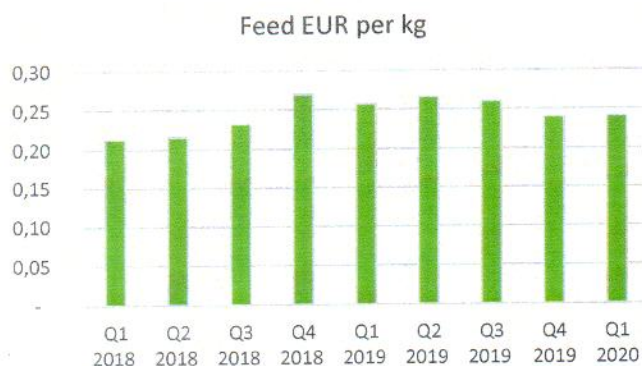
| EUR '000 | Q1 2020 | Q1 2019 | 2019 |
|-------------------------------------|--------------|---------------|--------------|
| Revenue | 10.294 | 10.759 | 45.488 |
| Value adjustment, biological assets | 5.194 | -1.091 | -3.805 |
| Production costs | -9.979 | -10.052 | -38.828 |
| Administrative costs | -356 | -317 | -1.496 |
| Other income | 187 | 45 | 981 |
| Other expense | -23 | -21 | -109 |
| Operating profit | 5.317 | -676 | 2.231 |
| Net Financials | -316 | -602 | -1.532 |
| Foreign exchange adjustments | -164 | -18 | -83 |
| Profit before tax | 4.837 | -1.295 | 615 |
| Tax on profit for the year | -11 | -0 | -256 |
| Profit for the period | 4.826 | -1.296 | 359 |

| EUR '000 | Q1 2020 | Q1 2019 | 2019 |
|---|--------------|--------------|---------------|
| Depreciations included in production cost | -1.192 | -1.139 | -4.598 |
| EBITDA | 6.509 | 463 | 6.829 |
| <i>EBITDA fixed herd prices</i> | <i>1.315</i> | <i>1.554</i> | <i>10.634</i> |

Russia accounted for 36 % of Group revenue in Q1 2020 (Q1 2019: 47 %).

The EBITDA fixed herd price for Q1 2020 amounted to 1,315 kEUR, corresponding to an EBITDA margin of 12.8 % (Q1 2019: 1,554 kEUR and EBITDA margin 14.4 %) a decrease of 239 kEUR, mainly appreciation of RUB cost as RUB was 3,5% weaker in Q1 2019. Nevertheless, the RUB has devaluated significant in Marts.

The sales price decreased 6 % compared to Q1 2019 to an average 1,12 EUR per kilo slaughter pigs' live weight (Q1 2019: 1,19 EUR per kilo live weight slaughter pigs), but the decrease is compensated by decreasing of feed prices, the combined impact is neutral.



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 Marts 2020 as well as of the results of the Group operations and cash flows for the period 1 January – 31 Marts 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 | Q1 2020 | Q1 2019 | 2019 |
|-------------------------------------|---------------|-------------|---------------|
| Revenue | 28.730 | 23.018 | 110.540 |
| Value adjustment, biological assets | 6.098 | 1.162 | 4.089 |
| Production costs | -22.835 | -23.487 | -93.667 |
| Administrative costs | -942 | -988 | -4.586 |
| Other income | 402 | 306 | 2.305 |
| Other expense | -32 | -39 | -262 |
| Operating profit | 11.420 | -28 | 18.419 |
| Net Financials | -1.171 | -1.818 | -6.563 |
| Foreign exchange adjustments | -2.985 | 1.155 | 1.760 |
| Profit before tax | 7.264 | -691 | 13.616 |
| Tax on profit for the year | -777 | 258 | -2.638 |
| Profit for the period | 6.487 | -433 | 10.979 |

| EUR '000 | Q1 2020 | Q1 2019 | 2019 |
|---|---------------|--------------|---------------|
| Depreciations included in production cost | -1.929 | -1.936 | -8.498 |
| EBITDA | 13.349 | 1.907 | 26.917 |
| <i>EBITDA fixed herd prices</i> | <i>7.250</i> | <i>745</i> | <i>22.829</i> |

Statement of comprehensive income

| EUR '000 | Q1 2020 | Q1 2019 | 2019 |
|--|----------------|--------------|---------------|
| Profit for the period | 6.487 | -433 | 10.979 |
| Other comprehensive income | | | |
| Exchange adjustments, foreign subsidiaries | -10.291 | 4.017 | 6.321 |
| Hedge accounting | 137 | -477 | -352 |
| Other comprehensive income to be reclassified to profit or loss in subsequent periods | -10.154 | 3.540 | 5.969 |
| Other comprehensive income not to be reclassified to profit or loss in subsequent periods | - | - | - |
| Total comprehensive income | -3.667 | 3.107 | 16.948 |

Assets

| EUR '000 | Q1 2020 | Q1 2019 | 2019 |
|------------------------------------|----------------|----------------|----------------|
| Intangible assets | 1.259 | 1.310 | 1.305 |
| Property, Plant and Equipment | 84.926 | 90.359 | 96.745 |
| Biological Assets, Breeding herd | 15.702 | 14.257 | 15.772 |
| Deferred tax | 757 | 757 | 757 |
| Financial fixed assets | 445 | 445 | 445 |
| Total non-current assets | 103.089 | 107.128 | 115.024 |
| Inventories | 10.865 | 11.928 | 15.599 |
| Biological Assets, Commercial herd | 30.555 | 24.130 | 27.662 |
| Biological Assets, Arable | 1.853 | 2.095 | 1.589 |
| Biological Assets | 32.408 | 26.225 | 29.251 |
| Trade receivables | 4.003 | 2.480 | 5.664 |
| Other receivables | 739 | 2.133 | 1.715 |
| Prepayments | 1.760 | 1.061 | 2.192 |
| Income taxes receivables | - | - | 351 |
| Receivables | 6.502 | 5.674 | 9.922 |
| Cash | 35.018 | 29.765 | 30.286 |
| Total current assets | 84.794 | 73.592 | 85.058 |
| Total Assets | 187.883 | 180.719 | 200.082 |

Liabilities and Equity

| EUR '000 | Q1 2020 | Q1 2019 | 2019 |
|-------------------------------------|----------------|----------------|----------------|
| Share capital | 1.000 | 1.000 | 1.000 |
| Exchange adjustments | -36.519 | -28.532 | -26.228 |
| Other reserves | 149 | -113 | 12 |
| Retained earnings | 99.052 | 81.152 | 92.564 |
| Equity | 63.681 | 53.507 | 67.348 |
| Borrowings | 88.935 | 95.028 | 92.735 |
| Grants | 1.741 | 1.984 | 2.003 |
| Deferred tax | 3.069 | 1.589 | 3.069 |
| Provisions | 134 | 134 | 134 |
| Other non-current liabilities | 39 | 39 | 39 |
| Non current liabilities | 93.918 | 98.773 | 97.980 |
| Borrowings | 20.022 | 18.900 | 27.694 |
| Trade payables | 7.487 | 7.861 | 5.332 |
| Income taxes payables | 444 | -679 | - |
| Other payables | 2.331 | 2.356 | 1.727 |
| Current liabilities | 30.284 | 28.438 | 34.753 |
| Total liabilities | 124.202 | 127.211 | 132.733 |
| Total Equity and Liabilities | 187.883 | 180.718 | 200.082 |

Cash Flow Statement

| EUR '000 | Q1 2020 | Q1 2019 | 2019 |
|---|----------------|----------------|----------------|
| Operating profit/loss | 11.420 | - 28 | 18.420 |
| Depreciation and amortisation | 1.929 | 1.936 | 8.498 |
| Profit from sale of tangible assets | - | - | 29 |
| Accrual of hedging accounting | 137 | - 477 | - 352 |
| Share-based payments | - | - | - |
| Value adjustment, biological assets | - 6.098 | - 1.162 | - 4.089 |
| Adjustment for non-cash operating items | - 4.032 | 296 | 4.028 |
| | 7.387 | 268 | 22.448 |
| Change in working capital incl. herd | 7.204 | - 2.229 | - 12.613 |
| Cash flow from ordinary activities before financials | 14.591 | - 1.961 | 9.835 |
| Net financials | - 1.133 | - 1.818 | - |
| Corporate tax paid | 18 | 38 | - 1.049 |
| Cash flow from ordinary activities | 13.477 | - 3.741 | 8.786 |
| Cash flow from investing activities | - 908 | - 678 | - 9.593 |
| Proceeds from borrowings | 3.114 | 3.933 | 18.500 |
| Repayments of borrowings | - 9.521 | - 9.114 | - 21.269 |
| Dividends paid to shareholders | - | - | - |
| Deposit on Escrow account | - | - | - |
| Cash flow from financing activities | - 6.407 | - 5.182 | - 2.769 |
| Cash and cash equivalents primo priod | 5.524 | 13.586 | 13.586 |
| Change in cash and cash equivalents | 6.162 | - 9.600 | - 9.652 |
| Exchange adjustments | - 1.392 | 940 | 1.590 |
| Cash and cash equivalents end priod | 10.294 | 4.925 | 5.524 |

The group furthermore has 900 kEUR overdraft facilities not utilized at period-end and own 5.300 kEUR Idavang Bonds.

Statement of changes in equity

| EUR '000 | Share capital | 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 | | | | 6.487 | 6.487 | |
| Other comprehensive income | | - | 10.291 | 137 | | - 10.154 |
| Total comprehensive income | | - | 10.291 | 137 | 6.487 | - 3.667 |
| Dividend | | | | | | - |
| Transfer | | | | | | - |
| Equity at 31st Marts 2020 | 1.000 | - | 36.519 | 149 | 99.051 | 63.681 |

| EUR '000 | Share capital | Exchange adjustment | Other reserves | Retained earnings | Total | | |
|------------------------------|---------------|---------------------|----------------|-------------------|--------|--------|--------|
| Equity at 1st January 2019 | 1.000 | - | 32.549 | 364 | 81.585 | 50.400 | |
| Profit/Loss for the period | | | | 10.979 | 10.979 | | |
| Other comprehensive income | | | 6.321 | - | 352 | 5.969 | |
| Total comprehensive income | | | 6.321 | - | 352 | 10.979 | 16.948 |
| Dividend | | | | | | - | |
| Transfer | | | | | | - | |
| Equity at 31st December 2019 | 1.000 | - | 26.228 | 12 | 92.564 | 67.348 | |

Notes

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

The interim condensed consolidated financial statements for the 12 months ended 31 December 2019 have been prepared in accordance with Idavang A/S' accounting policies as stated in the latest financial statements for the company and in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and additional Danish disclosure requirements for interim financial reporting of listed companies.

The consolidated financial statements are presented in thousand EUR.

The Interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2019.

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

Note 2 Biological assets measured at fair value

The change in the value of biological assets for Q1 2020 is stated in the below table. The total change in fair value is included in revenue reported in the income statement.

| EUR '000 | Q1 2020 | Q1 2019 | 2019 |
|---------------------------------------|---------------|---------------|---------------|
| Commercial herd primo | 27.662 | 21.739 | 21.739 |
| Change in fair value | 4.892 | 1.363 | 4.523 |
| Exchange adjustments | -1.999 | 1.028 | 1.400 |
| Commercial herd ultimo | 30.555 | 24.130 | 27.662 |
| Breeding herd primo | 15.772 | 14.194 | 14.194 |
| Change in fair value | 2.207 | -1.099 | 637 |
| Exchange adjustments | -2.277 | 1.162 | 941 |
| Breeding herd ultimo | 15.702 | 14.257 | 15.772 |
| Herd total primo | 43.434 | 35.933 | 35.933 |
| Change in fair value due to volume | 1.002 | -898 | 1.071 |
| Change in fair value due to price | 6.098 | 1.162 | 4.089 |
| Exchange adjustments | -4.277 | 2.190 | 2.341 |
| Herd total ultimo | 46.257 | 38.387 | 43.434 |
| Crop primo | 1.589 | 1.453 | 1.453 |
| Change in fair value due to volume | 542 | 507 | -73 |
| Change in fair value due to price | - | - | - |
| Exchange adjustments | -278 | 135 | 209 |
| Crop ultimo | 1.853 | 2.095 | 1.589 |
| Total Biological Assets primo | 45.023 | 37.386 | 37.386 |
| Change in fair value due to volume | 1.544 | -390 | 998 |
| Change in fair value due to price | 6.098 | 1.162 | 4.089 |
| Exchange adjustments | -4.555 | 2.324 | 2.550 |
| Total Biological Assets ultimo | 48.110 | 40.482 | 45.023 |

Note 3 Segment reporting

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

| EUR '000 | Q1 2020 | | | | Group | |
|---|--------------|--------------|----------------------|--------------|------------|---------------|
| | Lithuania | Russia | Other / Eliminations | | | |
| Revenue | 18.436 | 10.294 | - | - | 28.730 | |
| Value adjustment, biological assets | 904 | 5.194 | - | - | 6.098 | |
| Production costs | - | 12.857 | - | 9.979 | - | 22.835 |
| Administrative costs | - | 478 | - | 356 | 108 | 942 |
| Other income | - | 215 | - | 187 | - | 402 |
| Other expense | - | 2 | - | 23 | 7 | 32 |
| Operating profit | 6.218 | 5.317 | - | 115 | - | 11.420 |
| Net Financials | - | 242 | - | 316 | 612 | 1.171 |
| Foreign exchange adjustments | - | - | - | 164 | 2.821 | 2.985 |
| Profit before tax | 5.976 | 4.837 | - | 3.549 | - | 7.264 |
| Tax on profit for the year | - | 766 | - | 11 | - | 777 |
| Profit for the period | 5.210 | 4.826 | - | 3.549 | - | 6.487 |
| | | | | | | |
| EUR '000 | | | | | | |
| Depreciations included in production cost | - | 737 | - | 1.192 | - | 1.929 |
| EBITDA | | 6.955 | | 6.509 | 115 | 13.349 |
| <i>EBITDA fixed herd prices</i> | | <i>6.051</i> | | <i>1.315</i> | <i>115</i> | <i>7.250</i> |
| | | | | | | |
| EUR '000 | Q1 2019 | | | | Group | |
| | Lithuania | Russia | Other / Eliminations | | | |
| Revenue | 12.259 | 10.759 | - | - | 23.018 | |
| Value adjustment, biological assets | 2.253 | 1.091 | - | - | 1.162 | |
| Production costs | - | 13.435 | - | 10.052 | - | 23.487 |
| Administrative costs | - | 512 | - | 317 | 159 | 988 |
| Other income | - | 260 | - | 45 | - | 306 |
| Other expense | - | 18 | - | 21 | - | 39 |
| Operating profit | 807 | 676 | - | 159 | - | 28 |
| Net Financials | - | 251 | - | 602 | 965 | 1.818 |
| Foreign exchange adjustments | - | - | - | 18 | 1.173 | 1.155 |
| Profit before tax | 555 | 1.295 | - | 49 | - | 691 |
| Tax on profit for the year | - | 258 | - | 0 | - | 258 |
| Profit for the period | 814 | 1.296 | - | 49 | - | 433 |
| | | | | | | |
| EUR '000 | | | | | | |
| Depreciations included in production cost | - | 797 | - | 1.139 | - | 1.936 |
| EBITDA | | 1.603 | | 463 | 159 | 1.907 |
| <i>EBITDA fixed herd prices</i> | | <i>650</i> | | <i>1.554</i> | <i>159</i> | <i>745</i> |

| EUR '000 | 2019 | | | | Group |
|---|---------------|---------------|----------------------|--------------|---------------|
| | Lithuania | Russia | Other / Eliminations | | |
| 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 | Q1 2020 | Q4 2019 | Q3 2019 | Q2 2019 | Q1 2019 | Q4 2018 |
|-----------------------------------|---------|---------|---------|---------|---------|---------|
| Income statement | | | | | | |
| Revenue | 28.730 | 30.900 | 29.161 | 27.462 | 23.018 | 24.592 |
| EBITDA | 13.349 | 8.699 | 6.117 | 10.194 | 1.907 | 4.535 |
| EBITDA fixed herd price | 7.250 | 6.104 | 9.052 | 6.928 | 745 | 2.104 |
| EBIT | 11.420 | 5.825 | 4.380 | 8.242 | 28 | 2.492 |
| Financial items, net | - 4.156 | - 1.437 | - 1.362 | - 1.342 | - 663 | - 2.863 |
| Profit/(loss) for the period | 6.487 | 2.376 | 2.611 | 6.424 | 433 | 24 |
| Cash flow | | | | | | |
| Operating activity | 13.477 | - 2.616 | 5.841 | 3.226 | - 3.741 | 3.013 |
| Investing activity | - 908 | - 4.350 | - 3.395 | - 1.170 | - 678 | - 4.301 |
| Financing activity | - 6.407 | 8.781 | 4.871 | 1.498 | 5.182 | 4.285 |
| Free cash flow | 13.702 | - 5.849 | 4.246 | 3.398 | - 2.601 | 136 |
| Balance sheet | | | | | | |
| Non-current assets | 103.089 | 115.024 | 110.044 | 109.036 | 107.128 | 103.447 |
| Net working capital | 28.609 | 32.075 | 23.154 | 28.797 | 22.322 | 18.764 |
| Net operating assets | 131.698 | 147.099 | 133.198 | 137.834 | 129.450 | 122.211 |
| Total assets | 187.883 | 200.082 | 187.398 | 187.345 | 180.718 | 180.966 |
| Equity | 63.681 | 67.348 | 63.960 | 60.812 | 53.507 | 50.400 |
| Net interest bearing debt | 73.494 | 90.143 | 80.155 | 82.372 | 83.720 | 78.319 |
| Key financials Group | | | | | | |
| EBITDA margin | 46,5% | 28,2% | 21,0% | 37,1% | 8,3% | 18,4% |
| EBITDA margin - fixed herd prices | 25,2% | 19,8% | 31,0% | 25,2% | 3,2% | 8,6% |
| Cash conversion | 189,0% | -95,8% | 46,9% | 49,0% | -349,1% | 6,5% |
| NIBD / EBITDA fixed price LTM | 2,5 | 3,9 | 4,3 | 5,4 | 6,5 | 5,2 |
| Equity ratio | 33,9% | 33,7% | 34,1% | 32,5% | 29,6% | 27,9% |

Appendix / Production information

| | Q1 2020 | Q4 2019 | Q3 2019 | Q2 2019 | Q1 2019 |
|--|----------|----------|----------|----------|----------|
| Number of Sows | | | | | |
| Lithuania | 14.981 | 15.048 | 15.293 | 15.124 | 14.577 |
| Russia | 10.261 | 10.257 | 10.184 | 10.014 | 9.978 |
| Total | 25.242 | 25.305 | 25.477 | 25.138 | 24.555 |
| Pigs sold (slaughterpigs, Weaners and Sows) | | | | | |
| Lithuania | 113.624 | 123.838 | 119.249 | 114.015 | 115.141 |
| Russia | 83.908 | 93.494 | 87.340 | 78.701 | 85.791 |
| Total | 197.532 | 217.332 | 206.589 | 192.716 | 200.932 |
| Displacement | | | | | |
| Lithuania | 2.144 | - 4.389 | - 1.195 | 5.041 | - 2.232 |
| Russia | 1.181 | - 5.792 | 4.005 | 9.176 | - 427 |
| Total | 3.325 | - 10.181 | 2.810 | 14.217 | - 2.659 |
| Total production | | | | | |
| Lithuania | 115.768 | 119.449 | 118.054 | 119.056 | 112.909 |
| Russia | 85.089 | 87.702 | 91.345 | 87.877 | 85.364 |
| Total | 200.857 | 207.151 | 209.399 | 206.933 | 198.273 |
| Feed cost kEUR | | | | | |
| Lithuania | - 8.522 | - 8.473 | - 8.854 | - 8.828 | - 8.878 |
| Russia | - 6.539 | - 6.801 | - 7.395 | - 6.869 | - 6.575 |
| Total | - 15.061 | - 15.274 | - 16.249 | - 15.697 | - 15.453 |
| Feed conversion kg/kg | | | | | |
| | Q1 2020 | Q4 2019 | Q3 2019 | Q2 2019 | Q1 2019 |
| Lithuania | 2,85 | 2,84 | 2,91 | 2,84 | 2,98 |
| Russia | 2,86 | 2,87 | 2,92 | 2,84 | 2,91 |
| Group | 2,85 | 2,85 | 2,91 | 2,84 | 2,95 |