JAST Holding ApS

Tofthøjvej 41, 7321 Gadbjerg

CVR no. 33 74 83 29

Annual report 2017

Approved at the Company's annual general meeting on 3 April 2018

Chairman:

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Building a better working world

Contents

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 2017.

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 2017 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 2017.

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, 23 March 2018
Executive Board:

Jytte Rosenmaj

Board of Directors:

Carsten Lund Thomsen Chairman	Jytte Rosenmaj	Ole Bjerremand Hansen
Claus Baltsersen		

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 2017, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and the Parent Company, and a consolidated cash flow statement. 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 2017, and of the results of the Group's and Parent Company's operations as well as the consolidated cash flows for the financial year 1 January - 31 December 2017 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" (herinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

Management's responsibilities for the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 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 financial statements

Our objectives are to obtain reasonable assurance as to whether the 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 the financial statements.

Independent auditor's report

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

- Identify and assess the risks of material misstatement of the 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 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are 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 financial statements, including the note disclosures, and whether the 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.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the 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 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 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.

Independent auditor's report

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

Aarhus, 23 March 2018
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Hans Peter Roug
State Authorised Public Accountant
MNE no.: mne33683

Kim R. Mortensen
State Authorised Public Accountant
MNE no.: mne18513

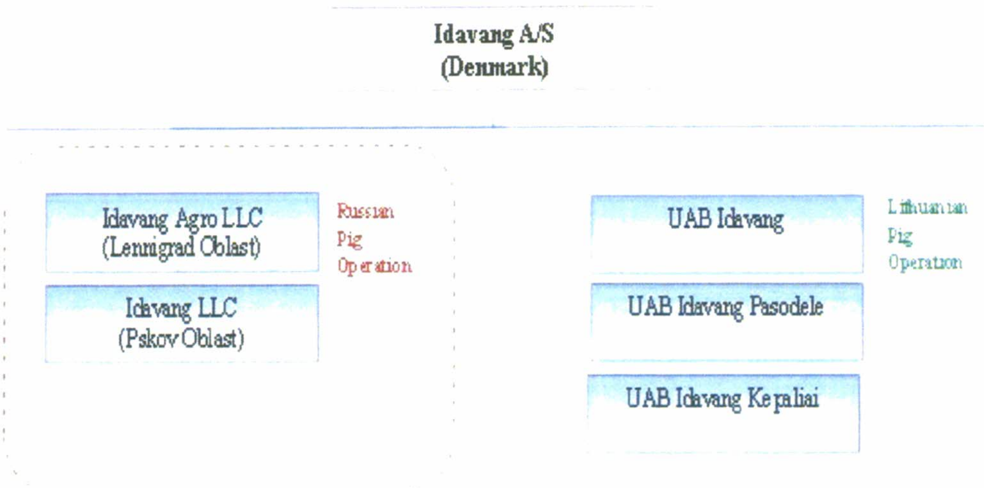
Management's review

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	Carsten Lund Thomsen, Chairman Jytte Rosenmaj Ole Bjerremand Hansen Claus Baltsersen
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

Group chart



JAST Group owns 80% of Idavang Group.

Above group chart only shows operational entities. All group enterprises are owned 100% directly or indirectly by Idavang A/S.

Management's review

Financial highlights for the Group

DKK'000	2017	2016	2015	2014	2013
Key figures					
Revenue	815,935	706,813	680,526	858,427	767,491
Operating profit/loss	89,648	127,380	80,007	206,573	68,669
Net financials	-2,498	-49,155	-61,558	-62,270	-61,109
Profit/loss for the year	73,460	73,264	17,944	142,030	5,261
Total assets	1,475,227	1,368,968	1,235,665	1,315,985	1,614,997
Investment in property, plant and equipment	-48,355	-26,474	-34,425	67,067	129,980
Equity	415,819	487,177	356,300	471,097	535,006
Financial ratios					
Operating margin	11.0%	18.0%	11.8%	24.1 %	8.9 %
Gross margin	32.8%	39.3%	34.1%	45.8%	31.1%
Return on assets	6.3%	9.8%	6.3%	14.1%	4.2%
Current ratio	159.1%	99.9%	66.4%	128.7%	111.3%
Solvency ratio	28.2%	35.6%	28.8%	35.8%	33.1%
Return on equity	16.3%	17.4%	4.3%	28.2%	0.9%
Average number of employees	809	787	767	871	831

For terms and definitions of Financial ratios, 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 2013 and 2014 have not been changed.

Management's review

Business review

Revenue for JAST Holding ApS group was DKK 816m in 2017 against DKK 706m in 2016. EBITDA was DKK 156m against DKK 194m (at fixed herd prices it was DKK 198.7m against 2016 of DKK 148.9m) and profit after tax was DKK 74m against DKK 73m in 2016.

The year started strong, but last quarter of 2017 demand started decreasing and especially December ended weak. The results for FY2017 live up to expectations (at fixed herd prices). The market shift was driven by USD getting weaker and demand from China being reduced. The sales prices in Russia and Lithuania decreased significant during last quarter and especially December, hence the value adjustment of the herd had extremely negative size in 2017. If the weaker USD and lower current demand from China continue during 2018 we expect to generate a lower EBITDA at fixed herd prices.

Our field activities had a poor harvest in 2017 due to bad weather conditions, but the effect of improved feed conversion within production made during 2017 compensated for this.

The Group invested DKK 48,4m in 2017, which is significantly less than depreciation of DKK 58m.

In December, Idavang A/S issued bonds of DKK 632.8m to secure funding to JAST Holding ApS to repurchase shares from IFC if needed (during the put period of 2016-2020), hence DKK 186m has been put on an escrow account as part of the proceeds. The remaining proceeds were used for an extraordinary dividend payment of DKK 156.3m in December 2017 and to re-finance existing debt.

In 2017, net interest-bearing debt (NIBD) increased by DKK 46.1m but is still lower than 2015. The development of NIBD was negatively influenced by dividend payment DKK 156.3m and bond cost of DKK 7.4m. The strong free cash flow from operations and devaluation of EURRUB exchange rate by EUR 1.0m, compensated most of the dividend payment.

Core activity

Idavang's core activity is the production and sale of high-quality slaughter pigs and weaners in Russia and Lithuania.
Idavang specialises in both brown field and green field pig production projects in Lithuania and Russia. We acquire and invest along with International Finance Corporation (part of World Bank Group) in larger production sites. We refurbish the facilities and renew the technology and knowhow with the companies well-developed production solutions.
Production sites are within a reasonable geographic area to enhance synergies.

Management's review

Historical development

1999 Idavang A/S started operating the first farm Salnaiciai (Lithuania) with an initial investment of EUR 800 thousand.

1999-2002 Rupinskai farm was acquired; in total, 3,000 sows were held.

2003-2006 Musa, Sajas and Kalvarija farms were acquired, and the production volume exceeded 11 kMT by 2005.

Idavang paired off with IØ Fund (Danish Government) in Lithuanian operations from 2001-2005.

2007-2010 Skabeikiai, Lekeciai and Pasodele farms were bought, bringing sows in operation up to 19,000.

2009-2011 Activities were expanded to Russia as Farm Idavang Ostrov was acquired where the construction of a green field farm began in 2011 and Farm Vostochny was acquired (mid-2008). Farm Vostochny totals 6,600 sows. Furthermore, in 2011 the International Finance Corporation (part of World Bank Group) became an Idavang A/S shareholder and Joniskis, Seduva and Sesupe farms were acquired in Lithuania.

2012-13 Russian expansion continued. Farm Ostrov went into operation, and field operations increased significantly.

2014-16 Construction of eight biogas sites in Lithuania in cooperation with Modus Energy and establishment of contracting in Poland. Also, in 2014 a small farm in Ramygala was acquired, which Idavang Lithuania started to use as a boars station in 2015.

2017 Idavang Group issues re-finance using a DKK 632m bond

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 prevents dependency on Russian farmers. The extended control of the value chain also utilises synergies and reduces the risk of fluctuations in grain prices. Farmland is added to the value chain due to the low cost of land.

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.

Management's review

Financial review

Revenue

Revenue increased from DKK 708m to DKK 815,9m (+15%). The increase of DKK 107,9m was mainly driven by the higher average sales price for slaughterpigs of DKK 75,2m.

Herd value adjustment

In 2017, the fair value adjustment for commercial herd comprised DKK -37.2m and was caused by decrease in meat prices in both Lithuania and Russia, hence it relates to commercial herd and breeding herd is slightly positive.

Cost of raw materials and comsumables

Costs of raw materials and consumables have increased by DKK 116m which is primarily due to a positive effect of fair value adjustment of the heard.

Subsidies

The Government level of direct subsidies for meat and grain (excluding interest subsidies) is unchanged DKK 0.7m (2017: DKK 0.7m).
Main subsidy received is interest subsidies for agriculture loans in Russia which amounted to DKK 12.7m (2016: DKK 9.6m).

Investments

In 2017, Idavang's investments totalled DKK 47,6m (DKK 26.7m in 2016).
Investments in Russia, DKK 37.2m (DKK 23m in 2016) relates to new equipment for fields of DKK 11.6m among other 3 new tractors. The remaining DKK 26m is partly maintenance investments (e.g. upgrade of feeding system), cost saving projects (e.g. replacement of lights with LED) and finalization of existing sites.
Investments in Lithuania were DKK 10.4m (DKK 3.7m in 2016). The largest single investment relates to replacement of lights to LED of DKK 1.4m. Remaining are misc. minor investments.

Follow-up on expressed expectations

Meat prices

- EU/Lithuania average prices were expected to be higher than 2016. The price level was in average 8% higher than 2016 and surpassed our expectations. This was driven by a high level of export, mainly to Asia.
- Russia average prices surpassed expectation with a price level 15% higher than 2016, as global pork market was driven up by Asia.

Feed price turned out as expected, being at the same level as 2016 (actual feed price was 2.1% higher).

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

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 a 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 approx. 5-7% 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).

Management's review

Russian, EU and global economic conditions

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 effect, but the effects might be lower as regional markets have 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 2017, the RUB has fluctuated less than previous years against the EUR. The total effect for 2017 was a 8% devaluation EUR/RUB, which among others affected equity negatively by DKK 22.3m, as all Russian tangible assets are measured in RUB.

Audit Committee

The Board of Directors has set up an Audit Committee in Idavang A/S 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.

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

This is a high focus area since every time an accident happens an e-mail is sent to all users, so that we can learn from the case. The accident report include all details example being "During vaccination of a pig, the pig climbed on the left foot of an employee" and is followed by pictures, experience of the employee, etc. During 2017, the number of accident increased from 13 (2016) to 16 (2017).

Management's review

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 Group 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.

Management's review

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.

Illustration of our commitment to environmental and it's synergies with financial result can best be illustrated by examples.

Biogas, where we use our efforts together with a business partner (Modus Energy) we have established biogas plants with the aim to improve environmental targets. In 2016, we managed to become net supplier of energy, and as you can see in table below are we increasing the net supply in 2017.

Slurry optimization in Lithuania is another area of focus (to sell more slurry as valuable fertilizer), as it is good for environment and provides profits. We are determined to increase these synergies both support both environment, but at the same time improve company profits.

Therefore the development is easiest illustrated by what farmers are paying for the slurry where we increased from 2,643 kDKK (2016) to 4,452 kDKK (2017). Before 2016 we received straw (used in our straw boilers as payment) hence it is difficult to see a lower development than from 2016. Straw boilers as source of heat on our Lithuanian farms is another example of focus on environment.

Climate Issue

The focus on climate 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.

Management's review

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.

Idavang has not identified any cases of corruption in 2017.

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 2017) is represented by 6 individuals. One of whom is female, which leaves the gender representation unchanged compared to 2016.

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. In 2017, no external process for new board members was made, hence no change. Target is for 2019 (similar to last year) as the board is considering changing one board member during 2018, and in this process, the selection process will have focus on the diversity and gender representation on the board.

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. Idavang Group CSR and HR policies therefore prohibits the hiring of children under the age of 18.
Other examples are that 8 employees who have a disability are working at Idavang, but also that all temporary workers have the same employment benefits as permanent workers.
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 complements the information provided in this annual report.

Management's review

Events after the balance sheet date

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

Outlook

Regarding 2018, the Company has expectations to a lower EBITDA at fixed herd prices compared to 2017, due to meat prices:

Meat prices - assumptions below are made due to continuation of the current weak USD and current low demand from China continue during 2018

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

Feed prices

- Feed price is expected to be at the same level as in 2017.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Income statement

		Group		Parent company	
Note	DKK'000	2017	2016	2017	2016
2	**Revenue**	815,935	706,813	1,500	558
	Other operating income	11,737	10,208	0	0
	Raw materials and consumables	-545,563	-429,602	0	0
	Other external expenses	-14,396	-9,854	-214	-55
	Gross margin	267,713	277,565	1,286	503
3	Staff costs	-103,104	-83,630	0	0
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-66,830	-66,416	0	0
	Other operating expenses	-8,131	-139	-5,676	0
	Profit/loss before net financials	89,648	127,380	-4,390	503
	Income from investments in group entities	0	0	124,975	0
4	Financial income	44,597	20,256	0	0
5	Financial expenses	-47,095	-69,411	-4	0
	Profit before tax	87,150	78,225	120,581	503
6	Tax for the year	-13,690	-4,961	78	-111
	Profit for the year	73,460	73,264	120,659	392

Consolidated financial statements and parent company financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	Group 2017	Group 2016	Parent company 2017	Parent company 2016
	ASSETS				
	Fixed assets				
7	**Intangible assets**				
	Acquired intangible assets	1,656	2,059	0	0
	Goodwill	140,441	149,226	0	0
		142,097	151,285	0	0
8	**Property, plant and equipment**				
	Land and buildings	525,273	565,893	0	0
	Biological assets	105,978	101,517	0	0
	Plant and machinery	99,434	107,412	0	0
	Other fixtures and fittings, tools and equipment	9,060	9,151	0	0
	Property, plant and equipment in progress	26,065	16,565	0	0
		765,810	800,538	0	0
9	**Investments**				
	Investments in group entities, net asset value	0	0	500,000	500,000
		0	0	500,000	500,000
	Total fixed assets	907,907	951,823	500,000	500,000
	Non-fixed assets				
	Inventories				
	Raw materials and consumables	68,357	79,399	0	0
	Work in progress	171,482	224,207	0	0
		239,839	303,606	0	0
	Receivables				
	Trade receivables	15,301	15,116	0	0
10,15	Deferred tax assets	5,658	5,689	0	33
	Other receivables	10,658	3,500	0	0
11	Prepayments	16,680	4,354	0	0
		48,297	28,659	0	33
12	**Cash**	279,184	84,880	370	1,261
	Total non-fixed assets	567,320	417,145	370	1,294
	TOTAL ASSETS	1,475,227	1,368,968	500,370	501,294

Consolidated financial statements and parent company financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	Group 2017	Group 2016	Parent company 2017	Parent company 2016
	EQUITY AND LIABILITIES				
	Equity				
13	Share capital	250	250	250	250
	Retained earnings	415,569	486,927	500,113	500,779
	Total equity	415,819	487,177	500,363	501,029
	Provisions				
15	Deferred tax	15,433	6,252	0	0
	Other provisions	1,000	3,215	0	0
16	**Total provisions**	16,433	9,467	0	0
	Liabilities other than provisions				
14	**Non-current liabilities other than provisions**				
	Other debt raised by the issuance of bonds	595,592	0	0	0
	Other credit institutions	90,437	431,390	0	0
	Subordinate loan capital	0	23,234	0	0
	Other payables	290	290	0	0
		686,319	454,914	0	0
	Current liabilities other than provisions				
14	Current portion of long-term liabilities	19,190	60,181	0	0
	Other credit institutions	245,708	267,193	0	0
	Trade payables	55,137	62,654	0	0
	Income taxes payable	3,495	765	0	111
	Other payables	16,593	10,822	7	154
	Deferred income	16,533	15,795	0	0
		356,656	417,410	7	265
	Total liabilities other than provisions	1,042,975	872,324	7	265
	TOTAL EQUITY AND LIABILITIES	1,475,227	1,368,968	500,370	501,294

1 Accounting policies
17 Contractual obligations and contingencies, etc.
18 Collateral
19 Related parties
20 Fee to the auditors appointed by the Company in general meeting

Consolidated financial statements and parent company financial statements 1 January - 31 December

Statement of changes in equity

DKK'000	Group		
	Share capital	Retained earnings	Total
Equity at 1 January 2016	250	356,050	356,300
Adjusted 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 1 January 2017	250	486,927	487,177
Transfer through appropriation of profit	0	73,460	73,460
Exchange adjustment	0	-23,493	-23,493
Dividend	0	-121,325	-121,325
Equity at 31 December 2017	250	415,569	415,819

Note	DKK'000	Parent company		
		Share capital	Retained earnings	Total
	Equity at 1 January 2016	250	500,387	500,637
21	Transfer, see "Appropriation of profit"	0	392	392
	Equity at 1 January 2017	250	500,779	501,029
21	Transfer, see "Appropriation of profit"	0	120,659	120,659
	Dividend	0	-121,325	-121,325
	Equity at 31 December 2017	250	500,113	500,363

Consolidated financial statements and parent company financial statements 1 January - 31 December

Cash flow statement

		Group	
Note	DKK'000	2017	2016
	Profit for the year	73,460	73,264
22	Adjustments	79,376	120,443
	Cash generated from operations (operating activities)	152,836	193,707
23	Changes in working capital	24,586	-38,192
	Cash generated from operations (operating activities)	177,422	155,515
	Interest received, etc.	3,283	2,617
	Interest paid, etc.	-68,716	-48,167
	Income taxes paid	-1,909	-1,167
	Cash flows from operating activities	110,080	108,798
	Additions of intangible assets	-127	-164
	Additions of property, plant and equipment	-48,355	-26,474
	Disposals of property, plant and equipment	2,166	4,944
	Cash flows to investing activities	-46,316	-21,694
	Dividends paid	-121,693	0
	Proceeds of debt to credit institutions	663,787	77,050
	Repayments, debt to credit institutions	-406,454	-162,665
	reserved cash on escrow account	-186,100	0
	Cash flows from financing activities	-50,460	-85,615
	Net cash flow	13,304	1,489
	Cash and cash equivalents at 1 January	84,880	74,068
	Foreign exchange adjustments	-5,100	9,323
24	**Cash and cash equivalents at 31 December**	93,084	84,880

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of JAST Holding ApS for 2017 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Consolidated financial statements

Preparation of consolidated financial statements

The consolidated financial statements are 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 if they do not reflect impairment.

In the consolidated financial statements, the accounting items of subsidiaries are recognised in full. Non-controlling interests' share of the profit/loss for the year and of the equity of subsidiaries which are not wholly-owned are included in the group's profit/loss and equity, respectively, but are disclosed separately.

Acquisitions and disposals of non-controlling interests which are still controlled are recognised directly in equity as a transaction between shareholders.

Investments in associates and joint ventures are recognised in the consolidated financial statements using the equity method.

The group's activities in joint operations are recognised on a line-by-line basis.

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 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 fixed 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 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 subsidiaries

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 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 finansiel 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 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 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, obsoleteness and development in expected sales price.

The taxonomy has been adapted to match danish standards. In the balancesheet slaugter herd is catagorized as work in progress. Slaugter herds are biological assets, where there is a continuos 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 valu 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 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 financiel 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 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.

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

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

2 **Segment information**

Total group revenue of DKK 816m can be divided into the following segments:

Lithuania : Dkk 455 m

Russia: DKK 361m

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

	DKK'000	Group 2017	Group 2016	Parent company 2017	Parent company 2016
3	**Staff costs**				
	Wages/salaries	83,643	64,382	0	0
	Other social security costs	20,042	14,973	0	0
	Other staff costs	908	5,323	0	0
	Staff costs transfered to the cost of fixed assets	-1,489	-1,048	0	0
		103,104	83,630	0	0
	Average number of full-time employees	809	787	0	0

Remuneration to members of management:

DKK'000	Group 2017	Group 2016	Parent company 2017	Parent company 2016
Executive board	1,057	1,115	0	0
	1,057	1,115	0	0

		Group 2017	Group 2016	Parent company 2017	Parent company 2016
4	**Financial income**				
	Amortisation of put-option	41,432	0	0	0
	Other financial income	3,165	20,256	0	0
		44,597	20,256	0	0
5	**Financial expenses**				
	Amortisation of put-option	0	21,100	0	0
	Other financial expenses	47,095	48,311	4	0
		47,095	69,411	4	0

	DKK'000	Group 2017	Group 2016	Parent company 2017	Parent company 2016
6	**Tax for the year**				
	Estimated tax charge for the year	22,774	8,173	-78	111
	Deferred tax adjustments in the year	-9,169	-3,293	0	0
	Tax adjustments, prior years	85	81	0	0
		13,690	4,961	-78	111

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

7 Intangible assets

DKK'000	Group		
	Acquired intangible assets	Goodwill	Total
Cost at 1 January 2017	4,256	213,731	217,987
Exchange adjustment	-282	0	-282
Additions in the year	171	0	171
Disposals in the year	-45	0	-45
Cost at 31 December 2017	4,100	213,731	217,831
Impairment losses and amortisation at 1 January 2017	2,197	64,505	66,702
Exchange adjustment	-103	0	-103
Amortisation/depreciation in the year	350	8,785	9,135
Impairment losses and amortisation at 31 December 2017	2,444	73,290	75,734
Carrying amount at 31 December 2017	1,656	140,441	142,097

8 Property, plant and equipment

DKK'000	Group					
	Land and buildings	Biological assets	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress	Total
Cost at 1 January 2017	762,792	111,550	261,036	26,853	16,565	1,178,796
Exchange adjustment	-25,890	-3,453	-11,409	-260	-1,757	-42,769
Additions in the year	4,087	26,407	16,007	2,077	24,978	73,556
Disposals in the year	0	-40,545	-2,308	-1,199	-134	-44,186
Transfer from other accounts	6,224	15,344	7,363	0	-13,587	15,344
Cost at 31 December 2017	747,213	109,303	270,689	27,471	26,065	1,180,741
Impairment losses and depreciation at 1 January 2017	196,899	10,033	153,624	17,702	0	378,258
Exchange adjustment	-5,528	0	-5,783	-288	0	-11,599
Amortisation/depreciation in the year	30,569	-6,708	25,208	1,913	0	50,982
Amortisation/depreciation and impairment of disposals in the year	0	0	-1,794	-916	0	-2,710
Impairment losses and depreciation at 31 December 2017	221,940	3,325	171,255	18,411	0	414,931
Carrying amount at 31 December 2017	525,273	105,978	99,434	9,060	26,065	765,810
Property, plant and equipment include finance leases with a carrying amount totalling	0	0	7,554	0	0	7,554

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

9 Investments

Group

Name	Domicile	Interest
Subsidiaries		
UAB Idavang	Litauen	80.00%
UAB Idavang Pasodele	Litauen	80.00%
UAB Idavang Kepaliai	Litauen	80.00%
Pskov Invest ApS	Danmark	80.00%
Rus Invest ApS	Danmark	80.00%
Idavang A/S	Danmark	80.00%
Idavang Russia A/S	Danmark	80.00%
Rurik A/S	Danmark	80.00%
Idavang LLC	Rusland	80.00%
Idavang Agro LLC	Rusland	80.00%
Nordrik Invest LLC	Rusland	80.00%
Idavang Luga LLC	Rusland	80.00%
Rurik Russia LLC	Rusland	80.00%
MPK-Vostochny LLC	Rusland	80.00%
Sovhoz Vostochny LLC	Rusland	80.00%
Idavang Invest LLC	Rusland	80.00%

	Parent company
DKK'000	Investments in group entities, net asset value
Cost at 1 January 2017	500,000
Additions in the year	0
Disposals in the year	0
Cost at 31 December 2017	500,000
Carrying amount at 31 December 2017	500,000

10 Deferred tax assets

Parent company

The parent company has expensed the deferred tax asset in 2017.

11 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 2017.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

12 Cash

From the total group cash amount of DKK 279m DKK 186m is a cash deposit on escrow account in order for JAST Holding ApS to manage the put option from IFC if IFC want to utilize it.

DKK'000	Parent company 2017	Parent company 2016
13 Share capital		
Analysis of the share capital:		
250,000 shares of DKK 1.00 nominal value each	250	250
	250	250

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

DKK'000	2017	2016	2015	2014	2013
Opening balance	250	250	250	250	250
	250	250	250	250	250

14 Non-current liabilities other than provisions

DKK'000	Group: Total debt at 31/12 2017	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Other debt raised by the issuance of bonds	595,592	0	595,592	0
Other credit institutions	109,627	19,190	90,437	0
Other payables	290	0	290	0
	705,509	19,190	686,319	0

DKK'000	Group 2017	Group 2016	Parent company 2017	Parent company 2016
15 Deferred tax				
Deferred tax relates to:				
Property, plant and equipment	15,262	6,538	0	0
Receivables	171	-52	0	0
Tax loss	-5,658	-5,923	0	-33
	9,775	563	0	-33
Analysis of the deferred tax				
Deferred tax assets	-5,658	-5,689	0	-33
Deferred tax liabililties	15,433	6,252	0	0
	9,775	563	0	-33

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

16 Provisions

Group

The provision for deferred tax primarily relates to timing differences in respect of intangible assets and property, plant and equipment.

Parent company

The provision for deferred tax primarily relates to timing differences in respect of intangible assets and property, plant and equipment.

17 Contractual obligations and contingencies, etc.

Other contingent liabilities

Group

Obligation relating to purchase of grain, soya and sunflower seeds in Lituania and Russia amounts to DKK 102,7 mio. (DKK 109,2 mio. in 2016)

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 2017, the obligation in relation to the put option is valued at DKK 119 m.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

18 Collateral

Group

The JAST and Idavang Group is party of an intercreditor agreement with Jyske Bank and Nordic Trustee. Under this agreement, the following assets are held collateral:
Bank deposits with a book value of DKK 186,078 thousand as of 31 December 2017
Receivables from group entities, Idavang Agro LLC (Russia) DKK 148,101 thousand
Shares in:
-Idavang A/S
-Rus Invest ApS (Denmark)
-Rurik A/S (Denmark)
-Pskov Invest ApS (Denmark)
-Idavang Russia A/S (Denmark)
-UAB Idavang (Lithuania)
-UAB Idavang Pasodele (Lithuania)
-UAB Idavang Kapaliai (Lithuania)
-Idavang Agro LLC (Russia)
-Idavang Luga LLC (Russia)

In addition, the following companies in the JAST and Idavang group participate in a cross guarantee regarding the above agreement:
-Idavang A/S
-Rus Invest ApS (Denmark)
-Rurik A/S (Denmark)
-Pskov Invest ApS (Denmark)
-Idavang Russia A/S (Denmark)
-UAB Idavang (Lithuania)
-UAB Idavang Pasodele (Lithuania)
-UAB Idavang Kapaliai (Lithuania)

The above mentioned securities have been provided as collaterals for bank mortgages of DKK 595,592 thousand at 31 December 2017.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

19 Related parties

Group

Related party transactions

DKK'000	2017	2016
Group		
Dividende (income) received from Idavang A/S	124,975	0
Parent Company		
Management fee (income)	1,500	908
Dividende paid to shareholders	121,325	0

All transactions with related parties are carried out on an arm's length basis.

Information on the remuneration to management

Information on the remuneration to Management appears from note 3, "Staff costs".

Parent company

Parties exercising control

Related party	Domicile	Basis for control
Tofthøj Agro A/S	Denmark	Shareholder Participating interest

Ownership

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

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

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

DKK'000	Group 2017	Group 2016	Parent company 2017	Parent company 2016
20 Fee to the auditors appointed by the Company in general meeting				
Statutory audit	822	820	25	25
Tax assistance	8	8	8	8
Other assistance	25	107	25	25
	855	935	58	58

DKK'000	Parent company 2017	Parent company 2016
21 Appropriation of profit		
Recommended appropriation of profit		
Retained earnings	120,659	392
	120,659	392

DKK'000	Group 2017	Group 2016
22 Adjustments		
Amortisation/depreciation and impairment losses	66,830	66,431
Provisions	-2,620	444
Financial income	-3,166	-20,557
Financial expenses	4,664	69,411
Tax for the year	13,690	4,961
Other adjustments	-22	-247
	79,376	120,443
23 Changes in working capital		
Change in inventories	6,537	4,661
Change in receivables	-20,034	4,951
Change in trade and other payables	791	2,638
Other changes in working capital	37,292	-50,442
	24,586	-38,192

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

DKK'000	Group 2017	Group 2016
24 Cash and cash equivalents at year-end		
Cash according to the balance sheet	279,184	84,880
Securities included as cash and cash equivalents	-186,100	0
	93,084	84,880