

28 August 2024

FirstFarms A/S' interim financial report 1 January – 30 June 2024

Low crop prices and limited rainfall affects the expectations for 2024

For first half year, FirstFarms maintains EBITDA and increases turnover by 8% after a good half-year in animal production. However, crop and pig production affect the overall expectation to earnings. FirstFarms therefore adjusts the announced expectations downwards by 20 mDKK for the year. The downward adjustment has no impact on FirstFarms' long-term goals for growth. FirstFarms has a strong financial foundation and liquidity readiness.

The Board of Directors and Management of FirstFarms A/S have today reviewed and adopted the unaudited interim financial accounts for the period 1 January – 30 June 2024.

Key figures H1 2024

FirstFarms has in the accounting period realised:

- A turnover of 220 mDKK (2023: 203 mDKK)
- An EBITDA of 65 mDKK (2023: 67 mDKK)
- An EBIT of 35 mDKK (2023: 42 mDKK)
- A result before tax of 18 mDKK (2023: 39 mDKK)

The increase in turnover of 8% compared to the same period last year is primarily due to increased sales of piglets from the newly built productions in Hungary.

FirstFarms' strategic business model with focus on efficiency in production, circularity, ownership of land as well as risk spreading across branches of operation and geography means that the company deliver an acceptable EBITDA. However, earnings before tax are lower than last year, primarily as a result of a high level of interest and inflation, which increases the costs. It is positive that we in 2024 have irrigation on 1,300 hectares in Romania, which ensures stable crops going forward, FirstFarms expects to expand the areas under irrigation in the future.

The level of interest rate and financial costs are as expected. We expect a decreasing interest level going forward.

"I am satisfied, that we in H1 succeed in maintaining an acceptable EBITDA and increasing turnover despite low prices and limited rainfall in the crop production, but of course it is unfortunate that it affects our expectations for 2024 " says CEO Anders H. Nørgaard.

Good stable milk prices and half year in the pig production

Efficiency and productivity are at a high level, contributing to a production increase in the milk production of 4% compared to same period last year.

The price of milk is high and has been increasing in 2024 but is however not at the level of H1 2023.

The market prices for piglets and slaughter pigs are at a good level in H1. Pig prices have decreased since 1 July this year but are still at an acceptable level. The prices at the end of the year are expected to be at the current level.

The turnover of piglets and slaughter pigs has increased in H1 2024 by 25 mDKK compared to the same period last year. The increase in turnover is due to FirstFarms' two new pig productions in Hungary.

Crops challenged in Europe

The crop production is still challenged by low prices compared to realised prices in 2023, this negatively affect earnings. However, we expect slightly increasing prices going forward. FirstFarms sells net 65 percent of the crop production. The remaining 35 percent is used for feed for own animals.

The harvest is not over yet but is characterised by geographical fluctuations in yield and quality, primarily as a result of limited rainfall. This affects the result significantly on several operating units.

The land portfolio has become larger

During the period, FirstFarms has expanded its land portfolio by 325 hectares divided between acquisitions in Romania and Slovakia. The company operates a total of 17,000 hectares of land. We consider agricultural land as an inflation proof real asset, and the company's agricultural land makes up a quarter of the balance sheet total.

Focus on sustainability

The journey towards an increasingly sustainable company continues with the reduction of emissions and preparation for CSRD and the EU taxonomy legislation, as well as a focus on implementing the right digital tools.

Expectations to 2024

FirstFarms adjusts the announced expectations downwards by 20 mDKK for the year to an EBITDA in the level of 90 - 120 mDKK and an EBIT of 30 - 60 mDKK compared to a realised EBITDA of 101 mDKK and an EBIT of 50 mDKK in 2023. We expect increasing crop prices for the rest of 2024, pig and milk prices on current level. Pig prices and crop prices have in Q3, 2024 decreased and at the same time heat and limited rainfall has negatively affected the harvest in process.

Announced expectations 2024

mDKK	EBITDA	EBIT
28 August 2024 (company announcement no. 10)	90-120	30-60
21 March 2024 (company announcement no.5)	110-140	50-80

"Our focus on circularity and risk spreading is the strategic model that ensures that we deliver results year after year - even when having a hard time. It will also be the model that will help us achieve our long-term goals," says Anders N. Nørgaard.

FirstFarms' long-term goal is to increase the Group's annual turnover to 750 mDKK and EBITDA to at least 240 mDKK in 2028.

Best regards,
FirstFarms A/S

For further information:

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About FirstFarms:

FirstFarms is a Danish stock exchange listed company. We operate FirstFarms with responsibility for the surrounding communities, and we deliver highest quality which is primarily sold locally. We act on new opportunities, that create value for our investors and for the surroundings. Every day, we work on creating a more sustainable company.