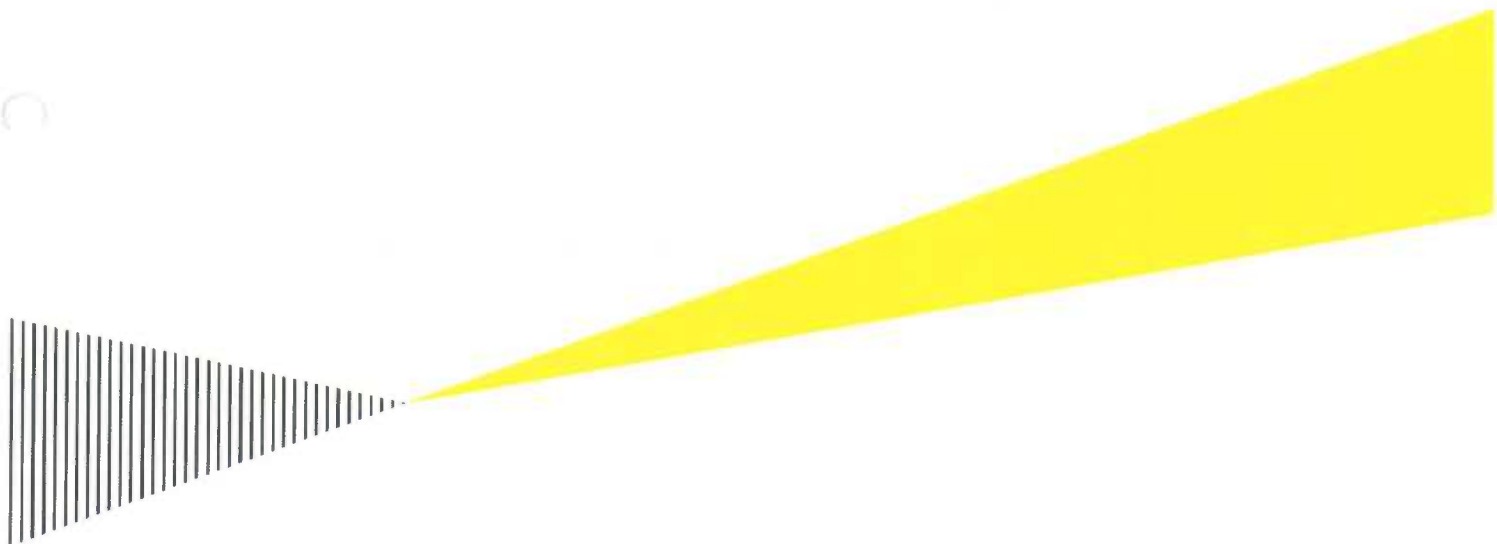


JAST Holding ApS

Tofthøjvej 41, 7321 Gadbjerg

CVR no. 33 74 83 29



Annual report 2016

Approved at the annual general meeting of shareholders on 31 May 2017

Chairman:


.....

Building a better
working world



Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	6
Company details	6
Financial highlights for the Group	7
Management commentary	8
Consolidated financial statements and parent company financial statements 1 January - 31 December	16
Income statement	16
Balance sheet	17
Statement of changes in equity	19
Cash flow statement	20
Notes to the financial statements	21

Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of JAST Holding ApS for the financial year 1 January - 31 December 2016.

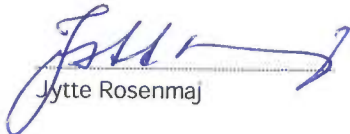
The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Company at 31 December 2016 and of the results of the Group's and the Company's operations and of the consolidated cash flows for the financial year 1 January - 31 December 2016.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the Company's operations and financial matters and the results of the Group's and the Company's operations and financial position.

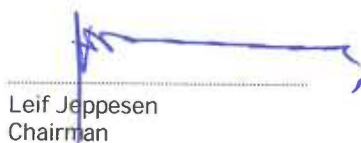
We recommend that the annual report be approved at the annual general meeting.

Gadbjerg, 31 May 2017
Executive Board:

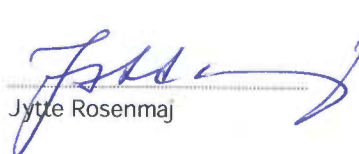


Jytte Rosenmaj

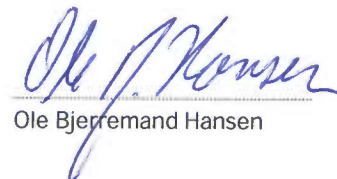
Board of Directors:



Leif Jeppesen
Chairman



Jytte Rosenmaj



Ole Bjerremand Hansen



Carsten Lund Thomsen



Claus Baltersen

Independent auditor's report

To the shareholders of JAST Holding ApS

Opinion

We have audited the consolidated financial statements and the parent company financial statements of JAST Holding ApS for the financial year 1 January - 31 December 2016, which comprise an income statement, balance sheet, statement of changes in equity, consolidated cash flow statement and notes, including accounting policies, for both the Group and the Parent Company. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2016, and of the results of the Group and parent Company's operations as well as the consolidated cash flows for the financial year 1 January - 31 December 2016 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent Company financial statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the consolidated financial statements and the parent company financial statements

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent company financial statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the consolidated financial statements and the parent company financial statements unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements and the parent company financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent company financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and parent company financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

Independent auditor's report

- ▶ Identify and assess the risks of material misstatement of the consolidated financial statements and the parent company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- ▶ Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the Parent Company financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the Parent Company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion is based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the consolidated financial statements and the parent company financial statements, including the disclosures, and whether the consolidated financial statements and the parent company financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Independent auditor's report

Statement on Management's review

Management is responsible for the Management's review.

Our opinion on the consolidated financial statements and the parent company financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent company financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the consolidated financial statements or the parent company financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the consolidated financial statements and the parent company financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Aarhus, 31 May 2017

ERNST & YOUNG

Godkendt Revisionspartnerselskab

CVR no. 30 70 02 28

Hans Peter Roug

State Authorised Public Accountant



Management's review

Company details

Name JAST Holding ApS
Address, Postal code, City Tofthøjvej 41, 7321 Gadbjerg

CVR no. 33 74 83 29
Registered office Vejle
Financial year 1 January - 31 December

Board of Directors Leif Jeppesen, Chairman
Jytte Rosenmaj
Ole Bjerremand Hansen
Carsten Lund Thomsen
Claus Baltersen

Executive Board Jytte Rosenmaj

Auditors Ernst & Young Godkendt Revisionspartnerselskab
Værkmestergade 25, P.O. Box 330, 8100 Aarhus C,
Denmark

Bankers Den Jyske Sparekasse

Management's review

Financial highlights for the Group

DKK'000	2016	2015	2014	2013	2012
Key figures					
Revenue	706,813	680,526	858,427	767,491	778,598
Operating profit/loss	127,380	80,007	206,573	68,669	113,668
Net financials	-49,155	-61,558	-62,270	-61,109	-35,034
Profit/loss for the year	73,264	17,944	142,030	5,261	86,317
Balance sheet					
Total assets	1,363,279	1,235,665	1,315,985	1,614,997	1,680,071
Investment in property, plant and equipment	-26,474	-34,425	67,067	129,980	279,213
Equity	487,177	356,300	471,097	535,006	599,567
Financial ratios					
Operating margin	18.0%	11.8%	24.1%	8.9%	14.6%
Gross margin	39.3%	34.1%	45.8%	31.1%	34.8%
Return on assets	9.8%	6.3%	14.1%	4.2%	7.3%
Current ratio	98.6%	66.4%	128.7%	111.3%	190.0%
Solvency ratio	35.7%	28.8%	35.8%	33.1%	35.7%
Return on equity	17.4%	4.3%	28.2%	0.9%	15.3%
Other					
Average number of employees	787	767	871	831	822

Financial ratios are calculated in accordance with the Danish Finance Society's recommendations on the calculation of financial ratios "Recommendations and Financial Ratios 2015". For terms and definitions, please see the accounting policies.

The company has changed accounting policies in 2016 and changed comparative figures for 2015. Financial highlights and comparative figures for financial years 2012, 2013 and 2014 have not been changed.

Management's review

Management commentary

Business review

Revenue for the JAST Holding ApS group was DKK 706m in 2016 against DKK 680m in 2015. EBITDA was DKK 194m against DKK 148m and profit after tax was DKK 73m against DKK 18m in 2015.

The year started weak, but 2nd half of 2016 demand started increasing, the result for FY2016 live up to expectations. The market shift was driven by strong demand from China particular, but other Asian countries also contributed. The sales prices in Russia and Lithuania have increased significant during 2016, hence the value adjustment of the herd had record size in 2016, but this also illustrate our expectations to the market going forward, as the major trend on protein is driving demand.

Our field activities had a poor harvest during 2016 due to bad weather conditions, but the effect of improved feed conversion within production made during 2016 compensated for this.

The Group invested DKK 26.4m in 2016, which is significantly less than depreciation of DKK 53.3m.

Net interest-bearing debt (NIBD) decreased by DKK 25m (4%) in 2016. The decrease of NIBD was negative influenced the appreciation in the EURRUB exchange rate by DKK 42.3m.

Further biogas plants were established in Lithuania in corporation with Modus Energy, meaning that eight are now in operation, and the combined result is now positive, even with substantial running in cost. The total investment in biogas plants is now DKK 141m by joint venture with partner Modus Energy.

Business focus

Lithuania

Our Lithuanian business model focuses primarily on pig production within brown field projects. Our core competencies and superior efficiency in pig production take advantage of premier Danish production technology and quality. Our grain is bought from third parties through stable and secure agreements.

Russia

Our Russian business model focuses both on farmland, grain production and pig production in both green field and brown field projects. Also here, our core competencies and superior efficiency in pig production take advantage of premier Danish production technology and quality. Grain production is added to the value chain, which secures supply of grain and removes dependency on Russian farmers. The extended control of the value chain also utilises synergies and reduces risk of fluctuations in grain prices. Farmland is added to the value chain due to low cost of land.

Management's review

Management commentary

Recognition and measurement uncertainties

Management makes a number of estimates in connection with the annual report, the main one relating to valuation of the herd. The herd is valued based on fair value, which is based on recent sales prices and official quotes.

Financial review

Revenue

Revenue increased from DKK 681m to DKK 706m (+4%). The increase of DKK 28.9m was mainly driven by conversion of weaner sale in Lithuania into sales of slaughter pigs. The average sales price for slaughterpigs is slightly lower, but that is due weaker Russian and stronger Lithuanian sales prices.

Herd value adjustment

In 2016, the fair value adjustment for commercial herd comprised DKK 53.3m and was mainly caused by an increase meat prices in Lithuania. The fair value adjustment for breeding herd amounted to DKK -8.9m.

Cost of raw materials and consumables

Costs of raw materials and consumables has decreased m45.8DKK (3%) which primarily is due to a positive effect of fair value adjustment of the heard.

Subsidies

The Government decreased the level of direct subsidies for meat and grain (excluding interest subsidies) to DKK 0.7m (2015: DKK 2.2m).

Main subsidy received is interest subsidies for agriculture loans in Russia which was DKK 9.6m (2015: DKK 16.3m).

Investments

Idavang's investments in 2016 totalled DKK 26.7m (DKK 34.3m in 2015).

Investments in Russia, DKK 23m (DKK 29.1m in 2015) relates mainly to new equipment for fields was DKK 7.4m among other 2 new combiners, the remaining DKK 15.6m is partly maintenance investments (e.g. new pigtrailers), cost saving projects (e.g. replacement of lights with LED) and finalization of existing sites.

Investments in Lithuania of DKK 3.7m (DKK 5.2m in 2015) were mainly related to minor miscellaneous investments.

Follow-up on expressed expectations

Meat prices

- EU/Lithuania average prices were expected to be similar or slightly higher than 2015, and with a price level 10% higher than 2015 they positively surpassed our expectations. This was driven by high export mainly to Asia.
- Russia: Our expectation was that prices would stay higher than EU in EUR, which also happened but on a lower level than expected.

Feed price turned out as expected, being at the same level as 2015 (actual feed price was 1.9% lower).

Knowledge resources

Idavang produces commodities in an international, competitive environment. One of the only ways we can secure our position as market leader in regard to productivity and quality is to retain our employees, develop their skills and enable them to constantly improve.

Management's review

Management commentary

Special risks

The Board of Directors regularly assesses the overall and specific risks associated with Idavang's business and operations and seeks to ensure that such risks are managed in a proactive and efficient manner. Internal control systems have been established and are regularly reviewed by the Board of Directors to ensure that they are appropriate and sufficient.

Fluctuations in prices of pork

As pork is a global commodity, global supply and demand influences prices in all markets to a higher or lower degree. Idavang mitigates this by focusing on markets where there is an undersupply of pork. Thereby, we compete with producers in other markets, which need to transport the pork to North Western Russia or Lithuania.

Fluctuations in Russian customs, subsidies and if Russia allows import of pork and live pigs from the EU

Russia wants to support domestic development of agriculture business and especially pork production where there is an undersupply.

Current situation regarding support from the Russian government

- There is currently a customs duty of 5% on live pigs imported to Russia, but this import has been closed for European due to veterinarian reasons / embargo during 2014-15. Therefore, the main competitive product is imported chilled and frozen meat within or outside quotas from Brazil.
- Interest subsidies of 8-14% on loans, which fulfil a number of criteria, typical a net interest of 3,5-5%.

Fluctuations in prices of raw materials

Pigs are fed grain, protein (e.g. soya and sunflower) and premixes (vitamin and minerals), which account for a significant part of production costs.

An increase in these prices, together with an inability to transfer such increased costs to slaughterhouses, may have a material adverse effect on Idavang's profit.

Over time, such an imbalance will lead to inefficient producers and closed productions; hence supply will be reduced, which will increase prices again.

Idavang mitigates this exposure by being a cost-efficient producer with high productivity and operations in markets with natural premiums.

Concentration of production facilities in North Western Russia and Lithuania

The concentration of production facilities in North Western Russia and Lithuania means that Idavang's operations are dependent on the degree to which raw materials can be imported into North Western Russia and Lithuania.

Furthermore, the possibility of exporting from Lithuania to EU and especially Russia (if it opens up borders) ensures the best prices for Lithuanian live pigs.

Two areas can disrupt this export possibility: the political situation and outbreaks of diseases.

Currently, Russian borders are closed for all imports of live commercial pigs, and for chilled and frozen meat from a number of countries due to veterinarian and/or political reasons (embargo).

Russian, EU and global economic conditions

Management's review

Management commentary

An economic downturn or an uncertain economic outlook in the Russian economy could adversely affect consumers' meat and pork consumption habits.

Similarly, a global economic downturn or an uncertain economic outlook in the world economy could adversely affect global consumers' meat and pork consumption habits. With pork being a global commodity, the individual regions as EU or Russia will also be affected, but the effects might be lower as regional markets have their own fluctuations.

Diseases

An outbreak of a serious disease could potentially cause a loss of earnings from the relevant farm for a period during which a replacement herd would be put into operation. Production management places high focus on the risk, and the highest biosecurity measures are taken.

Furthermore, the herd is insured for all diseases to mitigate the risk to the highest possible degree.

Financial risks

During 2016, the RUB has fluctuated significantly against the EUR. The total effect for 2016 was a 20% appreciation EUR/RUB, which among others affected equity positively by DKK 59,4m, as all Russian tangible assets are measured in RUB.

Audit Committee

The Board of Directors has set up an Audit Committee to assist it in supervising the financial reporting process and the efficiency of Idavang's internal control and risk management systems.

The Executive Board is responsible for maintaining controls and an effective risk management system and it has taken the necessary steps to address the risks identified in relation to financial reporting.

The composition of the Board of Directors, Audit Committee and Executive Board ensures the availability of relevant competencies with respect to internal controls and risk management.

Management's review

Management commentary

Statutory CSR report

The CSR policy covers the four areas of the UN Global Compact:

- ▶ Human Rights
- ▶ Labour Rights
- ▶ Environment
- ▶ Anti-corruption

The CSR policy also has special focus on climate change, occupational health and safety, animal welfare and community development.

The company focuses on the following five values:

- ▶ Respect and trust
- ▶ Quality and Ethic
- ▶ Transparency
- ▶ Responsibility towards the environment
- ▶ Constant development

The JAST Group is constantly working on safeguarding these values throughout our organisation. Historically, the Idavang Group has always placed high focus on CSR, including animal welfare. Consequently Idavang have had group-housed sows and used partly slatted floors since its establishment in 1999.

Intellectual capital resources

Idavang considers the employees and the organizational culture as the most important assets of the company. The Company's long-term success is highly linked to attracting, retaining and developing the employees, which is why both internal and external training and education are priorities of Idavang.

Environmental matters

Environmental matters are an integrated part of Idavang's mission. We constantly strive to take care of the environment in all everyday actions, and we acknowledge the need to take care of natural resources to the benefit of future generations.

Our focus is to reduce any negative impact that our production may have on the environment. We do not have full ownership of the entire value chain. However, we urge all our business partners to help us take care of the environment. In corporation with a business partner (Modus Energy) we have established biogas plants with the aim to improve environmental targets.

One of the environmental targets is energy consumption where Idavang (with Modus Energy) became self-supplied with electricity in 2016, mainly due to implementation of biogas plants.

But energy efficiency focus also extends to the energy usage of the individual farm. Hence, mainly the installation of LED lamps in 2016 has again reduced energy consumption overall in Russian farms by 5%.

Management's review

Management commentary

Main environmental issue

The main environmental issue in our business is related to our production facility, which stores manure and uses it on agricultural land. The overall environmental strategy is to separate the manure and create a product that can be used as fertiliser.

The implementation of a high-tech environmental system in Russia on the Voschochny farm (2010) was the first step to improve the utilization of slurry, and the implementation of biogas plants (with Modus Energy) is a continuation hereof. In the recycling process, the manure becomes an almost odourless, high-quality organic fertilizer.

An important benefit the biogas plants save CO₂. With the current plants the decrease in CO₂ emissions is equivalent to planting more than 300.000 trees over the next 10 years.

Closed Lagoons

On every farm we have closed lagoons with top and double liners to prevent the emission of ammonia, nitrogen (greenhouse gas). Closed lagoons also ensure that no odour will be released into the air.

Animal welfare

The Idavang Group lives up to all relevant international standards for animal welfare. We operate with group-housed sows and partly slatted floors.

Anti-corruption Policy

The aim of the company's anti-corruption policy is to define Idavang's business practice for countering corruption and bribery and to provide guidance to employees.

Idavang has a zero tolerance policy towards bribery and corruption. This policy extends to all Idavang's business dealings and transactions in all countries in which we operate. The policy is fully implemented in both Lithuania and Russia.

Suppliers and business contacts are periodically being informed about requirements either through contracts or meetings.

Health and Safety policy

The main purpose of the Occupational Health and Safety system is to protect employees' life and health and to ensure good working conditions by avoiding injuries and accidents. The Occupational health and Safety tasks are structured in seven main tasks:

- Strengthen and develop health and safety systems by forming socially responsible approach to the employees' health and safety
- Perform an occupational risk assessment of all workplaces
- Improve the system of training certification and instruction of employees on issues of the employees safety and health
- Increase preventive efficiency of the employees' health care
- Increase fire safety
- Improve safety of employees performing dangerous work
- Providing safe and healthy work conditions for every employee

Management's review

Management commentary

Human Resource policy

The company's goal is to ensure that both genders are always represented on the Board of Directors, which they currently are.

The company is committed to observing the Group's human resource policy, which first key principle is the equality of employees.

The Board of Directors has one female board member out of five, equal to 20% (1 of 5).

The company's management today (by end 2016) is represented by 7 individuals. One of whom is female, which leaves the gender representation unchanged compared to 2015.

It is the Idavang Group's objective that both genders should represent minimum 25% of the company's management and board in 2019 compared to 17% females and 83% males today.

The company wishes to honour diversity and equal genders representation in all parts of management. When selecting new board members or new management members, the company strives towards that both genders are represented among the last 3 candidates.

We want the company's employees to experience equal opportunities for employment, improvement, career making and gaining management positions regardless of gender, age or nationality.

The company measures and monitors how this goal is met through satisfaction surveys, which include questions like "Do you trust the company as an employer?" and "Do you feel appreciated at work?" in order to ensure that the company adheres to the above-mentioned goals.

Human rights and labour rights

It is a fundamental value of Idavang to respect basic human rights, and we cannot accept forced or compulsory labour or the use of child labour in activities, which are dangerous to the moral or physical well-being, and the development of children. To secure both proper work conditions and human rights, discussions are being held at least once a month at farm meetings in both Russia and Lithuania as well as during employee's opinion surveys.

Additional information

The company provides additional information on CSR on our webpage www.idavang.com, which complement the information provided in this annual report. Idavang's report on Corporate Social Responsibility in accordance with 99a in the Danish Financial Statements Act is available on the following link http://www.idavang.com/uploads/TxForm/CSR%20Report_2016_EN.pdf

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Management's review

Management commentary

Outlook

Regarding 2017, the Company has positive expectations to the profitability in both our markets:

Meat prices

- ▶ EU/Lithuania average prices for 2017 are expected to be higher than 2016.
- ▶ Russia pork prices are also expected to be higher than 2016.

Feed prices

- ▶ Feed price is expected to be at the same level as in 2016.

Consolidated financial statements and parent company financial statements for
the period 1 January - 31 December

Income statement

Note	DKK'000	Group		Parent company	
		2016	2015	2016	2015
	Revenue	706,813	680,526	558	0
	Other operating income	10,208	9,082	0	0
	Raw materials and consumables	-429,602	-445,455	0	0
	Other external expenses	-9,854	-12,173	-55	-66
	Gross margin	277,565	231,980	503	-66
2	Staff costs	-83,630	-83,573	0	0
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-66,416	-68,108	0	0
	Other operating expenses	-139	-292	0	0
	Profit/loss before net financials	127,380	80,007	503	-66
	Income from investments in group entities	0	0	0	41,786
	Financial income	20,256	2,574	0	0
	Financial expenses	-69,411	-64,132	0	0
	Profit before tax	78,225	18,449	503	41,720
3	Tax for the year	-4,961	-505	-111	0
	Profit for the year	73,264	17,944	392	41,720
	Specification of the Group's results of operations:				
	Shareholders in JAST Holding ApS	73,264	-5,449		
	Non-controlling interests	0	23,393		
		73,264	17,944		

Consolidated financial statements and parent company financial statements for
the period 1 January - 31 December

Balance sheet

Note	DKK'000	Group		Parent company	
		2016	2015	2016	2015
		ASSETS			
		Fixed assets			
4	Intangible assets				
	Acquired intangible assets	2,059	1,670	0	0
	Goodwill	149,226	161,126	0	0
		<u>151,285</u>	<u>162,796</u>	<u>0</u>	<u>0</u>
5	Property, plant and equipment				
	Land and buildings	565,893	532,279	0	0
	Biological assets	101,517	101,774	0	0
	Plant and machinery	107,412	101,222	0	0
	Other fixtures and fittings, tools and equipment	9,151	11,403	0	0
	Property, plant and equipment in progress	16,565	10,000	0	0
		<u>800,538</u>	<u>756,678</u>	<u>0</u>	<u>0</u>
6	Investments				
	Investments in group entities, net asset value	0	0	500,000	500,000
		<u>0</u>	<u>0</u>	<u>500,000</u>	<u>500,000</u>
	Total fixed assets	<u>951,823</u>	<u>919,474</u>	<u>500,000</u>	<u>500,000</u>
	Non-fixed assets				
	Inventories				
	Work in progress	303,606	212,385	0	0
		<u>303,606</u>	<u>212,385</u>	<u>0</u>	<u>0</u>
	Receivables				
	Trade receivables	15,116	12,226	0	0
	Deferred tax assets	0	2,719	33	33
	Income taxes receivable	0	112	0	0
	Other receivables	3,500	4,065	0	0
7	Deferred income	4,354	10,616	0	0
		<u>22,970</u>	<u>29,738</u>	<u>33</u>	<u>33</u>
	Cash	84,880	74,068	1,261	618
	Total non-fixed assets	<u>411,456</u>	<u>316,191</u>	<u>1,294</u>	<u>651</u>
	TOTAL ASSETS	<u><u>1,363,279</u></u>	<u><u>1,235,665</u></u>	<u><u>501,294</u></u>	<u><u>500,651</u></u>

Consolidated financial statements and parent company financial statements for
the period 1 January - 31 December

Statement of changes in equity

		Group		
DKK'000		Share capital	Retained earnings	Total
	Equity at 1 January 2015	250	470,847	471,097
	Changes in accounting policies	0	-44,646	-44,646
	Adjusted equity at 1 January 2015	250	426,201	426,451
	Transfer through appropriation of loss	0	-5,449	-5,449
	Exchange adjustment	0	-52,690	-52,690
	Adjustment of collateral on the sale of the Company's shares	0	29,292	29,292
	Extraordinary dividend distributed	0	-41,304	-41,304
	Equity at 1 January 2016	250	356,050	356,300
	Transfer through appropriation of profit	0	73,264	73,264
	Exchange adjustment	0	57,613	57,613
	Equity at 31 December 2016	250	486,927	487,177

		Parent company		
Note	DKK'000	Share capital	Retained earnings	Total
	Equity at 1 January 2015	250	499,971	500,221
14	Transfer through appropriation of profit	0	41,720	41,720
	Extraordinary dividend distributed	0	-41,304	-41,304
	Equity at 1 January 2016	250	500,387	500,637
14	Transfer through appropriation of profit	0	392	392
	Equity at 31 December 2016	250	500,779	501,029

Consolidated financial statements and parent company financial statements for
the period 1 January - 31 December

Cash flow statement

Note	DKK'000	Group	
		2016	2015
	Profit for the year	73,264	17,944
15	Adjustments	120,443	132,057
	Cash generated from operations (operating activities)	193,707	150,001
16	Changes in working capital	-38,192	-17,666
	Cash generated from operations (operating activities)	155,515	132,335
	Interest received, etc.	2,617	1,634
	Interest paid, etc.	-48,167	-52,566
	Income taxes paid	-1,167	-134
	Cash flows from operating activities	108,798	81,269
	Additions of intangible assets	-164	-239
	Additions of property, plant and equipment	-26,474	-34,425
	Disposals of property, plant and equipment	4,944	5,597
	Cash flows to investing activities	-21,694	-29,067
	Dividends distributed	0	-51,756
	Proceeds of debt to credit institutions	77,050	151,683
	Repayments, debt to credit institutions	-162,665	-119,766
	Cash flows from financing activities	-85,615	-19,839
	Net cash flow	1,489	32,363
	Cash and cash equivalents at 1 January	74,068	49,305
	Foreign exchange adjustments	9,323	-7,600
	Cash and cash equivalents at 31 December	84,880	74,068

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of JAST Holding ApS for 2016 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

Changes in accounting policies

Effective 1 January 2016, the Company has adopted act no. 738 of 1 June 2015. This implies the following changes in the recognition and measurement:

1. Yearly reassessment of residual values of property, plant and equipment.

In future, residual values of property, plant and equipment are subject to annual reassessment. The Company has no significant residual values relating to property, plant and equipment other than those relating to the Company's land. Consequently, the change is made in accordance with section 4 of the executive order on transitional provisions with future effect only as a change in accounting estimates with no impact on equity.

2. The company has in previous years recognized a put option with IFC (World Bank) as a derivative financial instrument. Recognizing put options as a derivative financial instrument is no longer an option according to the new Danish Financial Statements Act and therefore the put option has been recognized as a financial liability. The change in accounting policy for presentation of put-options affect Equity as at 1 January 2015 by DKK -151.9 million, equity during the year with DKK -18.8 million and Equity as at 31 December 2015 by DKK -170.7 million and equity during the year 2016 by DKK -21.1 million and equity as at 31 December 2016 by DKK -191.9 million. Further a liability of DKK 170.7 million has been recognised as at 31 December 2015 and of DKK 191.9 million as at 31 December 2016.

Apart from the above changes in accounting policy and new and changed presentation and disclosure requirements, which follow from act. no. 738 of 1 June 2015, the accounting policies are consistent with those of last year.

Consolidation

The consolidated financial statements comprise the parent, JAST Holding ApS, and entities controlled by the parent. Control is presumed to exist when the parent owns, directly or indirectly, more than half of the voting power of an entity. Control may also exist by virtue of an agreement or articles of association or when the parent otherwise has a controlling interest in the subsidiary or actually exercises controlling influence over it.

The existence and impact of potential voting rights that are actually exercisable or convertible are taken into account when assessing whether control exists.

The consolidated financial statements have been prepared as a consolidation of the parent company's and the individual subsidiaries' financial statements, which are prepared according to the Group's accounting policies. On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, and realised and unrealised gains on intra-group transactions are eliminated. Unrealised gains on transactions with associates are eliminated in proportion to the Group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains in so far as they do not reflect impairment.

Entities acquired or formed are recognised in the consolidated financial statements from the date of acquisition or formation. Entities sold or otherwise disposed of are recognised in the consolidated income statement until the date of disposal. Comparative figures are not restated for acquisitions or disposals.

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

The purchase method of accounting is applied to the acquisition of subsidiaries. The cost is made up at the net present value of the consideration agreed plus directly attributable expenses. Conditional payments are recognised at the amount expected to be paid. Identifiable assets and liabilities in the acquired entities are recognised at the fair value at the time of acquisition. Provisions for restructuring expenses relating to the acquired entity are recognised if the restructuring has been decided at the time of acquisition. Allowance is made for the tax effect of revaluations of assets and liabilities. Any residual difference between the cost and the group's share of the fair value of the identifiable assets and liabilities is recognised as goodwill or negative goodwill.

Entities over which the Group has significant influence are considered associates. The Group is considered to have significant influence when it directly or indirectly holds between 20% and 50% of the voting rights or otherwise has or actually exercises significant influence. Associates are recognised in the consolidated financial statements at their net asset value.

Joint ventures are consolidated in the consolidated financial statements on a pro rata basis, meaning that accounting items are recognised in proportion to the Group's share of the joint ventures' equity and profit/loss.

Minority interests

On initial recognition, non-controlling interests are measured at the fair value of the non-controlling interests' ownership share or at the non-controlling interests' proportionate share of the fair value of the acquired entity's identifiable assets, liabilities and contingent liabilities.

In the former scenario, goodwill relating to the non-controlling interests' ownership share in the acquired entity is thus recognised, while, in the latter scenario, goodwill relating to the non-controlling interests' ownership share is not recognised. Measurement of non-controlling interests is chosen on a transaction-by-transaction basis and is stated in the notes in connection with the description of acquired entities.

Derivative financial instruments

On initial recognition, derivative financial instruments are recognised at cost in the balance sheet and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are included in other receivables and payables, respectively.

Fair value adjustments of derivative financial instruments designated as and qualifying for recognition as a hedge of the fair value of a recognised asset or liability are recognised in the income statement along with changes in the fair value of the hedged asset or liability.

Fair value adjustments of derivative financial instruments designated as and qualifying for hedging of future assets or liabilities are recognised in other receivables or other payables, respectively, and in equity. If the hedged forecast transaction results in the recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or liability, respectively. If the hedged forecast transaction results in income or expenses, amounts previously deferred in equity are transferred to the income statement in the period in which the hedged item affects the profit/loss for the year.

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Public grants

Public grants related to expenses:

In Russia, the Group receives government grants in the form of reimbursement of interest expenses on loans, cost recovery for cost related to the production of crops and compensation for high grain prices.

Government grants related to expenses are recognised as income as the right to the grant is earned and received, i.e. as the eligible expenses are incurred and the grant is deposited in a bank account.

In Lithuania, the Group receives government grants for the investment of property, plant and equipment in return for the Group's commitment to carry on pig production for a certain number of years.

Government grants for assets are recognised as deferred income, which is reduced in step with the depreciation of the related asset and recognised in profit or loss under depreciation.

Income statement

Revenue

Revenue from the sale of slaughter pigs and piglets is recognised in profit or loss when delivery and transfer of the risk to the buyer has taken place.

Revenue is measured net of all types of discounts/rebates granted. Also, revenue is measured net of VAT and other indirect taxes charged on behalf of third parties.

Other operating income and operating expenses

Other operating income and operating expenses comprise items of a secondary nature relative to the Company's core activities, including gains or losses on the sale of non-current assets.

Raw materials and consumables, etc.

Raw materials and consumables include expenses relating to raw materials and consumables used in generating the year's revenue.

Other external expenses

Other external expenses include the year's expenses relating to the entity's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

The cost net of the expected residual value for completed development projects and acquired IP rights is amortised over the expected useful life. Acquired IP rights include patents, rights and licences.

The basis of amortisation, which is calculated as cost less any residual value, is amortised on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Acquired intangible assets	20 years
Goodwill	20 years

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

The amortisation period for goodwill is based on management experience with the groups business segments.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Land and buildings	25-40 years
Plant and machinery	8-15 years
Other fixtures and fittings, tools and equipment	3-10 years

Income from investments in group entities

The item includes dividend received from subsidiaries and associates in so far as the dividend does not exceed the accumulated earnings in the subsidiary or the associate in the period of ownership.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial reporting period. The items comprise interest income and expenses, e.g. from group entities and associates, dividends declared from other securities and investments, financial expenses relating to finance leases, realised and unrealised capital gains and losses relating to other securities and investments, exchange gains and losses and amortisation of financial assets and liabilities.

Tax

The parent company is covered by the Danish rules on mandatory joint taxation of the Group's Danish subsidiaries. Subsidiaries are included in the joint taxation arrangement from the date at which they are included in the consolidated financial statements and up to the date when they are no longer consolidated.

The parent company acts as management company for the joint taxation arrangement and consequently settles all corporate income tax payments with the tax authorities.

On payment of joint taxation contributions, the Danish corporate income tax charge is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use the tax losses to reduce their own taxable income.

Tax for the year, which comprises the current income tax charge, joint taxation contributions and deferred tax adjustments, including adjustments arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Balance sheet

Intangible assets

Goodwill is amortised over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period, which is up to 20 years.

Other intangible assets include development projects and other acquired intangible rights, including software licences, distribution rights and development projects.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses.

Property, plant and equipment

Property, plant and equipment include land and buildings, plant and machinery and other fixtures and fittings, tools and equipment. Property, plant and equipment are measured at cost less accumulated depreciation and impairment.

Material assets which are leased and which meets the conditions to be recognized as finance leases are treated as owned assets.

Biological assets are recognized when the company controls the asset and it is likely that financial profit related to the assets will flow to the group, and fair value of the asset can be measured reliably.

Biological assets are measured at fair value less sales expenses.

The value of crops is calculated as cost value including production-overheads. At the time of the harvest, the crops are reclassified as inventories measured at fair value less transportation expenses.

Investments in subsidiaries

Investments in subsidiaries and associates are measured at cost. Dividends received which exceed the accumulated earnings in the subsidiary or the associate in the period of ownership are treated as a cost reduction.

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Inventories

Biological inventories are initially measured at cost and subsequent measured at fair value.

Fair value is the expected value of a transaction between independent parties.

Other inventories are measured at cost value in accordance with the FIFO-method.

Net realizable value is the sales value less completion cost and cost related to sales taking into account marketability, obsolescence and development in expected sales price.

The taxonomy has been adapted to match danish standards. In the balancesheet slaughter herd is categorized as work in progress. Slaughter herds are biological assets, where there is a continuous biological transformation until the point of sale. Biological assets are first measured at cost values and subsequently measured at fair value less estimated sales costs. Fair value adjustment of biological assets is recorded as cost of raw materials and consumables.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value. Provisions are made for bad debts on the basis of objective evidence that a receivable or a group of receivables are impaired. Provisions are made to the lower of the net realisable value and the carrying amount.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Equity

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Provisions for deferred tax are calculated, based on the liability method, of all temporary differences between carrying amounts and tax values, with the exception of temporary differences occurring at the time of acquisition of assets and liabilities neither affecting the results of operations nor the taxable income, as well as temporary differences on non-amortisable goodwill.

Deferred tax is measured according to the taxation rules and taxation rates in the respective countries applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the value at which they are expected to be utilised, either through elimination against tax on future earnings or through a set-off against deferred tax liabilities within the same jurisdiction.

Payables to credit institutions

Mortgage debt is recognised on the raising of the loan at the proceeds received net of transaction costs incurred. Mortgage debt is subsequently measured at amortised cost, using the effective interest rate method. Borrowing costs, including capital losses, are recognised as financing costs in the income statement over the term of the loan.

JAST Holding ApS has a put option with IFC (World Bank). The put option is treated as a financial liability in the financial statement for JAST Holding ApS. The liability is initially recognized at cost value, and subsequently measured at fair value.

Other payables

Other payables are measured at net realisable value.

Subordinate loan capital

Liabilities where the creditors have stated they are willing to subordinate their claim to rank after all the entity's other creditors are presented as subordinate loan capital. Subordinate loan capital is recognised using the same method as applies to liabilities.

Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Cash flow statement

The cash flow statement shows the entity's net cash flows, broken down by operating, investing and financing activities, the year's changes in cash and cash equivalents and the entity's cash and cash equivalents at the beginning and the end of the year.

Cash flows from operating activities are presented using the indirect method and are made up as the profit or loss for the year, adjusted for non-cash operating items, changes in working capital, paid net financials and paid income taxes.

Cash flows from investing activities comprise payments in connection with purchase and sale of fixed assets, securities which are part of investment activities and payments in connection with purchase and sale of businesses and activities.

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related expenses as well as raising of loans, repayment of interest bearing debt and payment of dividends to shareholders.

Cash and cash equivalents comprise cash, short term bank loans and short term securities which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

Financial ratios

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015".

The financial ratios stated under "Financial highlights" have been calculated as follows:

Operating margin	$\frac{\text{Operating profit} \times 100}{\text{Revenue}}$
Gross margin ratio	$\frac{\text{Gross margin} \times 100}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit/loss from operating activities} \times 100}{\text{Average assets}}$
Current ratio	$\frac{\text{Current assets} \times 100}{\text{Current liabilities}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total equity and liabilities at year end}}$
Return on equity	$\frac{\text{Profit/loss for the year after tax} \times 100}{\text{Average equity}}$

Consolidated financial statements and parent company financial statements for
the period 1 January - 31 December

Notes to the financial statements

DKK'000	Group		Parent company	
	2016	2015	2016	2015
2 Staff costs				
Wages/salaries	64,382	67,772	0	0
Other social security costs	14,973	14,980	0	0
Other staff costs	5,323	2,925	0	0
Staff costs transferred to the cost of fixed assets	-1,048	-2,104	0	0
	<u>83,630</u>	<u>83,573</u>	<u>0</u>	<u>0</u>
Average number of full-time employees	<u>787</u>	<u>767</u>	<u>0</u>	<u>0</u>

Remuneration to members of management:

DKK'000	Group		Parent company	
	2016	2015	2016	2015
Executive board	1,115	1,388	0	0
	<u>1,115</u>	<u>1,388</u>	<u>0</u>	<u>0</u>

DKK'000	Group		Parent company	
	2016	2015	2016	2015
3 Tax for the year				
Estimated tax charge for the year	4,961	505	111	0
	<u>4,961</u>	<u>505</u>	<u>111</u>	<u>0</u>

Consolidated financial statements and parent company financial statements for
the period 1 January - 31 December

Notes to the financial statements

4 Intangible assets

DKK'000	Group		
	Acquired intangible assets	Goodwill	Total
Cost at 1 January 2016	3,364	213,731	217,095
Exchange adjustment	743	0	743
Additions in the year	164	0	164
Disposals in the year	-15	0	-15
Cost at 31 December 2016	4,256	213,731	217,987
Impairment losses and amortisation at 1 January 2016	1,694	52,605	54,299
Exchange adjustment	221	0	221
Amortisation/depreciation in the year	297	11,900	12,197
Reversal of amortisation/depreciation and impairment of disposals	-15	0	-15
Impairment losses and amortisation at 31 December 2016	2,197	64,505	66,702
Carrying amount at 31 December 2016	2,059	149,226	151,285

5 Property, plant and equipment

DKK'000	Group					Total
	Land and buildings	Biological assets	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress	
Cost at 1 January 2016	688,641	102,893	221,234	27,007	10,000	1,049,775
Exchange adjustment	68,597	10,047	28,004	753	2,862	110,263
Additions in the year	2,015	24,110	11,769	677	12,014	50,585
Disposals in the year	-1,145	-43,335	-2,595	-1,606	-981	-49,662
Transfer from other accounts	4,684	17,835	2,624	22	-7,330	17,835
Cost at 31 December 2016	762,792	111,550	261,036	26,853	16,565	1,178,796
Impairment losses and depreciation at 1 January 2016	156,362	1,119	120,012	15,604	0	293,097
Exchange adjustment	12,145	0	12,535	767	0	25,447
Impairment losses in the year	0	8,914	0	0	0	8,914
Amortisation/depreciation in the year	28,511	0	23,426	2,305	0	54,242
Amortisation/depreciation and impairment of disposals in the year	-119	0	-2,349	-974	0	-3,442
Impairment losses and depreciation at 31 December 2016	196,899	10,033	153,624	17,702	0	378,258
Carrying amount at 31 December 2016	565,893	101,517	107,412	9,151	16,565	800,538

Consolidated financial statements and parent company financial statements for
the period 1 January - 31 December

Notes to the financial statements

6 Investments

Group

Name	Domicile	Interest	Equity DKK'000	Profit/loss DKK'000
Subsidiaries				
UAB Idavang	Litauen	80.00 %	59,090	13,446
UAB Idavang Pasodele	Litauen	80.00 %	14,839	5,602
UAB Idavang Kepaliai	Litauen	80.00 %	22	3,103
Pskov Invest ApS	Danmark	80.00 %	42,275	26
Rus Invest ApS	Danmark	80.00 %	54,492	98
Idavang A/S	Danmark	80.00 %	134,651	-21,463
Idavang Russia A/S	Danmark	80.00 %	110,478	26,050
Rurik A/S	Danmark	80.00 %	35,656	-2,157
Idavang LLC	Rusland	80.00 %	180,995	27,909
Idavang Agro LLC	Rusland	80.00 %	286,071	8,046
Nordrik Invest LLC	Rusland	80.00 %	12,115	107
Idavang Luga LLC	Rusland	80.00 %	9,959	-1,945
Rurik Russia LLC	Rusland	80.00 %	-7,040	-1,282
MPK-Vostochny LLC	Rusland	80.00 %	2,227	-30
Sovhoz Vostochny LLC	Rusland	80.00 %	-4,825	-965
Idavang Invest LLC	Rusland	80.00 %	62,511	23
				Parent company
DKK'000				Investments in group entities, net asset value
Cost at 1 January 2016				500,000
Additions in the year				0
Disposals in the year				0
Cost at 31 December 2016				500,000
Carrying amount at 31 December 2016				500,000

7 Prepayments

Group

Prepayments include accrual of expenses relating to subsequent financial years, including insurance policies, subscriptions and financial interests.

Parent company

The parent company has no prepayments as of 31 December 2016.

Consolidated financial statements and parent company financial statements for
the period 1 January - 31 December

Notes to the financial statements

DKK'000	Parent company	
	2016	2015
8 Share capital		
Analysis of the share capital:		
250,000 shares of DKK 1.00 nominal value each	250	250
	<u>250</u>	<u>250</u>

Analysis of changes in the share capital over the past 5 years:

DKK'000	2016	2015	2014	2013	2012
Opening balance	250	250	250	250	250
	<u>250</u>	<u>250</u>	<u>250</u>	<u>250</u>	<u>250</u>

9 Long-term liabilities

DKK'000	Group			
	Total debt at 31/12 2016	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Other credit institutions	491,571	60,181	431,390	0
Subordinate loan capital	23,234	0	23,234	0
Other payables	290	0	290	0
	<u>515,095</u>	<u>60,181</u>	<u>454,914</u>	<u>0</u>

10 Contractual obligations and contingencies, etc.

Other contingent liabilities

Group

Obligation relating to purchase of grain, soya and sunflower seeds in Lithuania and Russia is mio. DKK 109.2 (mio. DKK 93,3 in 2015)

Parent company

As management company, the Company is jointly taxed with other Danish group entities. The Company is jointly and severally with other jointly taxed group entities for payment of income taxes and withholding taxes in the group of jointly taxed entities.

IFC (World Bank) has a put option with Idavang A/S and JAST Holding ApS relating to its 200.000 nominal shares in Idavang A/S. The put option can be executed in the period 2016-2020. At the end of 2016 the obligation in relation to the put option is valued at DKK 191,9 m.

Consolidated financial statements and parent company financial statements for
the period 1 January - 31 December

Notes to the financial statements

11 Collateral

Group

For group bank commitments collateral is set in fixed assets, inventories and cash and cash equivalents, with a book value of thousand DKK 889,667.

12 Related parties

Group

Related party transactions

DKK'000	2016	2015
Parent Company Management fee	908	327

Information on the remuneration to management

Information on the remuneration to Management appears from note 2, "Staff costs".

Parent company

Parties exercising control

Related party	Domicile	Basis for control
Toftthøj Agro A/S	Denmark	Shareholder

Ownership

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the share capital:

Name	Domicile
Toftthøj Agro A/S	Denmark
Akset A/S	Denmark
Somerset Holding Limited	Cyprus

DKK'000	Group		Parent company	
	2016	2015	2016	2015
13 Fee to the auditors appointed by the Company in general meeting				
Statutory audit	820	906	25	25
Tax assistance	8	22	8	8
Other assistance	107	70	25	25
	<u>935</u>	<u>998</u>	<u>58</u>	<u>58</u>

Consolidated financial statements and parent company financial statements for
the period 1 January - 31 December

Notes to the financial statements

		Parent company	
DKK'000		2016	2015
14	Appropriation of profit/loss		
	Recommended appropriation of profit		
	Extraordinary dividend distributed in the year	0	41,304
	Retained earnings/accumulated loss	392	416
		<u>392</u>	<u>41,720</u>
		Group	
DKK'000		2016	2015
15	Adjustments		
	Amortisation/depreciation and impairment losses	66,431	71,712
	Provisions	444	-1,836
	Financial income	-20,557	-2,574
	Financial expenses	69,411	64,132
	Tax for the year	4,961	505
	Other adjustments	-247	118
		<u>120,443</u>	<u>132,057</u>
16	Changes in working capital		
	Change in inventories	4,661	-20,194
	Change in receivables	4,951	5,709
	Change in trade and other payables	2,638	-1,129
	Other changes in working capital	-50,442	-2,052
		<u>-38,192</u>	<u>-17,666</u>