

23 November 2022

FirstFarms A/S' interim financial report 1 January – 30 September 2022

High settlement prices ensure good interim result

FirstFarms A/S has realised improved results on all significant financial parameters in the first three quarters of 2022. High efficiency and productivity in all branches of operation and good settlement prices on crops and milk are the foundation for the interim result, which is considered satisfactory.

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 September 2022.

FirstFarms has in the accounting period realised:

- A net turnover of 291 mDKK compared to 248 in the same period last year
- An EBITDA of 121 mDKK compared to 74 mDKK in the same period last year
- An EBIT of 89 mDKK compared to 44 mDKK in the same period last year
- A pre-tax result of 77 mDKK compared to 24 mDKK in the same period last year

“It is a good result delivered in a turbulent time with unpredictable market conditions and many challenges, over which we have no control. But we can control how we run our business, and we have done that with high efficiency and high productivity in our branches of operation and with control on the value chain, which together with high prices for milk and crops, are the primary reasons for the good interim result. I am happy and proud that we will probably deliver another record result, when the year is over,” says CEO Anders H. Nørgaard.

Positive operation

2022 has been favoured by high milk prices and at the same time the efficiency in the milk production is at a very satisfactory level. The yield per cow is still improving - although more slowly than the first half of 2022. Production is 10% higher compared to the same period last year. It is expected that the high price of milk will last the rest of the year.

The settlement prices for crops are still historically high. The crop production is however characterised by large fluctuations, both in prices, quality and in yield geographically

The harvest has been negatively affected by extreme weather conditions such as severe drought in Romania. However, the high prices for crops continue to partially compensate for the lower harvest yield.

The pig prices are still too low compared to the cost level, but a high level of efficiency and productivity means that it has been possible to maintain a satisfactory result in the operating branch year to date. The world market for pigs is characterised by great uncertainty and continues to be affected by ASF in Germany and China.

“We are constantly working on optimising the efficiency of the pig production and the circular operation with a view to continued reasonable earnings from our pigs. The consumption of pork has been decreasing in several countries and high production costs have contributed to creating the concern in the market. However, it is positive for us, that we produce in countries, where we have a high competitiveness in a European perspective, because the countries we produce in have a low degree of self-sufficiency, which means that they need our products,” says Anders H. Nørgaard.

High activity in Q3

In the third quarter, FirstFarms has among other things completed the acquisition of the company Try-Béta Kft. in Hungary, which will be central to the circular operation. The crops will be used as feed in the nearby pig production and the natural fertiliser will be spread at the Try-Béta fields. FirstFarms has also purchased shares in Agri Invest A/S, who owns and operates 10,000 hectares of land in Romania and taken into use a newly built silo facility in Slovakia. FirstFarms has furthermore initiated a large and ongoing investment in green energy production. Initially with a view to becoming as energy independent as possible in relation to external factors.

Strengthening of the capital

On 30 September 2022, 24 bond owners chose to convert bonds for a total of 66 mDKK to FirstFarms shares. The Equity is now 665 mDKK corresponding to a solvency ratio of 51 %. This is a major strengthening of the capital and an underlining of the company's robust and healthy financial foundation, which must ensure resilience in difficult times and securing future growth and the necessary investments.

"The difficult market conditions and the external threats are not expected to diminish in the near future – on the contrary – but we are prepared to navigate in trouble waters, and we continue to invest, develop and grown our company, just as we continue the development towards a more sustainable," concludes Anders H. Nørgaard.

FirstFarms maintains the announced 2022-expectations of an EBITDA of 110-140 mDKK and an EBIT of 65-95 mDKK as stated in company announcement no. 22/2022, which means that the company still expects, that the 2022-result to be the best in the company's history.

Best regards,
FirstFarms A/S

For further information:

Please visit our website www.firstfarms.com or contact CEO Anders H. Nørgaard on phone +45 75 86 87 87.

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.