

29 November 2023

## **FirstFarms A/S' interim financial report 1 January – 30 September 2023**

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### **FirstFarms delivers satisfactory in challenging market**

*FirstFarms generates reasonable results despite high inflation on costs and great pressure on sales prices. Turnover increase of 19% and announced expectations for the year are maintained.*

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 2023.

FirstFarms has in the accounting period realised:

- Net turnover: 345 mDKK (2022: 291 mDKK)
- EBITDA: 79 mDKK (2022: 121 mDKK)
- EBIT: 42 mDKK (2022: 89 mDKK)
- Pre-tax result: 28 mDKK (2022: 77 mDKK)

Production and result generation are satisfactory based on the challenging conditions FirstFarms has operated under during the first three quarters of the year. The result is achieved as a result of a stable, efficient, circular operation and the risk diversification, which is an important and positive characteristic of the Group.

Thus, FirstFarms A/S maintains the announced expectations for 2023. However, with an EBITDA in the lower end of the level of 90-120 mDKK and an EBIT correspondingly in the lower end of the level of 45-75 mDKK.

CEO Anders H. Nørgaard says:

"We are happy to be able to maintain the expectations for the year's result, even though we are in the lower part of the range. Our efficiency and production are stable and when one branch of operation fails as a result of low sales prices or as a result of regional weather conditions, we skillfully compensate in branches of operation. As predicted, 2023 has been a difficult year to operate in and compared to recent record years, 2023 may also appear as a bad year - that's not how we experience it. We are on the contrary happy and proud that we can create the results we do under such difficult conditions."

#### **The prices have stabilised**

The general cost level has been higher in the period compared to the same period last year, and as expected the higher prices of pigs and crops began to decrease in the first half of the year. However, the price decrease has been larger than expected but has now stabilised. For the pigs at an acceptable level. For the crops at too low a level. However, the crops from 2023 have been sold at higher prices than the current market prices. The milk prices are at a reasonably high level.

In addition to the stable operations, added value on agricultural land and buildings provides protection against inflation. There are net over 200 mDKK off-the-books reserves on the land, which can be added to the value of FirstFarms.

**Growth in the pig production**

The Group's two new pig production facilities in Hungary are in full production with a capacity for 2,000 sows and piglets. The first piglets will be delivered in Q4, 2023. The start-up costs for 2023 amount to 10 mDKK, which affects the year's result negatively.

**Milk price is stable**

In the first three quarters, milk production has been at the same level as the same period in 2022. The milk price has stabilised at a reasonably high level (DKK 3.16/kg) and has year to date been DKK 3.56/kg on average against 3.23 DKK/kg in 2022. In total, this has resulted in a turnover from milk production of 91 mDKK in 2023 against 83 mDKK in 2022.

**Decreasing crop prices are not fully reflected**

The input costs of crop production have increased, and the price of crops has dropped more than expected compared to 2022, which saw historically high crop prices. However, it has been possible to sell crops at prices that are higher than the current market price, and therefore the current market prices do not fully reflect on the outcome.

Best regards,  
**FirstFarms A/S**

**For further information:**

Please visit our website [www.firstfarms.com](http://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.*